

**MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS OF
THE EL PASO COUNTY HOUSING AUTHORITY**

The Board of Commissioners of the El Paso County Housing Authority (the “Authority”) met on January 9, 2019, at 12:30 p.m., at Nine East Vermijo Avenue, in the City of Colorado Springs, County of El Paso, Colorado.

Members of the Authority were present as follows:

Jack Beuse
Martie Stott
Laurel Wright
Steve Posey

Members Absent:
Henry Yankowski

Also present were:

Crystal LaTier, El Paso County Housing Authority Executive Director
Nikki Simmons, El Paso County Controller
John Bales, Kutak Rock

Commissioner Beuse called the meeting to order at 12:03 p.m.

In order to accommodate the El Paso County Controller’s schedule, Nikki Simmons, item VII- Financial Items was reviewed as the first item of business:

I. Financial Items

A. Financial Reports

Ms. Simmons provided the Authority with a Statement of Net Position and Statement of Revenues & Expenditures as of November 30, 2018. The data reflects an increase to total income by more than 1,415% over the previous year due in part to the Authority reducing its Housing Trust Fund bad debt allowance from 15% to 10%. The Turnkey program also experienced a nearly 88% decrease in net profit to the Authority in comparison to 2017.

B. Housing Trust Fund Commitments

As of December 31, 2018, the Authority’s Housing Trust Fund cumulative balance is approximately \$5,514,322 with outstanding commitments of \$723,831 leaving an available balance of \$3,089,691 for future funding requests if a \$1.8M corpus is maintained.

B. Report of Expenditures/Outstanding Payables

Expenditures consisted of \$2,446.52 to Tri-Lakes Cares for Rental Assistance; \$1,538.77 to Brother’s Redevelopment for Housing Counseling; \$20.00 to City of Colorado Springs for Commissioner Stott’s parking ticket incurred during the December 2018 Board meeting; \$10.00 to Land Title Guarantee for the Authority’s Partnership Investment in Freedom Springs LLC; \$28.00 to El Paso County Public Trustee for a Deed of Trust Release fee for 514 Quebec Cir loan payoff; and \$2.88 to Melanie Brown for excess loan payoff funds for 514 Quebec Cir.

II. Consideration of Meeting Minutes of December 12, 2018

Commissioner Wright moved approval of the minutes and, upon a second by Commissioner Stott, the motion passed unanimously.

III. Sunshine Law Designation

Commissioner Wright moved that the posting place for Housing Authority agendas and other public notices remain at Centennial Hall, 200 South Cascade, Colorado Springs; the custodian of the meeting minutes be the County's Economic Development Division, 9 East Vermijo Avenue, Colorado Springs, CO 80903; and that meeting minutes be retained at the Economic Development Department at the same address. Upon a second by Commissioner Posey, the motion passed unanimously.

IV. NALHFA's 2019 Annual Conference Sponsorship (Denver, May 2019)

The Authority discussed the upcoming 2019 NALHFA conference in Denver, as well as event planning and sponsorship opportunities. Commissioners were provided with numerous sponsorship opportunity levels with varying benefits, including advertising opportunities.

Commissioner Wright moved approval of a conference sponsorship opportunity for a Full Page Ad in the official conference program at a cost of \$1,550. The motion was seconded by Commissioner Stott and the motion passed unanimously. (Ms. Simmons exited the meeting at 12:30 p.m.)

V. Turnkey Program: 2019 Turnkey Plus Pilot Program

A. Resolution

At the December 2018 Authority meeting, the Board approved a new 2019 Turnkey Plus Program which would offer a new lower rate product with a 2nd mortgage DPA. The program includes EPCHA contributing 1.25% of the 4.00% DPA, and the amount repayable by the borrower forgives over five years from 4.00% to 1.5%. The Authority approved a contribution amount, up to a \$1M investment for the program, with the opportunity to reevaluate and realign as needed. The Authority discussed the details of the program and John Bales, of Kutak Rock provided a legal document overview.

Commissioner Stott moved approval of the Resolution authorizing and approving its sponsorship of the Turkey Plus Program; authorizing payment of the related transaction costs; authorizing the execution of all program documents; authorizing the appointment of a Master Servicer, Administrator, Custodian, Special Legal Counsel and Program Provider for the program; and delegating to the Executive Director the power to take all such actions as are necessary or appropriate. The motion was seconded by Commissioner Wright and the motion passed unanimously.

B. Lender Fees

An annual renewal fee for lenders in the amount of \$1,000 has been assessed in the past but most issuers are now foregoing that; an initial fee of \$2,000 continues. The advantages to maintaining the renewal fee includes, keeping unengaged lenders from perhaps participating and offsetting expenses. Ms. LaTier provided the Authority with an overview of historical renewal fees collected over the past 5 years. The Authority discussed the reasoning for lender fees and the current state of the single family mortgage market. Annual review of lender fees and market conditions is an action item that the Board would like to continue.

