

**Gunnison Valley Regional Housing Authority**

Regular Board Meeting Minutes

May 9, 2018

202 E. Georgia Ave., Gunnison, CO

**Call to Order**

Kelly McKinnis called the meeting to order at 3:05 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 *Vice chair, via phone*

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

**Staff Present**

Jennifer Kermode, Executive Director

**Public Present**

Chris Haver, Crested Butte Alternate

Darin Higgins, GVHF

Kim Crawford, ButlerSnow

**Public Comment**

There were no public comments.

**Consent Agenda:**

Jim S. had a question regarding the amount of management fee revenue received from Mtn View to GVRHA being lower than last year-to-date. Jennifer explained that it is due to a change in the method used to reconcile debits and credits between the County and the GVRHA that occurred in 2017Q1 for Mtn View and Stallion Park.

Jim G. noted on the HEAT spreadsheet that the City's \$20,000 rebate contribution is not showing. Jim and Jennifer decided that the City would notify Jennifer when rebates have been issued for grant tracking purposes.

Matt had a question regarding what the internet subscriptions are, and the net income of APA – is it reflected anywhere in the GVRHA P&L? No, it is not. Jennifer noted that the Net Operating Income YTD for APA at \$4,775.35 is somewhat skewed as we just paid \$12,000 for the audit and \$5000 for the 990 tax return preparation to Novogradic in one month. Carlos inquired if we are looking for another CPA firm and Jennifer replied yes.

Jim G. moved to approve the Consent Agenda, Jim S. seconded. There was no further discussion and the motion passed unanimously.

**Administrative Items:**

**a. Staff Reports:**

Mountain View – fully leased-up but expecting two move-outs by the end of May. Discussion about what will happen to one tenant whose lease will not be renewed; hopefully family will move her out peacefully and if not, we will contact our attorney and the County attorney as to our next steps. John stated that he wants the GVRHA to keep the County informed of non-renewals and evictions. Jennifer finished reading the rest of the report.

Section 8 – Jennifer read through the report and explained that we are working to obtain Section 811 vouchers from the Division of Housing. These vouchers serve persons aged 18-62 with disabilities.

Anthracite Place – Jennifer read through the report.

HEAT – Jennifer read through the report and explained what steps are being taken to find a replacement for Delaney. A MEM graduate from Western is a likely candidate.

**b. 2018 GVRHA Property Tax Plan for Funding Housing Programs and Projects and Introduction of the Pipeline of Projects**

Jennifer introduced the Property Tax Plan document to the Board, and that it is intended to be a tool to frame the conversations around the community and each of the jurisdictions about the property tax – why a property tax measure is “the ask,” what it would generate in revenue, what could be done with the revenue, and tie it in with the Pipeline of Projects.

Michael suggested adding to the uses listed in the Plan the opportunity to acquire property if the Board believes that is an appropriate use of the tax revenues. Jim G. pointed out that there would be opportunities in the future where a partnership with the Housing Foundation or other entities to acquire properties could happen to leverage our dollars. John questioned if the funds raised in ten years be sufficient to acquire land and construct housing. Jennifer said that’s a good reason why our messaging needs to reference the other tools that can be used with the tax revenues to accomplish our housing goals. John would like the Plan to specify that this is not a *County-imposed* tax; Jennifer will make sure that this distinction is made in all marketing materials. The topic of outlying communities came up and if they should be informed of what the referred measure is about. Using the term “Valley” in place of “County” could be exclusive of those outlying communities such as Marble and Somerset. Since these communities are eligible for the HEAT program, it would be prudent for us to market to them as well.

Carlos asked for clarification of the idea of “Could offer limited tax assessment increases as an incentive to create ADUs” (paragraph 4 of the Plan’s section Additional Tools for Creating Affordable Housing. Jennifer explained that an addition of an ADU generally increases the assessed value of the property; to incentivize owners to add ADUs, a limited increase in the assessed value could be used. How this would work would have to be fleshed out with each jurisdiction and the County Assessor.

**c. Review of a Resolution Submitting to the qualified Electors of the Gunnison Valley Regional Housing Authority, at the Election to be held November 6, 2018, a Ballot Question Authorizing a Tax Increase**

Jennifer introduced Kim Crawford, Counsel with ButlerSnow, who is attending the meeting via phone. Kim will answer questions about how our referred measure is worded, and why we do not want a question allowing us to incur debt included in this measure but to have it as a separate question. Kim stated that the decision to have a debt question is up to the Housing Authority, because we are authorized to incur debt by state statute. We can, however, borrow money if we are an *enterprise* without an election, but the GVRHA is not an enterprise. The State Supreme Court has held that to be free from TABOR, less than 10% of your revenue can come from state or local grants. These tax dollars would be considered a local grant, and since more than 10% of our income would come from the tax revenues generated, we would be held to TABOR.

