

# **Gunnison Valley Regional Housing Authority**

Regular Board Meeting Minutes

November 14, 2018

202 E. Georgia Avenue, Gunnison, CO

## **1. Call to Order**

Kelly McKinnis called the meeting to order at 3:03 pm.

### **Members Present**

Michael Yerman, Crested Butte

Jim Schmidt (Secretary) Crested Butte

John Messner, Gunnison County

Ellen Harriman, City of Gunnison Representative

Carlos Velado (Vice-Chair) Mt. Crested Butte

Matt Feier (Treasurer) Member-at-Large

Kelly McKinnis (Chairperson) County Representative

Todd Barnes, Mt. Crested Butte

### **Members Absent**

Jim Gelwicks, City of Gunnison

### **Staff Present**

Jennifer Kermode, Executive Director

### **Public Present**

Willa Williford, Williford LLC

Sandy Gant

## **2. Public Comment**

There were no public comments.

## **3. Consent Agenda**

It was noted by Jennifer that Willa was present for the purpose of outlining the content of the housing plan and since she's be traveling Administrative Item b. – Gunnison Valley Housing Plan Update could be moved to Administrative Item a. in place of Member Updates. All agreed.

John noted that Kelly's position as listed in the Members Present should be changed to read County Representative.

Jim S. asked about the Anthracite wait list process. Jennifer gave a detailed explanation. Jim S. asked about the wage ceiling for Anthracite and how our income limits are impacted – as wages increase (considering the minimum wage increases in the state) people will have to work fewer hours to qualify. Willa noted that generally, people who qualify for this type of project generally don't work full hours so qualifications may not be impacted anyway. Jennifer provided

clarification that for a LIHTC project, tenants do not have to be employed or employed a minimum number of hours.

Matt noted that he and Jennifer met yesterday to look at a few items in the budget and where the numbers came from. His questions were answered satisfactorily.

John asked about the GV-HEAT staff report and if the process is settling down so that we can start seeing results. Jennifer said that Christian and she will be meeting with the CARE people tomorrow to finalize processes moving forward. Ellen noted that a friend of hers had a positive experience with the HEAT program and the contractors.

Matt moved to approve the Consent Agenda, Jim S. seconded. The motion passed unanimously.

#### **4. Administrative Items**

##### **a. Gunnison Valley Housing Plan Update**

Willa started discussion by letting the Board know that now that we know the outcome of the 6A measure, the Plan needs to be revisited in a few places, particularly the specific actions for the GVRHA. She identified the jurisdictions that the Plan team has worked with and the only final meeting is with Gunnison City Council. She presented the Key Ingredients for Strategic Housing Plans document; the Plan needs to reconsider the incremental approach ingredient now that funding from 6A is not available; the team heard from each jurisdiction that they want the expertise and capacity of the GVRHA to be strengthened, so this topic should be discussed in depth at the upcoming Board retreat; clear responsibilities of the GVRHA and each jurisdiction is outlined in the Plan based on feedback from the team meetings; the team needs to continue outreach to the community to build support; the Board should also consider what the intentions are for monitoring the Plan successes and updating it based on lessons learned, changing needs and new opportunities.

Willa asked the Board if there are areas of the Plan that should be beefed up or reconsidered. Jim S. asked if the timing of increasing the development capacity of the GVRHA and clearly defined priorities of project should be specified. Willa replied by going over the Strategic Action Items timeline (page 17) and how the lack of funding may impact some of those timelines by pushing some actions further forward in time.

John stated that philosophically, one potential approach to developing a funding source would be to project a specific proposal in the south valley and in the north valley as needing funding sources, then go to the community asking for project-specific bonding authority. Willa agreed that this approach is a viable one as it allows for projects to possibly happen more quickly.

Jim asked how Brush Creek fits into the Plan as he heard from voters that one of the reasons 6A did not pass is that it is still up in the air. The Plan does include the units initially proposed at Brush Creek in Exhibit A – Housing Needs Summary as any final development will impact the housing needs.

