

**MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS OF
THE EL PASO COUNTY HOUSING AUTHORITY**

The Board of Commissioners of the El Paso County Housing Authority (the “Authority”) met on December 11, 2019, at 12:00 P.M., at Nine East Vermijo Avenue, in the City of Colorado Springs, County of El Paso, Colorado.

Members of the Authority were present as follows:

Jack Beuse
Laurel Wright
Steve Posey
Greg Basham (via phone)

Members Absent:

Martie Stott

Also present were:

Crystal LaTier and Jennifer deGive, El Paso County Economic Development Department
Cami Bremer, El Paso County
John Bales, Kutak Rock
Mark O’Brien, Raymond James
Paul Franke, Polsinelli (via phone)

Commissioner Beuse called the meeting to order at 12:07 P.M.

- I. Consideration of Meeting Minutes of November 13, 2019
Commissioner Posey moved approval of the minutes from November 13, 2019 and, upon a second by Commissioner Basham, the motion passed unanimously.

- II. Financial Items
 - A. Financial Reports
Ms. LaTier presented the Statement of Revenues and Statement of Net Position to the Authority.

 - B. Housing Trust Fund Commitments
As of November 30, 2019, the Authority’s Housing Trust Fund cumulative balance is approximately \$6,375,859 with outstanding commitments of \$2,830,756 leaving an available balance of \$1,744,303 for future funding requests if a \$1.8M corpus is maintained. Outstanding loan commitments currently include Springs Rescue Mission’s Greenway Flats for \$500,000, tentatively closing on December 30, 2019, and five conditional awards including Greccio’s Atrium at Austin Bluffs for \$575,000, Colorado Springs Housing Authority’s (CSHA) Shooks Run for \$500,000, Zimmerman Properties’ Villas at Mesa Ridge for \$350,000, Pedcor’s Creek at Cottonwood for \$400,000, and Silver Key’s Senior Apartments for \$500,000 – all under conditional approval pending LIHTC awards from CHFA. Additionally, outstanding Contract for Service commitments include \$5,756.31 in Emergency Rental Assistance to various nonprofit agencies.

 - C. Report of Expenditures/Outstanding Payables
The report noted expenditures for Tri-Lakes Cares for contracts for services and El Paso County for purchase card reimbursement.

(Ms. Wright enters the meeting at 12:15 PM)

III. Raymond James Turnkey Update

Mr. Mark O'Brien provided a quarterly update to the Authority concerning the performance of the Turnkey Plus program. He noted that since June 30, 2019, 44 loans totaling \$11.66 million have been generated, and since the launch of Turnkey Plus on February 15, 2019, some 72 loans have been reserved for \$18.75 million. Net revenue to the Authority has increased by about \$16,000 since 6/30/19. The program continues to face challenges including rising single family home prices, rising mortgage rates, and competition from Colorado HFA. Discussion was had regarding the program averages, specifically household income. It was noted that the \$55,745 average borrower income, which is within the 60% to 80% AMI level, is an important portion of the population for the Authority to serve.

(Mr. Paul Franke enters the meeting via phone at 1:00 PM)

IV. Greenway Flats HTF Request

Mr. Franke presented an updated proforma for Greenway Flats, as requested by the Authority from the November meeting. The Authority's interest payment will be paid as an "above the line" operating expense, and the principal payment will be paid out of surplus cash above all other subordinate loan payments. Despite some setbacks with the financing structure, he noted that their target loan closing date is December 30 or 31, 2019, and he will generate closing instructions prior to the anticipated closing date.

(Mr. Franke exits the meeting via phone at 1:10 PM)

Discussion was had regarding the final terms for the \$500,000 Housing Trust Fund loan. The loan will have a 20-year term, and during that time the 2% interest rate will be paid annually above the line as an operating expense. The annual principal payments will then be made from surplus cash.

Commissioner Wright moved approval of accepting the loan structure as presented and, upon a second by Commissioner Basham, the motion passed unanimously with Commissioner Posey recused from voting.

V. Review of Rental Assistance Contract for Services Applications

- A. Mercy's Gate
- B. REACH Pikes Peak
- C. Tri-Lakes Cares
- D. Westside Cares

Each of the four requests for rental assistance contracts for services were reviewed. Strategic discussion was had regarding 2020 and any future funding. Due to the evolving nature of the fund, rental assistance may not be offered in the future and the Authority will revisit the topic in 2020.

Commissioner Posey moved approval of an award of \$8,000 for each of the four applicants (Mercy's Gate, REACH Pikes Peak, Tri-Lakes Cares, and Westside Cares) for 2020 contracts for emergency rental assistance services and, upon a second by Commissioner Wright, the motion passed unanimously.

VI. Pedcor- HTF Loan Terms

Final comments from Pedcor regarding the Housing Trust Fund loan terms were reviewed by the Authority. Ms. LaTier noted that the loan will have a 40 year term, versus the previously agreed 42 year term, as required by HUD. Additionally, interest (1%) payments will be paid semiannually versus annually. Mr. Bales from Kutak Rock will prepare the final loan documents.

VII. Other Business

A. Trailside Next Steps

Ms. LaTier noted that the property located at 9305-9375 Trailside View is still currently listed for sale for \$550,000 through Cameron Butcher Company. Per the Authority's direction, staff will work to obtain an appraisal for the property and an update on the sale status.

B. Housing Data

Ms. LaTier shared the UCCS Economic Forum dashboard for November and the DOLA/Division of Housing Community Housing Opportunity Profile for the Front Range Region. The Authority confirmed that data sharing with the group should continue.

C. January Discussion on Financial Sustainability of HTF

Ms. LaTier informed the Authority that there will be a quick update at the next meeting regarding the past performance of Housing Trust Fund investments.

D. Thank You and Farewell to Commissioner Wright

The Authority thanked Commissioner Wright for her nearly 10 years of dedicated service as an El Paso County Housing Authority Commissioner.

VIII. Adjournment

The meeting adjourned at 1:20 P.M.

Jack Beuse

Jack Beuse, Chair

Public notice for meeting posted online via the El Paso County Agenda Suite, December 5, 2019.