

Gunnison Valley Regional Housing Authority

Regular Board Meeting Minutes

May 8, 2019

202 E. Georgia Avenue, Gunnison, CO

1. Call to Order

Carlos Velado called the meeting to order at 1:08 pm.

Members Present

Carlos Velado (Chair) Mt. Crested Butte, Representative

Matt Feier (Treasurer) Member-at-Large

Scott Cox, Gunnison County Representative

Jim Gelwicks, City of Gunnison Elected

John Messner, Gunnison County Elected

Members Absent

Chris Haver, Crested Butte Representative (arrived at 2:55)

Jim Schmidt, Crested Butte Elected (arrived at 2:55)

Staff Present

Jennifer Kermode, Executive Director

Roland Mason, Gunnison County Elected

Public Present

None

2. Public Comment

There were no public comments.

3. Consent Agenda

Jim G. moved to approve the Consent Agenda and Matt seconded. Dialogue of the motion resulted in the financials being removed from the Consent Agenda to be discussed separately since they were not distributed to the Board until May 7th. The motion then passed unanimously.

The YTD Financials through April 30, 2019 were then discussed as a separate item.

4. Administrative Items

a. Member Updates

- Mt. Crested Butte - Carlos noted that the Council was still considering its appointed representative to the GVRHA Board.
- City of Gunnison – Jim G. commented that the City held its community-wide visioning workshop on April 20th and it was well attended; staff is working on compiling results for future action.

- County – John briefed the Board on the legislative actions that will provide for housing dollars in future years.
- Loren Ahonen (staff) presented an idea generated by the Solarize Gunnison project out of WCU graduate students to put refurbished solar panels on an affordable housing structure to reduce energy usage and costs. The idea is still in its infancy; the Board directed Loren to continue exploring this idea with the students and follow up with what progress it may have.

b. Establishment of Wholly-Owned Subsidiary MCGC, LLC

i. Articles of Organization

Jennifer presented the Articles of Incorporation for MCGC, LLC and briefed the Board on its genesis.

Jim G. made a motion to approve of the Articles of Organization as presented, Matt seconded. With no further discussion the motion passed unanimously.

ii. Operating Agreement

Jennifer presented the Operating Agreement for MCGC, LLC and briefed the Board on its genesis. The purpose of MCGC, LLC is to be an entity that the GVRHA can use to enter into partnerships with other entities, public or private, for affordable housing development. The presence of MCGC, LLC, as an entity wholly-owned by the GVRHA, provides for the exemption of property tax and sales/use tax to an affordable housing development.

Scott made a motion to adopt the Operating Agreement, John seconded. Without further discussion the motion passed unanimously.

c. GardenWalk

i. Term Sheet Status

Jennifer reviewed the updated Outline of Special Limited Partnership Terms (Terms) for MCGC, LLC to enter into a special limited partnership with Belmont. Changes from the Terms reviewed by the Board at the March Board meeting were highlighted.

Scott made a motion to approve of the Terms, Jim G. seconded. With no further discussion the motion passed unanimously.

ii. RESOLUTIONS 2019-001 & 2019-002

2019-001: Authorization of Acquisition of Special Interest – GardenWalk of Gunnison was discussed. John moved to adopt the Resolution as presented, Jim G. seconded. With no further discussion the motion passed unanimously.

2019-002: Authorization of \$100,000 Project Owner Loan – GardenWalk of Gunnison was discussed. Jim G. moved to adopt the Resolution as presented, Scott seconded. With no further discussion the motion passed unanimously.

Jim G. noted that in the passage of these two Resolutions he had mentioned previous to the vote that he had no conflict of interest with them.

d. GVRHA Funding Discussion

- i. Down Payment Assistance (DPA – Michael Yerman from Crested Butte staff had requested that the GVRHA research what DPA options are available for future deed-restricted buyers. Jennifer provided underwriting regulations for the Division of Housing CDBG loan program. Jennifer also explained that she would like the Board to direct her to apply for administration of this grant within the

GVRHA in November (when the application process is open). Jennifer also explained the terms of these loans to borrowers looked like. John asked about the possibility of raising the AMI over 80% AMI to 140% AMI for the program.

- ii. Bond Financing Revisited – Scott reviewed the example of a hypothetical bond issuance (both a single-issue and a multi-tranchued issue) sent to him and Jennifer by Trini Martinez, who visited with us at our April 2019 meeting. The purpose of the review was to answer questions that had been raised at the April meeting about the costs of a single-issue versus a multi-tranch issue. Scott noted that the cost difference between the two is not as significant as he anticipated.

Future uses of bond revenues were discussed to include land banking, partnering with the school district about developing on their parcels.

5. Other Business

Jennifer explained the terms of the proposed \$100,000 loan to the GardenWalk project as listed on the draft Term Sheet. Scott asked about if our loan should be cross-defaulted to the other facilities in the project (if other loans go into default shouldn't our loan be considered defaulted). Jennifer will confirm with our attorney that that will be the case.

Jennifer asked for direction from the Board – is it okay to send this draft to Belmont to begin the negotiations with a 17-year term, no payments due and no interest charged during the first two years, subsequent payments coming from cash flow and interest rate at the long-term federal applicable rate. Board reached consensus about having Jennifer send this draft over to Belmont to begin negotiations.

The next meeting will be June 12th in Crested Butte.

6. Adjourn

The meeting was adjourned at 5:00 pm.

Minutes prepared by:

Carlos Velado
Jennifer Kermode, Executive Director *Carlos Velado, Chair*

Approved on 6-12-19

Jennifer Kermode
Carlos Velado, President *Jennifer Kermode, Exec Dir*