

**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 June 12, 2020, at 4:00 P.M., via telephonic conference.

Members of the Authority were present as follows:

Jack Beuse
Steve Posey
Greg Basham
Beth Diana

Members Absent:

Martie Stott

Also present were:

Crystal LaTier and Jennifer deGive, El Paso County Economic Development Department
John Bales, Kutak Rock
Fred Marienthal, Kutak Rock

Commissioner Beuse called the meeting to order at 4:03 P.M.

I. The Villas at Mesa Ridge- Proforma Update and HTF Subordination Request

During the June 10, 2020 El Paso County Housing Authority meeting, Zimmerman Properties presented a request to alter the terms of the previously agreed upon loan commitment for the Villas at Mesa Ridge project. The original commitment stated, “The Authority’s participation will take the form of a \$350,000 loan, secured by a second deed of trust, with interest at 1%. During the 30 year term, annual payments will be based on available net cash flow of the lesser of the amortizing payment or 25% of net cash flow after the deferred developer fee is paid back in full. The loan would be due on sale or change of use, or at maturity.”

Due to rising construction costs, Zimmerman Properties had to seek additional funding for the project. The Colorado Housing and Finance Authority (CHFA) has agreed to participate with a Risk Share loan and Healthy Housing loan, with the condition that the two loans be senior to the Authority’s loan. Due to the conditions of the new financing, Zimmerman requested the Authority’s loan be subordinate to all CHFA debt.

The updated proforma was reviewed and it was noted that payments for the Authority’s loan would begin in year 12, versus year 5, in the previous version.

Discussion was had regarding the Authority’s original commitment and the importance of serving residents of El Paso County, especially Fountain.

Commissioner Posey moved approval of the change to the Authority’s loan position for the Villas at Mesa Ridge. The Authority’s loan shall be subordinate to the CHFA Risk Share and Healthy Housing loans, with all other terms remaining the same. Upon a second by Commissioner Basham, the motion passed unanimously.

II. Adjournment

The meeting adjourned at 4:15 P.M.

Jack Beuse

Jack Beuse, Chair

Public notice for meeting posted online via the El Paso County Agenda Suite, June 11, 2020.