John thinks there needs to be a section in the Plan for the major employers in the valley. Willa agreed that the Employer Participation section should be expanded as we have

conversations with the major employers such as the RE1J, Vail Resorts, GVH and Western. The team will be pursuing these conversations so that their plans and identified needs can be included. Jennifer stated that these conversations will most likely be done with one-on-one meetings. John would like to see their plans include how they will use their assets (such as land) to create more housing.

Carlos asked about the Short-Term Rental Conversion concept listed in the Housing Tools by Jurisdiction section. Jennifer explained how the master lease program created under her supervision in Summit County worked and the success of the program.

Jim S. talked about how Crested Butte made a council decision almost 30 years ago to disallow additional manufactured/mobile home parks in the Town. He mentioned that the Town of Vail has a deed-restriction purchase policy they use to increase the supply of employee housing at a lower cost than building homes. Michael informed the Board that the Town's 5-year housing plan includes a fund of \$400,000 for this purpose.

Kelly recommended bringing the role of the Gunnison Valley Housing Foundation into the Plan along with how they can partner with GVRHA to meet other elements of the Plan. Additional updates to the Housing Tools by Jurisdiction were given to Willa to include in the Plan.

Jennifer noted that there will be another community meeting for the Plan on December 5<sup>th</sup> from 5:30 – 7:00 at Tully's in CB South.

**b. Member Updates**

Jennifer stated that she feels like this getting to be a weak point in the Board packet as the jurisdictions are not providing the updates to her; the lack of communication has a negative impact on how she can meet the goal assigned to her at her 2018 evaluation of connecting with the jurisdictions on a regular basis, and for completing a monthly calendar of housing activities in each jurisdiction.

Michael went over the Town's 5-year housing plan that was just adopted by the Town after the Board packet was completed. The Town is looking at possibly doing a solar offset to the homes in Block 76 which would eliminate the cost of bringing gas to the homes and increase affordability. This idea is still in its infancy.

Carlos added that the Homestead neighborhood development agreement is closer to being approved by council.

John added that on Lot 22 Western has allowed their adjacent land to be considered in future development of Lot 22. The Pitchfork proposed units have been pushed back due to the need to rework the finances since two of the units must be rentals.

The Western concept of adding 22 units at the east end of Georgia Avenue past the Aspinall-Wilson Center was discussed.

**c. 2019 GVRHA Budget**

Jennifer asked for questions and/or comments to the Summary provided. Kelly asked about the change in Mountain View management fees; Jennifer explained that the 2018 budget had the management fee, performance incentive and operations subsidy and broke them out into their own line items for tracking purposes. Michael asked if we did purchase a vehicle this year, Jennifer said yes, and we are seeing financial savings in the Travel – Mileage expense line item.

John asked for clarification on the increase in Salaries and Benefits. Jennifer explained that she is asking the board to remove the Admin Assistant expense that was in the 2018 budget and add expenses for an additional employee at 32 hours/week at \$18/hour. A discussion followed about the increase in income from real estate commissions representing a non-consistent annual revenue and the expense for the additional employee is considered a consistent annual expense. It was acknowledged that should future market conditions result in a significant drop in revenues the position could be modified or eliminated. Michael asked for more detail on what this position will be doing; aside from growing the GV-HEAT program, the position will also work with the jurisdictions on sustainability and affordability, work on the lottery program, and expand other functions of the GVRHA.

Michael asked about the line item for capital expenditures – Jennifer noted it is up for consideration to be renamed and the Board can determine how it is used. Jennifer suggested starting a down-payment assistance program, Michael suggested that instead the Board consider how these funds be allocated at our next Board meeting. The Board agreed to change the name of the line item to Unrestricted Reserves.

The Board directed Jennifer to develop a policy on how Unrestricted Reserves will be handled.

Carlos moved to adopt the 2019 Operating Budget with changing line item 68 to read Reserves. Jim S. seconded the motion and it passed unanimously. The 2019 GVRHA Budget was adopted with Unrestricted Reserves of \$55,472, a Beginning Fund Balance of \$222,610 and an Ending Fund Balance of \$222,610 as the Unrestricted Reserves may be spent down.