Commissioner Stott moved approval of the Authority decreasing its Turnkey new lender fee to \$1,000 and waiving the lender renewal fee in 2019. Upon a second by Commissioner Wright, the motion passed unanimously.

VI. Housing Trust Fund Requests

A. Shooks Run

Shooks Run Apartments is a 40-unit multifamily apartment project that will be located in the City of Colorado Springs on the north side of Fountain Boulevard, between South Corona Street and South Royer Street, near Downtown. The owner and co-developer of the proposed project will be the Colorado Springs Housing Authority, and the other co-developer will be MJT Properties, Inc. The 40 units to be developed will consist of 12 one-bed/one-bath units; 20 two-bed/two-bath units; and 8 three-bed/two-bath units. The completed project will have four two-story walkup buildings. The affordability mix will include 10 units at 30% Area Median Income (AMI) (3 one-bed; 4 two-bed; and 3 three-bed), 16 units at 40% AMI (5 one-bed units; 9 two-bed units; and 2 three-bed units), 11 units at 50% AMI (3 one-bed; 6 two-bed; and 2 three-bed), and 3 units at 60% AMI (1 one-bed; 1 two-bed; and 1 three-bed unit). Demolition and asbestos remediation of the existing 26 units on the property is underway and the project is currently working through the City's Development Review Process. Shooks Run is applying to CHFA for 9% LIHTC in June 2019, and respectfully requests a \$500,000 loan at 1% interest, deferred for a 35 year term from El Paso County Housing Authority.

Commissioner Posey moved approval, contingent on the project securing the other necessary financing, for the Authority to provide a \$500,000 1% deferred loan with interest only due annually, based upon cash flow, secured by a deed of trust, for a term of 18 years. The motion was seconded by Commissioner Wright and the motion passed unanimously.

B. Atrium at Austin Bluffs

Atrium at Austin Bluffs is a 54-unit affordable senior apartment project that will be located at 4291 Templeton Gap Road in Colorado Springs. The parcel of land has been donated by the city of Colorado Springs, to further efforts to address affordable housing in the region. The owner and developer of the project will be Greccio Housing who have partnered with Medici Consulting Group. The proposed project will consist of a 3-story building and will serve persons earning from 30% to 60% AMI, with 10% of the units affordable at or below 30% of AMI; 10% at or below 40% of AMI; and units will be a mix of one (80%) and two (20%) bedroom units. Atrium at Austin Bluffs is applying to CHFA for 4% LIHTC and State Tax Credits in February 2019, and respectfully requests a \$575,000 loan at 1.5% interest, amortized or deferred, and for a 30 year term from El Paso County Housing Authority.

Commissioner Posey moved approval, contingent on the project securing the other necessary financing, for the Authority to provide a \$575,000 loan with interest at 1.5%, secured by a deed of trust, and amortized over 30 years. The motion was seconded by Commissioner Wright and the motion passed unanimously.

VII. Springs Rescue Mission- Women's Shelter Renovation-Update and Photos

Springs Rescue Mission completed its Women's Shelter Renovation. The Mission replaced all exterior windows, replaced carpet tiles with industrial laminate flooring, painted the entire shelter interior, replaced urinals with bathroom stalls, and purchased 3 commercial-grade washers and 3 commercial-grade dryers to better serve its residents, thereby increasing its number of shelter beds from 32 to 70 beds. Springs Rescue Mission staff and its shelter residents expressed their sincere appreciation for the Authority's \$58,013

Contract for Services to complete the shelter renovation. Ms. LaTier shared both before and after photos of the renovation project.

VIII. Other Business

Ms. Lobato has been working with Freddie Mac, Raymond James and eHousing Plus staff to implement Freddie Mac's Affordable Income Subsidy (AIS) grant to further assist low-to-moderate income homebuyers with additional down payment or closing cost-related assistance; borrowers earning no more than 80% of the area median income may be eligible for \$1,500 of additional assistance and borrowers earning no more than 50% of the area median income may be eligible for \$2,500 of additional assistance. In order to add the AIS grant opportunity in its lender platform, eHousing has requested the Authority consider three unique fee structures to best serve Turnkey borrowers; \$1,000 one-time program setup fee; \$25 fee charged to each eligible Turnkey loan, regardless of AIS grant participation; or \$75 fee charged to each AIS grant-specific loan. Due to conflicting language in eHousing's proposal, grant vs loan, the Authority requested that staff consult with eHousing and Raymond James to gain additional insight on each of the fee options, as well as clarification to the program structure, and a determination of how many homebuyers, at these respective AMI levels, are served by the Turnkey Program.

IX. Adjournment

The meeting adjourned at 1:40 p.m.

Jack Beuse

Jack Beuse, Chair

Public notice for meeting posted at the Centennial Hall Building, January 2, 2019.