

**Gunnison Valley Regional Housing Authority**

Regular Board Meeting Minutes

March 28, 2018

202 E. Georgia Avenue, Gunnison, CO 81230

**Call to Order**

Kelly McKinnis called the meeting to order at 3:05 pm.

**Members Present**

Matt Feier; (Treasurer) CBMR

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

Kelly McKinnis, (Chairperson) County-at-Large

Jim Gelwicks, City of Gunnison

Michael Yerman, Crested Butte

Jim Schmidt, (Secretary), Crested Butte

John Messner, Gunnison County

**Members Absent**

Ellen Harriman, City of Gunnison

Todd Barnes, Mt. Crested Butte

**Staff Present**

Jennifer Kermode, Executive Director

Delaney Adrian, Admin Assistant

**Public Present**

Chris Haver, Crested Butte Alternate

**Public Comment**

There were no public comments.

**Consent Agenda:**

Carlos noted that the previous minutes talked about the GVRHA participation with the new owners of the Palisades Apartments in their RAD conversion requirement regarding Section 8 voucher 'sharing.' Jennifer informed the Board that after recommendation from the new owners to not participate, she made the decision to not participate.

Jennifer noted that the Anthracite P&L reflects a correction some expenses were categorized; she had provided this information last month. She thanked everyone for making their first quarter payments to the GVRHA. John asked about a separate GV-HEAT program budget in a separate format; Jennifer stated that will be done next month once we have the CARE money in the bank.

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 smoking policy is a source of contention between residents and needs to be reviewed and possibly modified, Shannon is working on cleaning up the back of the property to make a seating area to assist in this.

Section 8 report was reviewed. No major changes in the program or new voucher status.

Anthracite Place report was reviewed. No additional discussion occurred.

GV-HEAT report was presented by Delaney. She explained that there is some complications with the USDA loan/grant program which makes it difficult to use as a resource, but we will continue to offer it. USDA wants their loan program to be used along with the grant program, but not all participants would need the loan. Jim S. asked if we knew about actual savings yet – it's too early in the program to have that data, we expect to have it in a year. John asked Delaney when her marketing strategy would be completed, she is hoping for next week. Jennifer reminded everyone that the contact information for the program is on our website. John also recommended re-connecting with the GV Health Coalition to present the program now that it is launched.

**b. Crested Butte Duplex Building Project**

Michael informed the Board that the Town has decided to self-fund the duplex build since the school district committed to purchase two of the units and fund the construction costs. Thus, the construction loan would have been for \$1M instead of \$1.5M, and the Town felt they could cover that and save approximately \$64,000 in loan fees, resulting in lower sales prices of the units (somewhere under \$260,000). This also means that the GVRHA will collect a 2% commission on four units instead of six. The Town will also contract directly with the contractor so the GVRHA will not be involved in that part of the process. Michael said the Town Guidelines allow for the GVRHA to act as a broker on their behalf, so there is no need for a listing agreement. Jennifer informed the Board that she is reviewing the GVRHA Housing Guidelines to update them, bring to the Board for review and adoption, and one of those revisions will be designating the GVRHA as the transaction broker for new developments in the future.

Michael also stated that the Town's opinion on the sale and re-sale of deed-restricted housing needs to be done through a lottery process with the GVRHA, which will also provide additional funding for GVRHA through the payment of a 2% transaction fee, and that buyers will be much better served by the GVRHA than a real estate agent who may not understand how they work and the procedures that must be followed. Jennifer concurred. Kelly offered that some buyers may want a real estate agent to represent them instead of the housing authority, Michael clarified that they allow it, but payment to a buyer's agent must be paid in cash by the buyer.

Carlos asked if the Board needs to rescind its approval from last month of the GVRHA entering into a contract to purchase the duplex lots from the Town. Michael supported that. Carlos then moved to void the February 14<sup>th</sup> Board approval to execute the Contract to Buy, Sell and Develop Real Estate for Housing. The motion was seconded by Jim Gelwicks. Michael and Jim S. abstained from voting since they were principals to that contract. The motion passed 5-0 by the remaining members.

John asked if one of the responsibilities of the GVHRA is to deed monitor and Jennifer said definitely; we're developing the process of tracking all deed restricted units. Kelly suggested sharing that list of properties to the real estate community to help us track them.