**d. 2019 Anthracite Place Budget**

Jennifer explained that the purpose of bringing Sandy on for the APA bookkeeping to make certain that we remain in compliance with reporting requirements. Sandy explained that income was increased by 2% for 2019 and expenses were increased by 7% where there isn't a set contract price in place.

The budget as presented in the packet was missing a line item for Salary Reimbursement expense; Jennifer and Sandy corrected the budget by adding the line item so that a motion could be made to adopt it. John asked where the net income lands for APA. Sandy explained that net income is used to pay the hard debt and operating reserves. Those payments don't show on the P&L as the Note is a liability which shows on the Balance Sheet. The Net Income is used to calculate the debt coverage ratio. Any other net income remains in the APA operating account. John asked if we should look at reconciling the net income at the end of the year and then move funds into the building reserves account. Jennifer noted that this could be done.

Sandy went through the Balance Sheet and explained where most of the line items came from. The Deferred Developer Fee was discussed – it must be paid out to the GVRHA within 10 years of initial lease-up (2016).

Jim S. asked if the project was financially healthy; both Sandy and Jennifer believe that APA is stable and financially healthy for a LIHTC project.

Michael made a motion to approve the 2019 Anthracite Place budget which added the Salary Reimbursement line item. Ellen seconded. Carlos asked for clarification on which budget document was up for adoption. Jennifer clarified that it was the one put in front of them today and not the one in the packet. Michael and Ellen accepted Carlos' amendment. The motion passed unanimously.

**e. Procedural Changes for Client Re-Certifications**

Jennifer drafted the Policy as directed at the October 10<sup>th</sup> meeting. Michael moved to adopt the Policy, John seconded. The motion passed unanimously.

**5. Other Business**

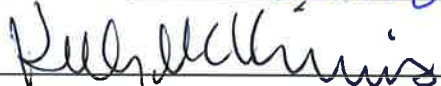
No other discussions.

**6. Adjourn**

The meeting was adjourned at 5:04 pm.

Minutes prepared by:

  
\_\_\_\_\_  
Jennifer Kermode, Executive Director

Approved on 12.14.18  
  
\_\_\_\_\_  
Kelly McKinnis, Chair



**2018 Budget Review YTD 10.31.18**

	A	B	D	F	G
1					
2	<b>INCOME</b>	<b>2018 Actual</b>	<b>2018 YTD Budget</b>	<b>Over Budget</b>	<b>% of Budget</b>
3	Community Contributions				
4	County	\$70,125	\$77,917	-\$7,792	90.00%
5	City	\$39,750	\$44,167	-\$4,417	90.00%
6	Crested Butte	\$44,064	\$48,958	-\$4,894	90.00%
7	Mt. Crested Butte	\$43,500	\$36,250	\$7,250	120.00%
8	Total Community Contributions	\$197,439	\$207,292	\$9,853	95.25%
9	Management Fees				
10	Anthracite Place Apts	\$16,211	\$12,470	-\$3,741	130.00%
11	Salary Reimbursement	\$26,432	\$23,024	-\$3,408	114.80%
12	Mountain View Apts	\$14,000	\$20,160	\$6,160	69.44%
13	Mtn View Ops Subsidy	\$20,840	\$20,840	\$0	100.00%
14	Performance Incentive	\$7,390	\$7,390	\$0	100.00%
15	Stallion Park Condos	\$5,445	\$6,260	\$815	86.98%
16	Other:				
17	Total Management Fees	\$90,318	\$90,144	-\$174	100.19%
18	Interest Income	\$1,173	\$0	-\$1,173	
19	Grants				
20	Administration Fees				
21	Section 8	\$11,929	\$14,000	-\$2,071	85.21%
22	Other:				
23	Total Administration Fees	\$1,929	\$14,662	-\$2,071	13.16%
24	Real Estate Commissions	\$3,853	\$4,167	-\$313	92.46%
25	Application Fees	\$0	\$833	-\$833	0.00%
26	<b>TOTAL INCOME</b>	<b>\$294,712</b>	<b>\$317,098</b>	<b>\$22,386</b>	<b>92.94%</b>
27					
28					
29	<b>EXPENSES</b>	<b>2018 Actual</b>	<b>2018 YTD Budget</b>	<b>Over Budget</b>	<b>% of Budget</b>
30	Accounting	\$7,357	\$9,683	-\$2,326	75.98%
31	Advertising & Marketing	\$1,645	\$2,500	-\$855	65.80%
32	Administrative Expense	\$2,201	\$3,000	-\$799	73.37%
33	Bank Fees	\$30	\$3,333	-\$3,303	0.90%
34	Computers			\$0	
35	Hardware	\$2,200	\$1,417	\$783	155.26%
36	Software Programs	\$0	\$417	-\$417	0.00%
37	Technical Support	\$375	\$833	-\$458	45.02%

