

**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 March 27, 2019, at 9:00 a.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
Steve Posey
Henry Yankowski

Members Absent:

Laurel Wright

Also present were:

Crystal LaTier, Sara Lobato and Jennifer deGive, El Paso County Economic Development Department
Commissioner Cami Bremer, El Paso County (via telephone)
Lisa Kirkman, El Paso County Attorney’s Office (via telephone)
John Bales, Kutak Rock (via telephone)
Ryan Rodgers, Pedcor (via telephone)

Commissioner Beuse called the meeting to order at 9:00 a.m.

- I. Consideration of Meeting Minutes of February 13, 2019
Commissioner Stott moved approval of the minutes and, upon a second by Commissioner Yankowski, the motion passed unanimously.

- II. Financial Items
 - A. Financial Reports
With Ms. Simmons unavailable, Statement of Net Position and Statement of Revenues & Expenditures as of January 31, 2019 were provided, however, no updates were presented. (Mr. Rodgers joined the meeting via telephone.)

 - B. Housing Trust Fund Commitments
As of February 28, 2019, the Authority’s Housing Trust Fund cumulative balance is approximately \$5,809,546 with outstanding commitments of \$1,774,306 leaving an available balance of \$2,234,440 for future funding requests if a \$1.8M corpus is maintained. Staff has now created two reports for the Authority’s monthly review; one page consisting of outstanding commitments since 2016, and the other reflecting all commitments, both paid and outstanding, since 2016 for review and future funding consideration. Outstanding loan commitments currently include Springs Rescue Mission’s Greenway Flats for \$500,000, tentatively closing in May 2019, and two conditional awards including Greccio’s Atrium at Austin Bluffs for \$575,000, and Colorado Springs Housing Authority’s (CSHA) Shooks Run for \$500,000 – both under conditional approval pending LIHTC awards from CHFA, and loan commitments expiring December 31, 2019. Additionally, outstanding Contract for Service commitments include \$37,000 in Emergency Rental Assistance to various nonprofit

agencies; \$12,306 to Brothers Redevelopment for its Housing Counseling Program; and \$150,000 to Salvation Army for its Low-Barrier Shelter Remodel.

C. Report of Expenditures/Outstanding Payables

Expenditures consisted of \$725.00 to Tri-Lakes Cares for Rental Assistance; \$1,538.77 to Brother's Redevelopment for Housing Counseling; \$860.58 to El Paso County for expense reimbursement; and \$35,000 to Kutak Rock for 2019 Turnkey Plus Legal Services.

III. Pedcor Project Update and Inducement Resolution

Tutt Blvd Apartments/The Creek at Cottonwood was originally proposed as new construction by Pedcor Investments of a 210-unit 60% AMI (area median income) workforce and family community to serve as a source for affordable housing in a drastically underserved area of Colorado Springs. The development has now grown to include 258 multifamily units, serving at or below 60% AMI. This development will be located near N. Powers Blvd. and E. Woodmen Road in northeast suburban Colorado Springs. Pedcor is involved in ongoing discussions to partner with the Colorado Springs Housing Authority for this development which will provide property tax exemption. Project financing had originally included an approved request of a \$30,000,000 in tax-exempt bonds from El Paso County Housing Authority.

Due to the increased number of units and rapidly rising construction costs in the region, Mr. Rodgers respectfully requests an additional \$10M in PAB Cap from the Authority, for a total of \$40M, which would follow CHFA's 55% of the project's eligible aggregate basis recommendation.

Commissioner Posey moved to recommend to the Board of County Commissioners that it adopt an inducement resolution to issue up to \$40,000,000 in Private Activity Bonds for The Creek at Cottonwood, with a closing date of no later than October 1, 2019, and within CHFA's 52-55% eligible aggregate basis recommendation. Upon a second from Commissioner Yankowski, the motion was unanimously approved. (Mr. Rodgers exited the meeting via telephone.)