**c. Anthracite Place Apartments 2018 Audit**

Jennifer explained why the auditing firm, Novogradic & Co. was used for the 2017 audit as it made sense to use them for the first-year operations audit as they were the original CPA firm for the project. Jennifer will be putting out an RFP later this year for a less-expensive CPA firm for future audits now that APA is under permanent financing and operating smoothly. Matt noted that the audit was clean.

Jim S. moved to accept the 2018 Anthracite Place Apartment audit, Jim G. seconded. It was accepted unanimously.

Jennifer brought up the question about the validity of the GVRHA Board being the governing Board for APA and approving audits, adopting policies and other governing functions of APA. Currently Karl Fulmer is the Registered Agent as reported to the Secretary of State (SOS). Jennifer was directed to ask Michael Lockland, a local attorney, for verification as he is independent from each of the GVRHA members, also what steps need to be taken to remove Karl Fulmer from further SOS documents. Jim Gelwicks asked if any fee he charged, which would be an un-budgeted expenditure to pay his fee, does the Board need to make a motion to approve that expenditure? Michael moved to direct Jennifer to engage legal counsel to make sure Karl Fulmer is completely removed from all SOS documents, change the Registered Agent with the SOS, and if the GVRHA Board is the governing body of APA. Jim Gelwicks seconded and stated that the intent of this action is to authorize expenditures for this.

**Other Business:**

Kelly informed the group that she has had other developers approach her and Jennifer about getting another LIHTC project going in the Valley. One developer informed her that CHFA has identified Gunnison as eligible for another LIHTC. The problem is the lack of developable land in the south end of the Valley, and the cost of infrastructure. Owners of vacant land in the area have drastically increased their property prices, adding to the challenges. Three to five acres are needed for a project that could put 40 – 50 units on. At CHFA's visit to the GVRHA on 3.27.18, their representative, Karen Harkin, stated that they would be open to scattered site projects as well. Properties owned by Mr. Bratton, the Van Tuyl neighborhood and the Wilson's on the north end of the City were discussed regarding potential for development and their associated challenges.

Michael asked if there was a role that the GVRHA could play in getting infrastructure to these parcels through grants or DOLA financing. Discussion of what the new Opportunity Zone program at the state level could mean in assisting in getting development done.

Michael asked for discussion about the GVRHA putting a referred measure on the ballot this year. John said we need to file notice with the County Clerk if we are interested in putting something on the ballot this year. Michael informed the Board about an article in the CB News recently about how the increase in property assessed values is impacting local businesses. Additionally, with CDOT contemplating putting a sales tax measure on the ballot, both issues may make it a very up-hill battle for our tax as it would increase the cost of homeownership for deed-restricted properties as well which he personally is conflicted with. Michael asked if other Board members felt this may be a problem as well. Another question to the Board raised by Michael is if the other municipalities would be politically supportive of passing an excise tax on short term rentals. If the other municipalities had such a tax, there would be a fund to leverage outside funds on a regional project. Jim G. mentioned that only the City staff is exploring it but has no other information to offer at this point.

John asked why the Town wouldn't eventually just fund the GVRHA with its estimated \$350,000/year tax revenues when there are no other housing projects in the Town. Per Michael, as staff, the Town would support helping fund a regional housing project rather than fund the operations of the GVRHA. Michael is concerned about the timing of getting support for a referred measure. John stated that if each municipality had its own housing funding stream it would go against the need for a regional housing authority. Kelly stated that Steamboat is going on the ballot for a property tax this year. Jim S. asked if anyone else is supportive of a property tax, Carlos said he felt it was going to be a steep hill. Jim G. stated that he believes the GVRHA should have its own funding stream to protect it financially from future changes in political will (via the election process). He also believes it will take two election cycles to get a property tax passed and that we should not look for a "cinch" fight for this.

Jennifer expressed frustration about the lack of detailed housing information getting to her so the Ballot Initiative Team (BIT) can work that into public education and marketing.

Michael said another year of inaction would be very frustrating for him. John inquired about the return of investment on funding the GVRHA and housing projects. Michael reminded the Board that its number one goal from last year was to establish a dedicated funding stream for the GVRHA and we have not yet accomplished that. He asked for the GVRHA to decide in the next month if we will be putting a property tax on the ballot this year or should we start strategically thinking about other ways to generate funding. John identified other funding sources such as the CB tax and the County's workforce linkage fee. Kelly believes that if there are other taxing measures on the ballot, housing would stand out since it is the most critical issue in front of voters.