**2018 Budget Review YTD 10.31.18**

	A	B	D	F	G
38	Contracted Services			\$0	
39	Copier Lease	\$1,470	\$1,470	\$0	100.00%
40	Copier Service	\$747	\$542	\$205	137.82%
41	Telephones	\$741	\$775	-\$34	95.61%
42	Dues & Memberships	\$1,025	\$1,000	\$25	102.50%
43	Education & Training	\$880	\$5,417	-\$4,537	16.25%
44	Insurance	\$3,934	\$3,750	\$184	104.91%
45	Internet Provider	\$1,695	\$775	\$920	218.71%
46	Internet Subscriptions	\$1,694	\$2,083	-\$389	81.33%
47	Legal Services	\$0	\$11,667	-\$11,667	0.00%
48	Office Supplies	\$3,164	\$3,083	\$81	102.63%
49	Postage	\$427	\$750	-\$323	56.93%
50	Meter	\$0	\$416	-\$416	0.00%
51	Professional Services	\$7,783	\$21,667	-\$13,884	35.92%
52	Rent	\$8,120	\$8,125	-\$5	99.94%
53	Jail Rent	\$1,200	\$0	\$1,200	
54	Salaries	\$164,759	\$168,820	-\$4,061	97.59%
55	Benefits	\$42,535	\$24,092	\$18,443	176.55%
56	Travel			\$0	
57	Meals	\$239	\$1,458	-\$1,219	16.39%
58	Mileage	\$2,878	\$8,291	-\$5,413	34.71%
59	Lodging	\$1,533	\$4,708	-\$3,175	32.56%
60	Auto Expense	\$1,771	\$1,250	\$521	141.68%
61	Website	\$0	\$1,000	-\$1,000	0.00%
62				\$0	
63	<b>TOTAL EXPENSES</b>	<b>\$260,403</b>	<b>\$292,322</b>	<b>-\$31,919</b>	<b>89.08%</b>
64					
65	<b>NET INCOME/(LOSS)</b>	<b>\$34,309</b>	<b>\$24,776</b>	<b>\$54,305</b>	



# GVRHA

## BALANCE SHEET As of October 31, 2018

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Development fund	89,756.60
Money Market	402,901.43
Operational Fund	260,021.20
<b>Total Bank Accounts</b>	<b>\$752,679.23</b>
Accounts Receivable	
11000 Accounts Receivable	-9,425.00
<b>Total Accounts Receivable</b>	<b>\$-9,425.00</b>
Other Current Assets	
12000 Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$743,254.23</b>
<b>TOTAL ASSETS</b>	<b>\$743,254.23</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	792.20
Accounts Payable (A/P)	0.00
<b>Total Accounts Payable</b>	<b>\$792.20</b>
Other Current Liabilities	
Payroll Liabilities	-5,459.24
<b>Total Other Current Liabilities</b>	<b>\$-5,459.24</b>
<b>Total Current Liabilities</b>	<b>\$-4,667.04</b>
<b>Total Liabilities</b>	<b>\$-4,667.04</b>
Equity	
30000 Opening Balance Equity	20,474.73
32000 Retained Earnings	739,706.32
Net Income	-12,259.78
<b>Total Equity</b>	<b>\$747,921.27</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$743,254.23</b>

