

Gunnison Valley Regional Housing Authority

Special Board Meeting Minutes - Amended

May 29, 2018

Conference Call Meeting

Call to Order

Kelly McKinnis called the meeting to order at 11:33 am.

Members Present on the Phone

- Matt Feier; (Treasurer) Member-at-Large
- 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
- Carlos Velado, Mt. Crested Butte

Staff Present

Jennifer Kermode, Executive Director

Public Present

Darin Higgins, GVHF
Chris Rourke, Gunnison Country Times

Public Comment

There were no public comments.

Discussion Item: Request for Letter of Support from the GVRHA for a LIHTC Development

Jennifer had sent out an initial email explaining a request from a developer for a letter of support for a LIHTC project on May 25th, and in response to wishes to have further discussion about the implications of this letter, this special meeting was set up. It needed to be a conference call meeting as Jennifer was out of the county until the 30th and time was of the essence.

Before discussion started, John questioned whether Kelly could stay on the call and/or vote for the requested letter. Due to her involvement with the developer as their Realtor representing them in the purchase of a property for the project, it was agreed by all that she should recuse herself from the discussion and the vote. Kelly left the conference call at 11:38.

Jennifer summarized the reason for the Special Board Meeting as follows: a development company out of Oklahoma City, OK known as Belmont Development Company, had recently approached her regarding

the Housing Authority's willingness to enter into a Special Limited Partnership (SLP) with them. The purpose of the SLP is for the Housing Authority to take a very small ownership interest in their proposed development to provide for property tax and sales tax exemptions. Belmont is proposing to build a 36-unit apartment building in the 700 block of N. Colorado in Gunnison. This will be a LIHTC project serving AMIs from 30-60%, and Belmont will be submitting their application to CHFA for those tax credits on June 1, 2018. Because the June 1st date is a hard date for the application, a letter of support needs to be approved by the Board and sent to Belmont before the 1st.

Jennifer responded to questions about how a 9% LIHTC was financed versus a 4% LIHTC, and the capital contributed to a project from various sources. She also informed the Board that the sales tax exemption reduces the construction costs which lowers the permanent financing needed which then allows for lower rents, and the property tax exemption lowers the monthly operating expenses, again lowering the monthly operating expenses. Both these cost-saving measures assist in getting the lower AMI units into the project.

The Board discussed that the tax exemptions do come at a cost to the County, the school district and the City (through the sales tax exemptions on potential purchases of materials) and were concerned about setting a precedent for other housing projects in the county. Property tax exemptions come at a cost to the residents of the County by not increasing taxes that cover resources and services to the county as a whole. Jennifer gave her opinion that there most likely will not be another application for several years to come, as Colorado Housing and Finance Authority (CHFA) is purposeful about spreading the allocations out around the state and not concentrating them in one area too often (except for the metro-Denver area). This year, CHFA has identified Gunnison as a soft-target for development of a LIHTC. This explains why several developers have been exploring opportunities to put one here this past spring. The GVRHA will continue to explore other means of financially supporting housing in public/private partnerships.

The question was asked if there are other options for providing the tax exemptions, but there aren't. State statute identifies housing authority involvement with a private, for-profit developer as the method of getting those exemptions to a project. The tax exemptions would last for as long as we had an ownership interest in the property, which would be at least 15 years (the affordability period required by CHFA). The Board expressed that they would like to see the affordability period extend to 30 years.

Jim S. made a motion to support this project through the SLP and execute the letter of support as requested. Jim G. seconded. The motion passed unanimously.

The Board requested that we begin looking at other ways to get involved with private developers so that we are not putting an undue burden on the County or school district with future tax exemptions.

Other Business: None

Adjourn:

The meeting was adjourned at 11:18 am.