Jennifer will present the strategic moves that come from the upcoming BIT and Housing Tech Team meetings to the Board at their next meeting for a discussion on what funding source we would put on the ballot, other funding options and foundational

**Adjourn:**


The meeting was adjourned at 4:58 pm.

Minutes prepared by:

  
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Jennifer Kermode, Executive Director

Approved on 4.18.18 \_\_\_\_\_

  
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Kelly McKinnis, Chair

# GVRHA

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

January - March, 2018

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
04 Comm. Contribution	23,375.00	23,375.01	-0.01	100.00 %
05 City of Gunnison Quarterly	13,250.00	13,250.01	-0.01	100.00 %
06 Town of Crested Butte Quarterly	14,688.00	14,687.49	0.51	100.00 %
07 Town of Mt CB Quarterly	43,500.00	10,875.00	32,625.00	400.00 %
10 APA Managment Fees	2,494.00	3,741.00	-1,247.00	66.67 %
11 Anthracite Place Salary Reimbursement	5,664.00	6,907.26	-1,243.26	82.00 %
12 Mtn View - mgmt Fee	2,800.00	12,275.01	-9,475.01	22.81 %
Mtn View - Ops Subsidy	4,168.00		4,168.00	
<b>Total 12 Mtn View - mgmt Fee</b>	<b>6,968.00</b>	<b>12,275.01</b>	<b>-5,307.01</b>	<b>56.77 %</b>
13 Stallion Park - mgmt	1,262.00	1,878.00	-616.00	67.20 %
16 Interest Income	823.98		823.98	
18 GV Housing Foundation	25,000.00		25,000.00	
23 HEAT	6,370.00		6,370.00	
26 Section 8 Admin Fee	3,852.06	4,200.00	-347.94	91.72 %
29 RE Commissions		1,250.01	-1,250.01	
30 Application Fees		249.99	-249.99	
<b>Total Income</b>	<b>\$147,247.04</b>	<b>\$92,688.78</b>	<b>\$54,558.26</b>	<b>158.86 %</b>
<b>GROSS PROFIT</b>	<b>\$147,247.04</b>	<b>\$92,688.78</b>	<b>\$54,558.26</b>	<b>158.86 %</b>
<b>Expenses</b>				
35 Accounting Services	400.00	2,904.99	-2,504.99	13.77 %
36 Advertising & Legal Notices	398.95	750.00	-351.05	53.19 %
37 Admin Expense	49.29	999.99	-950.70	4.93 %
40 Computer Hardware		425.01	-425.01	
42 Software		125.01	-125.01	
43 Computer Tech Support		249.99	-249.99	
45 Copier Lease	459.21	441.00	18.21	104.13 %
46 Copier Services	251.91	162.51	89.40	155.01 %
47 Telephone - Service	484.94	232.50	252.44	208.58 %
48 Admin Assistant	1,844.50	4,550.01	-2,705.51	40.54 %
49 Dues & Memberships	170.00	300.00	-130.00	56.67 %
50 Schools & Training		1,625.01	-1,625.01	
51 Insurance & Bonds	118.00	1,125.00	-1,007.00	10.49 %
53 Internet Service Provider		232.50	-232.50	
54 Internet Subscriptions	1,094.50	624.99	469.51	175.12 %
55 Legal Services		3,500.01	-3,500.01	
56 Office Supplies	1,524.47	924.99	599.48	164.81 %
57 Postage	98.00	225.00	-127.00	43.56 %
59 Professional Services	1,933.05	6,500.01	-4,566.96	29.74 %
60 Rent Blue House	2,436.00	2,437.50	-1.50	99.94 %
61 Salaires	15,365.11		15,365.11	
62 Salaries - Benefits	6,601.11		6,601.11	

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
64 Travel - Meals	66.94	437.49	-370.55	15.30 %
65 Travel - Transportation	449.07	2,487.51	-2,038.44	18.05 %
66 Travel - Lodging		1,412.49	-1,412.49	
67 Automobile Expense		375.00	-375.00	
68 Website		300.00	-300.00	
<b>Total Expenses</b>	<b>\$33,745.05</b>	<b>\$33,348.51</b>	<b>\$396.54</b>	<b>101.19 %</b>
NET OPERATING INCOME	<b>\$113,501.99</b>	<b>\$59,340.27</b>	<b>\$54,161.72</b>	<b>191.27 %</b>
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