

Gunnison Valley Regional Housing Authority

Regular Board Meeting Minutes

April 18, 2018

500 Maroon Avenue, Crested Butte, CO

Call to Order

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

Members Present

Matt Feier; (Treasurer) CBMR

Kelly McKinnis, (Chairperson) County-at-Large

Jim Gelwicks, City of Gunnison

Michael Yerman, Crested Butte

Jim Schmidt, (Secretary), Crested Butte

John Messner, Gunnison County

Ellen Harriman, City of Gunnison

Todd Barnes, Mt. Crested Butte via phone

Members Absent

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

Staff Present

Jennifer Kermode, Executive Director

Public Present

Chris Haver, Crested Butte Alternate

Darin Higgins, GVHF

Gunnison Country Times

Crested Butte News

Public Comment

There were no public comments.

Consent Agenda:

Jennifer asked to add the following items to the Agenda under Other business: 1) recent legislative events, 2) Board approval of the lease agreement between GVRHA and the Town of Crested Butte for the historic jail house at 209 2nd Avenue, 3) CMHC Housing Summit in September – Save the Date, and Kelly called for: 4) ED evaluation committee for Jennifer's annual review for June.

John asked about the County Community Contributions not reading as such on the GVRHA financials. Jennifer explained that it is represented on the financials as Line 4 Comm. Contribution caused by Quick Books formatting, which will be corrected. He also asked about the HEAT financials and if they were part of the Consent Agenda, Jennifer stated that it is. He asked for clarification about in-kind donations

from the County not showing on the financials. The County contributed \$5,000 in 2017 towards the \$17,500 community match required to get the Energy Smart Colorado grant and it is not showing in the Income/Expense report. It was paid directly to Lotus Engineering thus Jennifer was unaware of it when preparing the report. Jennifer will add it to the report. All pre-printed dollars on the report represent checks actually received by the GVRHA for the HEAT program. John asked about the HEAT line item on the GVRHA P&L – Jennifer explained that when Shannon creates a separate company for HEAT in Quick Books that line item will show zero and will be removed completely for next year's budget. The \$6,370 showing on the GVRHA P&L is accounted for on the HEAT Income/Expense statement.

Matt stated that he appreciated the charts and graphs that were included as they are a visual help to understanding where we are relative to last year. Jim S. asked why APA revenues for 18Q1 were so much less than 17Q1, Jennifer explained that 17Q1 reflects many journal entries that cleaned up the 2016 items that did not get paid in 2016.

Jim Schmidt moved to approve the Consent Agenda, Jim Gelwicks seconded. The motion passed unanimously.

Administrative Items:

a. Staff Reports:

The Mountain View report was reviewed. Jennifer informed the Board that the complex is currently fully leased-up but one resident will be leaving end of May. Wait list is full. Coffee with Director yesterday was a cheerful event. Residents are happy with the clean-up that has taken place in the back of the property. Jim S. asked if there are any residency requirements, Jennifer responded that the only restrictions are age, disability, legal residency and income.

Section 8 report was reviewed. Freeze on vouchers has been modified so we are now allowed to fill one voucher at a time.

Anthracite Place report was reviewed. A short discussion of tenant qualifications and employment requirements followed. Jennifer reiterated that as a LIHTC project we can not have employment requirements for tenants.

The GV-HEAT program write-up was reviewed. John asked about the utility rebates and noticed that they are not detailed on the write-up. Jennifer explained that the rebates are not a guarantee and therefore it could be misleading if not presented on a case-by-case basis. The possible rebates available to households are provided to the household through the assessment process.

John asked about the manner in which clients are coming to the HEAT program; Jennifer explained that many are learning about the program via the County's Health & Human Services Department and some are coming via local advertising. Delaney has been updating the GVRHA Face Book page as well.

b. Discussion of Proposing a Referred Measure for Property Tax Funding

Kelly asked if anyone had a chance to read Jim G.'s or Jim Starr's emails from this morning. Jim G. explained that his email was explaining the five options that his council discussed: 1) do nothing, 2) put a strong proposal together to ask for legislative changes to funding sources that housing authorities can impose, 3) what funding streams does the City have from state sources to direct towards housing, 4) property tax and 5) sales tax. The last two options are the two that are legally available. Jim G. stressed that no formal action was taken by the Council, but as a personal preference he would rather see something on the ballot than nothing. The City has not discussed increasing marijuana taxes for housing. Jim S. asked if Jim G. felt his Council would not back any type of tax; Jim G. explained that the County was the one that felt the 1.5 mill increase would not generate enough revenue, thus the City did not pursue further support. Jim G. felt the 2017 Resolution would have passed with one or two votes of non-endorsement. Right now, the City Council is not enthusiastic but that does not mean an unwillingness to participate. Currently in the City there are only six permits for residential building, which is partly due to the City's code. The City is working on code revisions.

