

Gunnison Valley Regional Housing Authority

Regular Board Meeting Minutes

February 14, 2018

200 E. Virginia Avenue, Gunnison, CO 81230

Call to Order

Kelly McKinnis called the meeting to order at 3:07 pm.

Members Present

Matt Feier; (Treasurer) CBMR

Carlos Velado (Vice-Chair), Town of Mt. Crested Butte

Kelly McKinnis, (Chairperson) County-at-Large

Todd Barnes, Mt. Crested Butte

Jim Gelwicks, City of Gunnison

Michael Yerman, Crested Butte

Jim Schmidt, (Secretary), Crested Butte

John Messner, Gunnison County

Ellen Harriman; City of Gunnison

Staff Present

Jennifer Kermode, Executive Director

Public Present

Chris Haver, Crested Butte Alternate

Willa Williford, Williford LLC Consulting

Public Comment

There were no public comments

Consent Agenda:

Jim Schmidt moved to approve the Consent Agenda, Jim Gelwicks seconded. No discussion; motion passed unanimously.

Administrative Items:

- a. **Staff Reports:** Jennifer went over the Staff Reports with the Board; also informed the Board that there is a new purchaser for the Palisades Apts. in Gunnison and thinks that the new management will be a very positive entity in the City. The GVRHA will be participating with the new owners in assigning any of our TBRV that may be available if one of their PBV should move out. (Note: Pursuant to later discussion with the new owners, as of February 23, 2018, the GVRHA will not be participating in this manner.)

Regarding the Anthracite Place Apts. Matt asked about some line item expenditures on the P&L, Jennifer will report back to the Board on what is included in the following:

1. Bank Service Fees of \$790
2. Landscaping & grounds Maintenance Fees of \$1125
3. Property Management Fees of \$2494
4. Salary and Benefit Compensation of \$3776

Michael asked if any additional cracks have been discovered in other units that Coburn should or did fix – there have been none.

Regarding the GV-HEAT program, Jim Schmidt informed the Board that the Town of CB will be having a “energy efficiency day” on June 8th, perhaps in conjunction with the Town Picnic, and would like to have the GV-HEAT program represented there. Jennifer explained that Delaney, the new GVRHA part-time employee administering the GV-HEAT program, is targeting marketing efforts in the north end of the Valley. John encouraged all Board members and jurisdictions to promote the program where they can, and the GV-HEAT program did get recognition at the recent Governor’s Climate Symposium as one of the more unique programs in place to address energy efficiency in substandard housing and low-income households.

b. Updated GVRHA Fiscal Policies

Jennifer highlighted the sections within the Policy that had been changed per the January Board meeting discussion:

Expense and Accounts Payable

Purchases and Procurement

Policy: Through the budget process, Board to pre-authorize expenditures up to \$10,000 without additional approval or check signature; expenditures between \$10,000 and \$25,000 that are non-budgeted will require authorization from the Board Chair; those over \$25,000 will require full Board approval on the consent agenda prior to expense and two signatures on the check.

Procedure:

- for development projects, the project budget should be reviewed and accepted by the Board prior to initiating construction; construction disbursement schedule will be regularly submitted to the Board for review; all checks over \$25,000 will require two signatures and authorization from the Board Chair.
- the Board Treasurer shall become the third signatory on the GVRHA bank accounts.

Matt moved to approve the new Fiscal Control Policies as presented, Michael seconded. The motion passed unanimously.

c. Contract to Buy, Sell and Develop Real Estate for Housing

Jennifer introduced Willa Williford of Williford LLC, the consultant that the GVRHA has contracted with to assist with the construction loan process of the Crested Butte duplex build project. Michael provided an overview of the partnership between the Town, the GVRHA, the GVHF and private construction partners.

The GVHF has agreed to provide grant funding to the Town to support the cost of Architectural Services/Project Manager of \$12,783 (the Town has contributed \$25,000 towards the \$37,783 total cost), and to provide grant funding to support the cost of Consulting Services of \$12,217 for construction budget management and construction draw oversight.

The Town and GVRHA selection team chose Living Designs Group LLC (LDG) and principal Doug Patterson as the Architect/Project Manager, and High Mountain Concepts (HMC) owned by John and Karen Stock as the contractors. LDG will be retained by the Town and HMC will be retained by the GVRHA.

The Town will infuse equity into the project by paying all tap fees for each unit and will donate the land. The land will be the collateral for the construction loan. The Town will retain ownership of one duplex (two units) for employee housing.

For the Town to deed the property over to the GVRHA, the Town must act via ordinance. First reading will be on February 20th, second reading will be March 19th. The contract between HMC and GVRHA will need to be sufficient to secure the debt financing, so it will be drafted after lender selection.