IV. Housing Trust Fund Funding Previews

- A. Pedcor (April)
- B. BVR – Tesla Commons (April)
- C. Zimmerman (April)
- D. The Commons (April)
- E. Silver Key (May)

Ms. LaTier provided a brief overview of each of the multifamily housing developments that will be seeking LIHTC awards from CHFA, and potentially multifamily PAB allocation and Housing Trust Fund funding from the Authority. Funding requests are to be presented to the Authority at both its April and May 2019 meetings.

V. Other Business

- A. Trailside Manor – Notice of Default Letter (April)

During its 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 called Ms. Stegner and Mr. Clyncke to remind them of the repayment terms, and also sent them a Notice of Default Letter, drafted in collaboration with Kutak Rock, as a reminder of the repayment terms. Ms. Stegner and Mr. Clyncke would like the opportunity to present to the Authority in April, as they believe they have found a way to bring the project to fruition.

B. Tirol PAB Cap Request (April)

Tirol will be requesting PAB Cap from the Authority at the April meeting for its new multifamily development in close proximity to Security Service Field off Barnes Rd and Tutt Blvd. This application is being forwarded from the City of Colorado Springs to the Authority for consideration, as CHFA is encouraging regions to utilize the oldest PAB Cap first; the City had assigned its 2017 Cap to EPC.

C. Springs Rescue Mission Update (May)

Springs Rescue Mission (SRM) will be providing an overall informational update to the Authority at its May 2019 meeting, regarding all the projects and activity currently under construction at SRM, as well as an update regarding the closing of its Greenway Flats project and the Authority's outstanding loan commitment of \$500,000.

D. Raymond James Quarterly Update (May)

Due to a heavy multifamily-based April the Raymond James team has been asked to attend the May 2019 meeting, rather than the April meeting, and provide its first quarterly Turnkey Plus Program report to the Authority.

E. Turnkey Plus – Certified Realtor Program

Raymond James staff had recently contacted department staff regarding the possibility of a Certified Realtor Program offered through eHousingPlus. The program would offer a Turnkey Plus training session to interested realtors, and allow for them to utilize program marketing materials, as offered by eHousing. The Authority expressed interest in learning more at an upcoming meeting; staff will coordinate with Raymond James to obtain more information.

F. EPCHA Audit

HawkinsAsh CPAs will be onsite the week of April 15, 2019 for the Authority's 2018 annual financial audit. Staff will coordinate with HawkinsAsh to provide draft financial statements to the Authority by the May 2019 meeting. (Commissioner Bremer joins meeting via telephone.)

G. New Business

Commissioner Beuse noted the recent blizzard had destroyed the roof of the Crawford House in Colorado Springs, which provides housing to homeless Veterans, forcing them to relocate their residents during the roof replacement and repair. The Authority requested that department staff contact the organization to determine whether or not additional funding from the Authority could be utilized to cover the necessary relocation costs.

Ms. LaTier announced that she has accepted the permanent position as the El Paso County Economic Development Executive Director, effective March 25, 2019.

Commissioner Stott noted an NBH Bank Turnkey borrower had reached out to department staff with concerns regarding the manner in which NBH was handling her loan, and was sending her mixed messages regarding the Turnkey and MCC programs. The borrower never relayed these concerns to NBH, however, Ms. Lobato and Commissioner Stott discussed the situation; Commissioner Stott then closely monitored the loan and also attended the loan closing. The borrower completed NBH's satisfaction survey, providing a glowing review, therefore all accusations were deemed to be "not founded" and resolved.

Ms. LaTier noted the immediate and continuing success of the new Turnkey Plus program. The program received its first loan reservation during its first week of operation, and now has a total of seven loan reservations. Success of the program is likely due in large part to the new lower interest rates, which are currently at and below 5%. Commissioner Stott also noted that CHFA has recently announced a reduction in its DPA programs, reducing its DPA grant program assistance from 4% to 3%, and its loan program assistance from 5% to 4%.

VI. Adjournment

The meeting adjourned at 9:50 a.m.

Jack Beuse

Jack Beuse, Chair

Public notice for meeting posted at the Centennial Hall Building, March 21, 2019.