

**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 February 13, 2019, at 12:00 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
Henry Yankowski

Members Absent:

Also present were:

Crystal LaTier and Sara Lobato, El Paso County Economic Development Department
Commissioner Cami Bremer, El Paso County
Nikki Simmons, El Paso County Controller
John Bales, Kutak Rock

Commissioner Beuse called the meeting to order at 12:02 p.m.

- I. Consideration of Meeting Minutes of January 9, 2019
Commissioner Stott moved approval of the minutes and, upon a second by Commissioner Posey, the motion passed unanimously.

- II. Financial Items
 - A. Financial Reports

Ms. Simmons provided the Authority with a Statement of Net Position and Statement of Revenues & Expenditures as of December 30, 2018. The data reflects an increase to year-end Net Income by nearly 890% over the previous year due largely to the fact the Authority reduced its Housing Trust Fund bad debt allowance from 15% to 10%. Ms. Simmons stated staff is waiting for Hawkins Ash’s opinion on this figure during the Authority’s Audit in April 2019.

 - B. Housing Trust Fund Commitments

As of January 31, 2019, the Authority’s Housing Trust Fund cumulative balance is approximately \$5,679,370 with outstanding commitments of \$1,774,306 leaving an available balance of \$2,104,264 for future funding requests if a \$1.8M corpus is maintained.

 - C. Report of Expenditures/Outstanding Payables

Expenditures consisted of \$1,779.21 to REACH Pikes Peak for Rental Assistance; \$1,538.77 to Brother’s Redevelopment for Housing Counseling; \$874.60 to El Paso County for expense reimbursement; \$18,000 to El Paso County for 1st Quarter 2019 Administration Services; \$1,550.00 to NALHFA for 2019 Conference Sponsorship- Full Page Ad; \$550.00 to Housing Colorado for 2019 Membership renewal fee; \$28.00 to El Paso County Public

Trustee for Venetucci Village Deed of Trust release fee; and \$19.98 to Venetucci Village for excess interest collected at loan payoff.

D. Administrative Services Fee

Due to increasing staff wages, taxes, and benefits associated with El Paso County's Administration Services to the Authority, Ms. Simmons requested that the Authority increase its \$6,000 per month Administration Services Fee to El Paso County to roughly \$6,750 to keep up with increasing costs.

Commissioner Wright moved approval of the increase in Administration Service Fees paid to El Paso County from \$72,000 per year to \$81,000 per year. Upon a second by Commissioner Stott, the motion passed unanimously.

III. Turnkey Program Update

El Paso County Housing Authority's new Turnkey Plus Program was announced via email to participating Turnkey lenders on February 1st; a webinar training regarding the program changes will take place on February 14th, and the new program will be live for reservations on February 15th.

IV. NALHFA Conference Registration/NALHFA Advertisement Draft

In collaboration with El Paso County Public Information Office (PIO), an Economic Development staff member drafted an advertisement for the Authority's full page ad in the 2019 NALHFA Conference Program. Commissioner Wright requested that Ms. LaTier's email address be added to the ad as well.

NALHFA is hosting its annual conference in Denver on May 15-18, 2019. Ms. LaTier requested approval for one Commissioner and one Economic Development staff member to attend the conference. Commissioner Posey indicated his interest in attending.

Commissioner Stott moved approval of the Authority sending one Commissioner and one staff member to the NALHFA 2019 Annual Conference in Denver. The motion was seconded by Commissioner Wright, the motion passed unanimously.

V. Feedback for The Commons Development

Following the denial of funding of the Homeward Pikes Peak's The Commons family Permanent Supportive Housing (PSH) at the December 2018 meeting, Ms. Roalstad recently contacted Ms. LaTier regarding project updates that were of concern for the Authority. Ms. LaTier shared project updates with the Authority and asked whether the Authority would entertain a new application and presentation from Ms. Roalstad. Commissioners stated they would welcome a new application from The Commons at its April 2019 meeting, and for Ms. Roalstad to address the following concerns: length of loan term requested, loan interest rate requested, as well as the seemingly high per door cost for the project. Ms. LaTier will extend an invitation for Ms. Roalstad to attend the April meeting and to submit a new application for funding consideration.