The GVRHA will handle construction loan draws, the lottery process for prospective purchasers, homebuyer education, final buyer qualifications and act as transaction broker at the time of sale. The GVRHA will earn a 2% transaction fee for each unit sold.

Important outcomes from this partnership and project include demonstrating the need for housing by identifying a pool of qualified applicants and establish a successful process for creating such partnerships for other jurisdictions to model after. This is of particular interest to the Town of Mt. CB for developing their Homestead parcel.

Risks associated with this partnership could include a lack of qualified applicants to purchase, however, it is the opinion of the partnership team that this project meets the needs as identified in the Housing Needs Assessment (HNA) and will have a large pool of qualified applicants. Should that not be the case, the units could be rented to local households through the GVRHA until such time as they could be sold.

The CB Housing Guidelines will be the governing document on the lottery process and qualified buyers.

The Draft Contract to Buy, Sell and Develop Real Estate for Housing has been reviewed by the Town's legal counsel and Andy Allen (on behalf of the GVRHA); minor grammatical changes were the only modifications brought up by each, and possible change of Lot 6 to another Lot if it cannot fit the property. The County Commissioners were concerned about what happens if the units are not approved through BOZAR and what implications that has to the GVRHA. Michael and Willa explained that the Contract will not be executed until the construction loan is secured, which will happen concurrently with BOZAR approval.

The Master Deed Restriction is already recorded against all lots located in the Paradise Park Subdivision and will remain in full force and effect for these units. John stated that the GVRHA should be intricately involved in the drafting of deed restrictions on developments going forward.

The GVRHA Board would like to be added to the Notice of Lien (attached) as additional entity to be notified in the event of foreclosure.

This Contract demonstrates site control to lenders that GVRHA will solicit for the construction loan which creates the need for the GVRHA Board to approve it prior to lender solicitation.

The Board is aware of the risk the GVRHA takes on if these properties do not sell; through the design process the GVRHA is not at financial risk for any increase in costs that the design review and approval process may require.

Carlos moved to approve the Contract to Buy, Sell and Develop Real Estate for Housing with the minor grammatical change recommended by legal counsels (to add the GVRHA to the Notice of Lien) and adding "prorated" to Section 9.d. Ellen seconded. The following Board members recused themselves from voting on this motion: Michael Yerman (since he drafted the Contract), Jim Schmidt (as Mayor of the Town). Kelly McKinnis (who has current business dealings with HMC) will abstain from voting. The motion passed by the remaining Board members 6-0.

Additional discussion was held about how much density can fit into this project and how many units are projected through the build-out of Town-owned lots. The County Commissioners had talked with Michael at their recent worksession (date?) about density and how local codes should be reviewed to identify ways to reduce barriers to increasing density; the subdivision plat map shows that these lots cannot fit more density on them.

Mt. CB will wait to adopt Housing Guidelines until Jennifer has completed revisions (with Board approval) to the GVRHA Housing Guidelines (which were last approved in March 2015).

The HNA should be reviewed to see what the bedroom count demand for ownership and rental units in the North Valley for future development design.

d. New Advisory Group Policies

At the January Board meeting, the Advisory Group Policies had been tabled until this meeting, when the Board would have had identified a strategic vision for the group. There were no ideas prepared for today's meeting, so Kelly suggested that Jennifer send out a reminder email the 3rd week of March on what topics the Board should think about for the Advisory Group, and we will further discuss its formation at the April 11th Board meeting.

Other items:

Carlos wanted to inform the Board that the Homestead project is a joint project between the Town of Mt. CB and CBMR, not just the Town.

Kelly had a developer contact her regarding the development of workforce housing in the Gunnison area, so she will be working to find developable parcels to present to him.

Jennifer reminded the jurisdictions that the GVRHA has invoiced each of them for their first quarter contribution to the GVRHA and would appreciate receipt of payment.

Jennifer will forward information to Matt from an investment firm about investing with them.

Jennifer received a question from the GVHF if we would manage the Westwood Apts. for them if they were to purchase them. She responded that they would approach the GVRHA about managing them for the GVHF on a fee basis.

Michael asked Jim Gelwicks and Kelly if they felt there was enough interest in the lower end of the Valley to offer a first-time homebuyer class this spring in conjunction with one offered in the North end for the duplex build units. It was decided that the class should be offered in the lower end.

John informed us that the Lodging Tax bill introduced into the State Legislature was defeated as there was strong opposition from the lodging industry. There is good news resulting from this defeat that another bill may be drafted to develop a workforce housing coalition at the state level to tackle funding sources for workforce housing, and Gunnison County has been invited to join that coalition once created. Also, watch for the development of an Opportunity Zone program in the state.

Adjourn:


The meeting was adjourned at 4:57 pm.

Minutes prepared by:



Jennifer Kermode, Executive Director

Approved on 3.28.18



Kelly McKinnis, Chair