Michael asked Jim G. if he felt the lack of infrastructure is an impediment to development. Jim G. responded that yes, it is, and getting infrastructure to certain parcels could add up to \$3 million to a project, defeating affordability. Michael views the level of funding needed to do vertical and horizontal building is insurmountable to a property tax. He suggests that any tax revenues should be strategically targeted towards the horizontal costs to entice developers to partner and questioned the Board if they agreed. Michael reminded the Board about how powerful the Town's contribution via tap fees on Anthracite Place was in attracting additional capital and could be a tool that other jurisdictions use for future projects.

John asked how we rationalize to the county citizens that property taxes should be used for development within municipal boundaries; Kelly and Jim G. stated that developers find it less expensive to build in the towns and city, and that is also where density is. Ellen felt that putting infrastructure in for the next 2-3 years without going vertical is a hard sell. Michael stated that we need to educate the citizens on how projects get completed and time is always a factor. Infill opportunities and rehab of mobile homes and parks need to be part of the solution. Todd talked about their 17-acre parcel and the infrastructure cost that challenges putting in streets, curbs, water, sewer, etc. Todd believes that any tool we can use to get some leveraging opportunities is needed and he supports it and thinks his council would be behind it. Michael stressed that the amount of funds at a 1.5 mill increase will not be the solve-all but will allow us to over time and incrementally add housing to the county. Todd is if we don't start somewhere (and we perceive that we are already so far behind) then we won't stem the bleeding.

Kelly expressed concern that if we don't go for a property tax for housing which everyone already views as our #1 issue, another entity could try for it next year. Housing has never asked for a tax for housing so could be viewed more favorably than a school district or Met Rec tax since they have asked before.

Jim S. stated that whether they support a 1 or 1.5 mill increase, it's collecting money that we aren't collecting now. Kelly recommended a sunset to make it more palatable, Jim G. agreed.

The Board agreed that they are not considering a sales tax but a property tax. Jim S. would like to go for a property tax realizing that we won't meet the goals of the Needs Assessment at a 1 or 1.5 mill increase however it is still something.

Todd stated that Mt. Crested Butte would be behind a 1.5 increase with or without a sunset. Jim G. is willing to advocate for that at the City. He suggested that we sunset only 1 mill in 10 years and keep the other .5 in perpetuity. Jim S. agreed that he will advocate for a 1.5 mill increase as well. The County is expecting the municipalities to lead and the County will be in support of what decision is made.

Jim S. made a motion that the GVRHA Board propose a 1.5 mill levy increase to provide dedicated funding to provide affordable housing programs and projects within Gunnison County with a ten-year sunset of .75 mill and .75 mill retained beyond that. Jim G. suggested an amendment to sunset 1 mill after ten years and retain .5 mill beyond that. Jim S. accepted the amendment. Ellen seconded the motion, which passed unanimously.

The Board then directed Jennifer to retain counsel to draft a Resolution with the ballot language for the Board to consider at its next meeting.

John asked about how the revenues would be allocated in future years among the entities. Jennifer said that how the funds are received, held and distributed or awarded can be fleshed out while the education efforts are taking place through the year.

Darin Higgins said that a PAC has been formed already to start an educational effort and to begin that the GVHF just needs to know what they're educating people about.

c. 2018 AMIs

Jennifer informed the Board that the 2018 AMIs came out slightly lower than 2017 which will have an impact on initial sales pricing and rental targets for new development this year.

d. Lease agreement between GVRHA and Town of Crested Butte for historic jail house

Jennifer went over the draft lease agreement between the GVRHA and the Town for the old jail at 209 2nd Avenue in town. This facility would provide the GVRHA with a home of its own in the Town which would facilitate confidential client/agency interactions and give the GVRHA a more permanent home in the north end. The lease payment would be \$200 per month plus utilities. Ellen made a motion for Jennifer to execute the lease agreement, Matt seconded. The motion passed unanimously.

e. Recent Legislative Events

Jennifer let the Board know that there was legislation (HB18-1181) proposed to establish a state tax credit for individuals that contributed to an existing affordable housing project or entity (up to \$400 per year per person) that was killed in committee. She also let them know that there is HB18-1195 proposes that owners of second homes would be allowed to vote in special districts in the state. John said he would look into this.

- f. Kelly asked for a committee to be formed to prepare the annual evaluation for Jennifer. Ellen and Jim S. volunteered. Kelly will provide them with the form that was used for Karl and the goals originally set for Jennifer. The evaluation will be discussed in executive session during the June meeting.

Other Business:

Kelly informed the Board that the real estate market has exploded in Gunnison which puts increased pressure on pricing and supply, and available rentals are significantly lower than last year at this time. This is most likely an indicator of how tight the market will be during the year.

Adjourn:

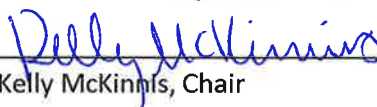
The meeting was adjourned at 5:17 pm.

