

El Paso County Housing Authority

Crystal LaTier, Executive Director
719-520-6484
Economic Development Department
Nine East Vermijo Avenue
Colorado Springs, CO 80903
www.elpasoco.com

Housing Authority Commissioners
Jack Beuse, Chair
Martie Stott, Vice Chair
Beth Diana
Greg Basham
Steve Posey

EL PASO COUNTY HOUSING AUTHORITY Meeting Minutes April 13, 2022

I. CALL TO ORDER

The Board of Commissioners of the El Paso County Housing Authority (the “Authority”) met on April 13, 2022, at 1:00 P.M., via a hybrid model including in-person (at 9 E. Vermijo Avenue) and the virtual Teams Meeting platform. **Commissioner Beuse called the meeting to order at 1:02 P.M.**

II. ROLL CALL

The El Paso County Housing Authority Board of Commissioners **present** were:

- Jack Beuse
- Steve Posey
- Beth Diana
- Martie Stott

The El Paso County Housing Authority Board of Commissioners **absent** were:

- Greg Basham

Other persons present at the meeting were:

- Crystal LaTier, and Eric Leonard – El Paso County Economic Development Department
- John Bales – Kutak Rock
- Mark O’Brien, Misty Dalke, Bob Coleman and Stacy Houston – Raymond James

III. APPROVAL OF MINUTES

Approval of Meeting Minutes of March 9, 2022

- *Commissioner Diana moved approval of the minutes from March 9, 2022, and, upon a second by Commissioner Stott, the motion passed unanimously.*

IV. FINANCIAL ITEMS

A. Housing Trust Fund Commitments

Mr. Leonard provided an update on the Housing Trust Fund commitments. As of March 31, 2022, the Authority's Housing Trust Fund cumulative balance is approximately \$7,132,858 with outstanding commitments of \$1,600,000, leaving an available balance of \$3,732,858 for future funding requests if a \$1.8M corpus is maintained. The outstanding conditional loan commitment is currently Commonwealth DC's Village at Solid Rock for \$300,000, Volunteers of America's Paloma Gardens for \$500,000, Artspace Projects' Artspace for \$300,000, and GRP Properties' Bentley Commons for \$500,000.

B. Turnkey Plus Program Update

Mr. Leonard provided an update on the Turnkey Plus Program for February. One second mortgage was provided through the Turnkey Plus Program totaling \$19,073 in assistance. One second mortgage was sold with a total of \$13,005 coming back to the program at a profit return rate of 0.763%. There were four payoffs received totaling \$46,036. This brings the estimated Turnkey income for March to \$39,969 and an estimated year-to-date income of \$208,331.

V. RAYMOND JAMES QUARTERLY TURNKEY UPDATE

Mr. O'Brien shared with the Authority the data that Raymond James has as to the current state of the Turnkey Plus Mortgage Origination Program. The program has been available for 9 years and is 3 years into a redesign of the program. 55 lenders participate in helping to bring \$566 million in mortgage funds and over \$23 million in down payment assistance funds into the El Paso County housing market. This has resulted in \$4.19 million in net revenue for the Authority. In total, the program has assisted 2,826 homebuyer families achieve their dreams of owning a home.

Market conditions and headwinds have forced the Turnkey Plus into a position that it has not seen since its redesign in 2018. Rising single family home prices and increased spreads between market rate mortgages and Turnkey Plus rates have caused barely any second mortgages to be made for 6 months. As of April 13th, 2022, only the GNMA 4% rate was available to borrowers due to the untenable rate spreads within the market. Over the last 12 months, the program purchase price averages are \$340,733, which is a significant increase over the last few years that follows in line with the increasing prices within the housing market. Other statistics that Mr. O'Brien noted were that 91% of loans are FHA, 82% are for single family detached homes, 98% are existing structures and 96% are first time homebuyers (even though there is no first-time homebuyer requirement).

Mr. O'Brien assured the Board that the current situation that the Turnkey Plus Program is in is not a unique one. HFA's around the country are struggling with a stagnant DPA market. Raymond James is working on a possible solution to the problem through bond financing, but that product is in its infancy and is likely a back end change with no impact on the borrower compared to past. Other options for the Housing Authority would be to increase the investment that they are putting into the second mortgage or modify the percentages that are offered within the program. The final option to assist with a resurgence of the program is a marketing effort. Housing Authority have pursued this option and it is discussed below.

VI. TURNKEY MARKETING UPDATE

Mr. Leonard provided an update on the marketing initiative that El Paso County Housing Authority staff, Raymond James and eHousingPlus have been working on. When the rebrand of the Turnkey Plus Program is rolled out, the program will be known as the Pikes Peak Down Payment Assistance Program, PPDPA for short. The initiative includes a new website, a Facebook page, a new logo and increased social media offerings. The website will be borrower friendly, include information for realtors and be connected to the Facebook page. The new logo features America's Mountain behind a home with trees on either side. There will be multiple options for the name format below the image (PPDPA, Pikes Peak DPA, and Pikes Peak

Down Payment Assistance Program). The multitude of logos is to provide the opportunity for variety in publications depending on what would best fit. Social media posts will be planned out in batches so that they can roll out and bring more eyes to the DPA opportunity within El Paso County. There will also be increased educational opportunities for lenders, realtors and builders. There is no cost to the Housing Authority for the rebrand since eHousingPlus and Raymond James are heading up the marketing push.

As a sub-organization of El Paso County Government, EPCHA will comply with the El Paso County PIO Department's formatting and marketing guidelines. All marketing for the program will be approved by PIO before dispersal. When the rate environment for non-TBA based DPA programs is more advantageous, Housing Authority staff will get approval for all changes and marketing from El Paso County and then move forward with the initiative.

VII. MAY 2022 HTF APPLICATION ROUND

Ms. LaTier reminded the Board that at the May 2022 EPCHA meeting, the Board would be reviewing the Housing Trust Fund applications that were received for their May round of funding. The Board will review the applications and choose the ones that they would like to hear presentations from.

VIII. OTHER BUSINESS

A. EPCHA 2021 Audit

Ms. LaTier reminded the Board that auditors from Hawkins Ash will be at the El Paso County Economic Development office from April 18-21 to complete the 2021 audit of Housing Authority financials. The completed audit will be presented at the June 2022 meeting.

B. 2022 NALHFA Conference

Ms. LaTier provided an update on the 2022 NALHFA Conference that is taking place from April 24 to 27 in New York City, New York and that the Authority has chosen to send Mr. Leonard to the conference. The El Paso County Housing Authority is an active member of NALHFA and has historically sent their commissioners or staff to the conference to network with other organizations and learn valuable information about affordable housing across the United States.

C. Raymond James Dinner

Ms. LaTier reminded the Board that Raymond James would be sponsoring a dinner for the Housing Authority Board and support staff at the Margarita at Pine Creek at 6:00 PM April 13th, to thank them for their service.

IX. ADJOURNMENT

The meeting was adjourned by Commissioner Beuse at 2:04 P.M.

Jack Beuse, *Chair of El Paso County Housing Authority*

Public notice for meeting posted online via the El Paso County Agenda Suite, April 11, 2022.