Minutes prepared by:

Jennifer Kermode
Jennifer Kermode, Executive Director

Approved on 8.8.13

Carlos Velado
Carlos Velado, Vice-Chair

GVRHA

BUDGET VS. ACTUALS: 2018 - FY18 P&L

January - June, 2018

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
04 County Contribution	46,750.00	46,750.02	-0.02	100.00 %
05 City of Gunnison Quarterly	26,500.00	26,500.02	-0.02	100.00 %
06 Town of Crested Butte Quarterly	29,376.00	29,374.98	1.02	100.00 %
07 Town of Mt CB Quarterly	43,500.00	21,750.00	21,750.00	200.00 %
10 APA Managment Fees	7,482.00	7,482.00	0.00	100.00 %
11 Anthracite Place Salary Reimbursement	13,216.00	13,814.52	-598.52	95.67 %
12 Mtn View - mgmt Fee	8,400.00	24,550.02	-16,150.02	34.22 %
Mtn View - Ops Subsidy	12,504.00		12,504.00	
Mtn View - Perf Incentive	7,390.00		7,390.00	
Total 12 Mtn View-- mgmt Fee	28,294.00	24,550.02	3,743.98	115.25 %
13 Stallion Park - mgmt	3,103.80	3,756.00	-652.20	82.64 %
16 Interest Income	697.75		697.75	
26 Section 8 Admin Fee	7,455.60	8,400.00	-944.40	88.76 %
29 RE Commissions		2,500.02	-2,500.02	
30 Application Fees		499.98	-499.98	
Uncategorized Income	999.95		999.95	
Total Income	267,375.10	185,377.56	21,997.54	111.87 %
GROSS PROFIT	267,375.10	185,377.56	21,997.54	111.87 %
Expenses				
35 Accounting Services	457.00	5,809.98	-5,352.98	7.87 %
36 Advertising & Legal Notices	562.40	1,500.00	-937.60	37.49 %
37 Admin Expense	842.17	1,999.98	-1,157.81	42.11 %
40 Computer Hardware		850.02	-850.02	
42 Software		250.02	-250.02	
43 Computer Tech Support		499.98	-499.98	
45 Copier Lease	968.43	882.00	86.43	109.80 %
46 Copier Services	457.77	325.02	132.75	140.84 %
47 Telephone - Service	690.68	465.00	225.68	148.53 %
48 Admin Assistant	3,205.41	9,100.02	-5,894.61	35.22 %
49 Dues & Memberships	630.00	600.00	30.00	105.00 %
50 Schools & Training	849.95	3,250.02	-2,400.07	26.15 %
51 Insurance & Bonds	1,997.00	2,250.00	-253.00	88.76 %
53 Internet Service Provider	715.43	465.00	250.43	153.86 %
54 Internet Subscriptions	1,094.50	1,249.98	-155.48	87.56 %
55 Legal Services		7,000.02	-7,000.02	
56 Office Supplies	2,521.17	1,849.98	671.19	136.28 %
57 Postage	216.50	450.00	-233.50	48.11 %
59 Professional Services	2,353.05	13,000.02	-10,646.97	18.10 %
60 Rent Blue House	4,872.00	4,875.00	-3.00	99.94 %
61 Salaries	91,128.43		91,128.43	
62 Salaries - Benefits	6,920.36		6,920.36	

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
64 Travel - Meals	189.42	874.98	-685.56	21.65 %
65 Travel - Transportation	1,186.84	4,975.02	-3,788.18	23.86 %
66 Travel - Lodging	501.12	2,824.98	-2,323.86	17.74 %
67 Automobile Expense		750.00	-750.00	
68 Website		600.00	-600.00	
Total Expenses	\$122,359.63	\$66,697.02	\$55,662.61	183.46 %
NET OPERATING INCOME	\$85,015.47	\$118,680.54	\$-33,665.07	71.63 %
NET INCOME	\$85,015.47	\$118,680.54	\$-33,665.07	71.63 %

GVRHA

BALANCE SHEET

As of June 30, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Development fund	89,756.60
GV-HEAT	39,531.15
Money Market	402,426.58
Operational Fund	323,244.75
Total Bank Accounts	\$854,959.08
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	\$945,785.08
TOTAL ASSETS	\$945,785.08
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	399.85
Accounts Payable (A/P)	0.00
Total Accounts Payable	\$399.85
Other Current Liabilities	
Payroll Liabilities	-4,336.40
Total Other Current Liabilities	\$-4,336.40
Total Current Liabilities	\$-3,936.55
Total Liabilities	\$-3,936.55
Equity	
30000 Opening Balance Equity	35,005.88
32000 Retained Earnings	739,706.32
Net Income	175,009.43
Total Equity	\$949,721.63
TOTAL LIABILITIES AND EQUITY	\$945,785.08