If we want to issue debt, we can enter in to annual appropriations obligations which are not considered debt without an election. Certificates of Participation (CoP), leases or loans can be done without an election if annually appropriated, but if we want to borrow money without annual appropriation, we would have to go to the voters.

For example, if we wanted to borrow five million dollars to build a housing project, we would need to have the specific debt authorized and payable from a certain source such as this revenue, or we could impose another tax for that, or we do an annually appropriated lease. Michael asked if we would violate TABOR if the GVRHA entered into a contract with a developer for a multi-year project and paid him with this revenue – per Kim it would be subject to annual appropriation, so the contract would need to state that specifically.

Jennifer asked about Certificates of Participation – what are they? Certain types of lease structures subject to annual appropriation act as CoPs which then act sort of like a bond (but not a bond). Whoever might buy the CoP does so with the knowledge that it needs to be annually appropriated. This CoP structure has not prevented investors from buying them. Risk tends to be low as offering bodies have (almost) never annually appropriated.

Jim G. recommended that we keep this year's ballot question at only one issue, leaving us the opportunity to ask the voters in the future should we choose. Jim G. asked the question if the GVRHA provided funds for development of infrastructure to a project in return for deed restricted units, would the ballot language allow for other users of the infrastructure to pay a proportional sum to repay the GVRHA from up-front costs.

Jim S. asked about the meaning of "mixed income" in paragraph 5 – does it mean that low-income housing could be mixed with market-rate housing? Jennifer explained that this is a typical method to assist private developers in providing affordable housing. Kim stated that if we are facilitating any of the five purposes in the ballot language, then infrastructure and mixed income projects can be justified.

The decision was made to add a few words to the language "not more than" in the phrase "continuing at a levy of .5 mills" so the language would read "continuing at a levy of not more than .5 mills." Kim will add that to the language and send to Jennifer. There were no further questions for Kim and she left the meeting.

It was decided that the Board would not vote to adopt the language or the Resolution until the June 13, 2018 meeting with the suggested revision. Crested Butte will put their Resolution on the June 18<sup>th</sup> Council agenda, Mt. Crested Butte will put theirs on the June 19<sup>th</sup> agenda, the City will put it on their June 26<sup>th</sup> agenda and the County will schedule after these meetings.

The Board discussed how the tax would be used and decided that they would begin working on the structure of how the tax revenues would be collected, retained and allocated to during the next months leading up to the election. Included in that structure would be a prioritization from staff of each jurisdiction on what the public could expect to see built as the appropriate opportunities arise.

John wants the marketing team to be prepared to answer questions from the public about why a property tax question being proposed as this is viewed as a second- or third-tier solution to funding sources. The marketing team will prepare for that. It was discussed that the Pipeline should be renamed to Opportunities for Housing Solutions.

**d. Future Referred Measure for a Ballot Question Allowing GVRHA to Incur Debt**

It was determined that this topic was covered sufficiently with the information provided to the Board by Kim Crawford.

**Other Business:**

Michael introduced other business: his Council approved having one member of the GVRHA Board sit on the review committee for respondents to the RFP and selection committee of finalists for the construction for Blocks 76-80 in the Paradise Park subdivision. Carlos moved to appoint Jim G. to this task. Ellen seconded. The motion passed unanimously.

Kelly informed the Board that one of the LIHTC developers is very close to securing a piece of property in Gunnison for a LIHTC project. Jennifer has been discussing entering into a special limited partnership with the same developer which would generate revenue for the GVRHA. She will update the Board as that progresses.

An update on HB18-1195 – the one attempting to establish personal tax credits for persons donating to affordable housing projects and programs. The language has been modified and is still being considered in the House.

John asked if we received clarification on who owns Anthracite Place Apartments and if the GVRHA Board can make decisions on its operations and administration. Jennifer said yes, per the Operating Agreement the GVRHA, as the Managing Member of Anthracite, is the managing entity. At the end of this year we will need to begin paying ourselves the deferred development fee.


**Adjourn:**

The meeting was adjourned at 4:55 pm.

Minutes prepared by:

  
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Jennifer Kermode, Executive Director