Minutes prepared by:



Jennifer Kermode, Executive Director

Approved on June 13, 2018



Kelly McKinnis, Chair

GVRHA

BUDGET VS. ACTUALS: 2018 - FY18 P&L

January - April, 2018

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
04 County Contribution	23,375.00	31,166.68	-7,791.68	75.00 %
05 City of Gunnison Quarterly	26,500.00	17,666.68	8,833.32	150.00 %
06 Town of Crested Butte Quarterly	14,688.00	19,583.32	-4,895.32	75.00 %
07 Town of Mt CB Quarterly	43,500.00	14,500.00	29,000.00	300.00 %
10 APA Managment Fees	3,741.00	4,988.00	-1,247.00	75.00 %
11 Anthracite Place Salary Reimbursement	7,552.00	9,209.68	-1,657.68	82.00 %
12 Mtn View - mgmt Fee	2,800.00	16,366.68	-13,566.68	17.11 %
Mtn View - Ops Subsidy	4,168.00		4,168.00	
Mtn View - Perf Incentive	7,390.00		7,390.00	
Total 12 Mtn View - mgmt Fee	14,358.00	16,366.68	-2,008.68	87.73 %
13 Stallion Park - mgmt	1,262.00	2,504.00	-1,242.00	50.40 %
16 Interest Income	939.65		939.65	
18 GV Housing Foundation	1,912.50		1,912.50	
23 HEAT	6,370.00		6,370.00	
26 Section 8 Admin Fee	5,094.66	5,600.00	-505.34	90.98 %
29 RE Commissions		1,666.68	-1,666.68	
30 Application Fees		333.32	-333.32	
Total Income	\$149,292.81	\$123,585.04	\$25,707.77	120.80 %
GROSS PROFIT	\$149,292.81	\$123,585.04	\$25,707.77	120.80 %
Expenses				
35 Accounting Services	400.00	3,873.32	-3,473.32	10.33 %
36 Advertising & Legal Notices	446.95	1,000.00	-553.05	44.70 %
37 Admin Expense	468.24	1,333.32	-865.08	35.12 %
40 Computer Hardware		566.68	-566.68	
42 Software		166.68	-166.68	
43 Computer Tech Support		333.32	-333.32	
45 Copier Lease	630.88	588.00	42.88	107.29 %
46 Copier Services	341.59	216.68	124.91	157.65 %
47 Telephone - Service	665.30	310.00	355.30	214.61 %
48 Admin Assistant	3,048.50	6,066.68	-3,018.18	50.25 %
49 Dues & Memberships	430.00	400.00	30.00	107.50 %
50 Schools & Training	549.95	2,166.68	-1,616.73	25.38 %
51 Insurance & Bonds	118.00	1,500.00	-1,382.00	7.87 %
53 Internet Service Provider		310.00	-310.00	
54 Internet Subscriptions	1,094.50	833.32	261.18	131.34 %
55 Legal Services		4,666.68	-4,666.68	
56 Office Supplies	1,606.83	1,233.32	373.51	130.28 %
57 Postage	106.70	300.00	-193.30	35.57 %
59 Professional Services	2,073.05	8,666.68	-6,593.63	23.92 %
60 Rent Blue House	3,248.00	3,250.00	-2.00	99.94 %
61 Salaires	15,365.11		15,365.11	

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
62 Salaries - Benefits	6,601.11		6,601.11	
64 Travel - Meals	66.94	583.32	-516.38	11.48 %
65 Travel - Transportation	516.48	3,316.68	-2,800.20	15.57 %
66 Travel - Lodging	184.46	1,883.32	-1,698.86	9.79 %
67 Automobile Expense		500.00	-500.00	
68 Website		400.00	-400.00	
Total Expenses	\$37,962.59	\$44,464.68	\$-6,502.09	85.38 %
NET OPERATING INCOME	\$111,330.22	\$79,120.36	\$32,209.86	140.71 %
NET INCOME	\$111,330.22	\$79,120.36	\$32,209.86	140.71 %

GVRHA
BALANCE SHEET
As of April 30, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Development fund	89,756.60
GV-HEAT	51,969.36
Money Market	402,191.29
Operational Fund	316,587.83
Total Bank Accounts	\$860,505.08
Accounts Receivable	
11000 Accounts Receivable	90,826.00
Total Accounts Receivable	\$90,826.00
Other Current Assets	
12000 Undeposited Funds	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$951,331.08
TOTAL ASSETS	\$951,331.08
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LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	0.00
Accounts Payable (A/P)	0.00
Total Accounts Payable	\$0.00
Other Current Liabilities	
Payroll Liabilities	-4,336.40
Total Other Current Liabilities	\$-4,336.40
Total Current Liabilities	\$-4,336.40
Total Liabilities	\$-4,336.40
Equity	
30000 Opening Balance Equity	35,005.88
32000 Retained Earnings	739,706.32
Net Income	180,955.28
Total Equity	\$955,667.48
TOTAL LIABILITIES AND EQUITY	\$951,331.08