VI. Discussion about PAB Issuance

At its June 2018 meeting, the Authority had agreed to delegate \$30M in 2015 PAB Cap Allocation to Colorado Housing Finance Authority (CHFA), as Pedcor's Tutt Blvd Apartments project was not likely to close by year-end 2018 when the Cap expired, in

exchange for a future \$30M in PAB Cap delegation back from CHFA in 2019 for the Pedcor project. Mr. Rodgers from Pedcor recently contacted Ms. LaTier regarding project updates and timeline, and will be providing a project update and request a new inducement resolution from the Authority at its March 13th meeting. Pedcor will now likely be requesting \$40M in cap - \$30M from the CHFA swap and then \$10M from 2016 cap.

Ms. LaTier has been in correspondence with CHFA, who has requested that due to the current competitive PAB market, local issuers try to keep PAB issuance on projects to 55% of the eligible aggregate basis. With current budget figures from Pedcor, \$40M is at 56% of the eligible aggregate basis. Staff will verify this percentage with CHFA prior to Pedcor's closing.

Lastly, Mr. Rodgers stated they are still needing a FEMA clearance and those can take several months, which is a great concern for the October 1, 2019 closing deadline for the \$30M PAB Cap delegation swap. Should the project not close by this date, it will impact what Cap the Authority will have available for the project and future 2019 PAB Cap requests.

VII. Other Business

A. Freedom Springs Groundbreaking Ceremony – February 21 @ 10 a.m.

Project funders and partners have been invited to Vecino Group's groundbreaking ceremony kicking off Colorado Springs' first permanent supportive housing development for veterans, Freedom Springs. The Authority has been invited to attend the event in celebration of the occasion. El Paso County Commissioner Waller will also speak at the event on behalf of the County.

Greccio Housing is offering a special project preview opportunity of Rocky Mountain Apartments, on February 27th 2019. The Authority provided a loan of \$200,000 for the former office building acquisition and conversion into 18 new affordable housing units. The Authority has been invited to attend the preview event.

B. Affordable Housing News Publication

El Paso County Housing Authority will be highlighted by the national Affordable Housing News publication in late spring/early summer. Ms. LaTier was part of an interview, along with the County's Chief Public Information Officer, regarding EPCHA's efforts to address affordable housing in our region. The interview mainly focused on the Authority's multifamily efforts, specifically Traditions at Colorado Spring and Freedom Springs, but the Turnkey Plus Program was also briefly discussed. Ms. LaTier will share the article with the Authority upon its release.

C. Trailside Communication

During the November 2018 meeting, the Authority declined a request from Trailside Manor for additional project funding, due to construction costs being significantly higher than originally anticipated. Trailside Manor has requested a Broker's Opinion of Value and would move forward with selling the land and would repay the Authority for its \$370,000 initial land purchase investment. Ms. LaTier requested permission from the Authority to call Ms. Stegner and Mr. Clyncke to remind them of the repayment terms, and to also send a letter, drafted in collaboration with Kutak Rock, as a reminder of the repayment terms.

D. New Business

El Paso County Commissioner Bremer spoke in support of the Authority's mission and activities, and looks forward to serving as the Commissioner Liaison to the Authority.

Commissioner Posey noted that Salvation Army recently experienced a sudden change in leadership, as the Kauffman's left Colorado Springs quite suddenly and new leadership is expected to be in place by the end of the week. Progress on the low-barrier shelter conversion is still progressing, however, is now behind schedule due to numerous obstacles.

Commissioner Yankowski requested to have Larry Yonker at the April 2019 meeting to discuss the Greenway Flats permanent supportive housing project, as well as other initiatives transpiring at Springs Rescue Mission (SRM). Ms. LaTier will extend an invitation for Mr. Yonker to attend the April meeting to update the Authority on SRM's campus projects.

VIII. Adjournment

The meeting adjourned at 1:00 p.m.

Jack Beuse

Jack Beuse, Chair

Public notice for meeting posted at the Centennial Hall Building, February 7, 2019.