Approved on 6.13.18

  
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Kelly McKinnis, Chair

# GVRHA

## BUDGET VS. ACTUALS: 2018 - FY18 P&L

January - May, 2018

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
04 County Contribution	23,375.00	38,958.35	-15,583.35	60.00 %
05 City of Gunnison Quarterly	26,500.00	22,083.35	4,416.65	120.00 %
06 Town of Crested Butte Quarterly	29,376.00	24,479.15	4,896.85	120.00 %
07 Town of Mt CB Quarterly	43,500.00	18,125.00	25,375.00	240.00 %
10 APA Managment Fees	4,988.00	6,235.00	-1,247.00	80.00 %
11 Anthracite Place Salary Reimbursement	11,328.00	11,512.10	-184.10	98.40 %
12 Mtn View - mgmt Fee	4,200.00	20,458.35	-16,258.35	20.53 %
Mtn View - Ops Subsidy	6,252.00		6,252.00	
Mtn View - Perf Incentive	7,390.00		7,390.00	
<b>Total 12 Mtn View - mgmt Fee</b>	<b>17,842.00</b>	<b>20,458.35</b>	<b>-2,616.35</b>	<b>87.21 %</b>
13 Stallion Park - mgmt	1,840.00	3,130.00	-1,290.00	58.79 %
16 Interest Income	939.65		939.65	
26 Section 8 Admin Fee	6,213.00	7,000.00	-787.00	88.76 %
29 RE Commissions		2,083.35	-2,083.35	
30 Application Fees		416.65	-416.65	
Uncategorized Income	522.76		522.76	
<b>Total Income</b>	<b>\$166,424.41</b>	<b>\$154,481.30</b>	<b>\$11,943.11</b>	<b>107.73 %</b>
<b>GROSS PROFIT</b>	<b>\$166,424.41</b>	<b>\$154,481.30</b>	<b>\$11,943.11</b>	<b>107.73 %</b>
<b>Expenses</b>				
35 Accounting Services	400.00	4,841.65	-4,441.65	8.26 %
36 Advertising & Legal Notices	446.95	1,250.00	-803.05	35.76 %
37 Admin Expense	603.34	1,666.65	-1,063.31	36.20 %
40 Computer Hardware		708.35	-708.35	
42 Software		208.35	-208.35	
43 Computer Tech Support		416.65	-416.65	
45 Copier Lease	735.10	735.00	0.10	100.01 %
46 Copier Services	457.77	270.85	186.92	169.01 %
47 Telephone - Service	690.68	387.50	303.18	178.24 %
48 Admin Assistant	3,048.50	7,583.35	-4,534.85	40.20 %
49 Dues & Memberships	630.00	500.00	130.00	126.00 %
50 Schools & Training	849.95	2,708.35	-1,858.40	31.38 %
51 Insurance & Bonds	1,821.00	1,875.00	-54.00	97.12 %
53 Internet Service Provider	154.98	387.50	-232.52	39.99 %
54 Internet Subscriptions	1,094.50	1,041.65	52.85	105.07 %
55 Legal Services		5,833.35	-5,833.35	
56 Office Supplies	1,794.96	1,541.65	253.31	116.43 %
57 Postage	113.40	375.00	-261.60	30.24 %
59 Professional Services	2,213.05	10,833.35	-8,620.30	20.43 %
60 Rent Blue House	4,060.00	4,062.50	-2.50	99.94 %
61 Salaries	15,365.11		15,365.11	
62 Salaries - Benefits	3,645.50		3,645.50	

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
64 Travel - Meals	66.94	729.15	-662.21	9.18 %
65 Travel - Transportation	1,173.76	4,145.85	-2,972.09	28.31 %
66 Travel - Lodging	321.92	2,354.15	-2,032.23	13.67 %
67 Automobile Expense		625.00	-625.00	
68 Website		500.00	-500.00	
<b>Total Expenses</b>	<b>\$39,687.41</b>	<b>\$55,580.85</b>	<b>\$-15,893.44</b>	<b>71.40 %</b>
NET OPERATING INCOME	<b>\$126,737.00</b>	<b>\$98,900.45</b>	<b>\$27,836.55</b>	<b>128.15 %</b>
NET INCOME	<b>\$126,737.00</b>	<b>\$98,900.45</b>	<b>\$27,836.55</b>	<b>128.15 %</b>

# GVRHA

## BALANCE SHEET

As of May 31, 2018

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Development fund	89,756.60
GV-HEAT	47,786.37
Money Market	402,191.29
Operational Fund	336,455.46
<b>Total Bank Accounts</b>	<b>\$876,189.72</b>
Accounts Receivable	
11000 Accounts Receivable	72,474.00
<b>Total Accounts Receivable</b>	<b>\$72,474.00</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>\$948,663.72</b>
<b>TOTAL ASSETS</b>	
<b>\$948,663.72</b>	
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	399.85
Accounts Payable (A/P)	0.00
<b>Total Accounts Payable</b>	<b>\$399.85</b>
Other Current Liabilities	
Payroll Liabilities	-4,336.40
<b>Total Other Current Liabilities</b>	<b>\$-4,336.40</b>
<b>Total Current Liabilities</b>	<b>\$-3,936.55</b>
<b>Total Liabilities</b>	<b>\$-3,936.55</b>
Equity	
30000 Opening Balance Equity	35,005.88
32000 Retained Earnings	739,706.32
Net Income	177,888.07
<b>Total Equity</b>	<b>\$952,600.27</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$948,663.72</b>