

El Paso County Housing Authority

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

EL PASO COUNTY HOUSING AUTHORITY Meeting Minutes December 8, 2021

I. CALL TO ORDER

(Celebratory Holiday Lunch held from 12:00 PM – 12:15 PM)

(Mr. Russell joined the meeting at 12:10 p.m.)

The Board of Commissioners of the El Paso County Housing Authority (the “Authority”) met on December 8, 2021, at 12:00 P.M., via a hybrid model including in-person and the virtual Teams Meeting platform. **Commissioner Beuse called the meeting to order at 12:14 P.M.**

II. ROLL CALL

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

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

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

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Other persons present at the meeting were:

- Crystal LaTier, Eric Leonard, and Kayla Huthoefer Nelson – El Paso County Economic Development Department
- John Bales – Kutak Rock
- Mark O’Brien, Misty Dalke, and Stacy Houston – Raymond James
- Commissioner Cami Bremer – El Paso County
- Lucas Koski, Susan Edmondson – Artspace

- Susan Edmondson – Downtown Colorado Springs
- Josh Russell – Medici Consulting Group
- Nate Clyncke – Rocky Mountain Community Land Trust
- Mary Stegner – Partners in Housing
- Lee Patke – Greccio Housing
- Danielle Vachon – MGL Partners LLC
- Jason DeaBueno – Silver Key Senior Services
- Roxanne Eflin – Silver Key Senior Services

III. APPROVAL OF MINUTES

Approval of Meeting Minutes of October 13, 2021

- *Commissioner Stott moved approval of the minutes from October 13, 2021, and, upon a second by Commissioner Basham, the motion passed unanimously.*

Approval of Meeting Minutes of November 10, 2021

- *Commissioner Diana moved approval of the minutes from November 10, 2021, and, upon a second by Commissioner Basham, the motion passed unanimously.*

IV. OTHER BUSINESS

A. Paloma Gardens Commitment Extension Request

Volunteers of America requested an extension on the commitment letter that they received on June 9, 2021, for the Paloma Gardens Project, a 125-unit affordable housing complex. The Housing Authority's participation in the project is a \$500,000 amortized loan, secured by a deed of trust in second position, with an interest rate of 2% over 30 years. The commitment letter had an expiration date of 12/1/2021 and Volunteers of America requested an extension to ensure that they could meet the conditions that the Housing Authority had set. These conditions include but are not limited to receipt of sufficient funding, all current debt and accrued interest to EPCHA being paid off at closing, due diligence item review and payment of expenses.

- *Commissioner Diana moved approval of an extension for Volunteers of America on the Paloma Gardens commitment letter acceptance to September 30, 2022, and, upon a second by Commissioner Stott, the motion passed unanimously.*

B. Village at Solid Rock Resolution

Kutak Rock has submitted the final closing documents for the Village at Solid Rock project with the resolution and subordinate loan agreement requiring the signature of the EPCHA Board Chair. Village at Solid Rock is set to close at the end of January 2022 and will be a 77-unit affordable housing project in South Colorado Springs. The Housing Authority's participation in the project is a \$300,000 amortized loan, secured by a deed of trust, with an interest rate of 2% over 30 years. Discussion was had about the expiration of the resolution in the case of a delayed closing. Mr. Bales pointed the board to Section 12 of the Resolution which states that the resolution will expire after 3 months.

- *Commissioner Stott moved approval of signing the Village at Solid Rock resolution and subordinate loan agreement and, upon a second by Commissioner Basham, the motion passed unanimously.*

V. FINANCIAL ITEMS

A. Housing Trust Fund Commitments

Ms. LaTier provided an update on the Housing Trust Fund commitments. As of November 30, 2021, the Authority's Housing Trust Fund cumulative balance is approximately \$4,620,328 with outstanding commitments of \$800,000, leaving an available balance of \$2,019,528 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 and Volunteers of America's Paloma Gardens for \$500,000.

Additionally, Ms. LaTier and Commissioner Bremer also discussed the County's 2022 one-time capital infusion of \$2M into the Housing Trust Fund and the continued efforts to ensure that these funds are revolved.

B. Turnkey Plus Program Update

Mr. Leonard provided an update on the Turnkey Plus Program for November. One second mortgage was provided through the Turnkey Plus Program totaling \$19,441 in assistance. Five second mortgages were also sold with a total of \$53,830 coming back to the program at a profit return rate of 0.599%. There were 11 payoffs received in November totaling \$103,391. This brings the estimated Turnkey income for November to \$137,780 and an estimated year-to-date income of \$788,868.

VI. PRESENTATIONS – HOUSING TRUST FUND

A. Artspace Apartments – Presentation and Questions

(Ms. Edmondson and Mr. Koski joined the meeting at 12:25 p.m.)

Artspace Apartments, which is being developed by Artspace Projects LLC, is a 51-unit 60% AMI affordable housing development located at 315 East Costilla St, Colorado Springs. This project is focused on housing artists while also providing space to work and display their art. It also includes an adaptive reuse of the former Tim Gill Center. Due to close in the second quarter of 2022, Artspace Apartments has \$13,000,000 induced from El Paso County in Private Activity Bonds. It also plans to leverage \$13,500,000 in state funds. The project is requesting \$300,000 in HTF repaid monthly at 2.5% interest over 30 years.

Discussion was had about the status of the mural selection for the rear of the building, the total development cost and the per unit amount, and the status of the Community Revitalization Fund grant from the state. Mr. Koski informed the Board that the mural would be done by a local artist and the selection would be done through applications during construction. He also spoke to the total development cost citing that the high per unit amount is due to the commercial space being included. Without the commercial space, total development cost per unit would be around \$415,000 per unit and the hard costs would be closer to \$300,000 per unit. Finally, Mr. Koski informed the Board that the Community Revitalization Fund grant has not be fully received, but the final decision on the funds is expected in the next few months.

(Ms. Vachon joined the meeting at 12:45 p.m.)

(Commissioner Bremer exited the meeting at 12:48 p.m.)

(Ms. Edmondson and Mr. Koski exited the meeting at 12:50 p.m.)

B. Bentley Commons – Presentation and Questions

(Mr. Clyncke, Ms. Stegner and Mr. Patke joined the meeting at 12:50 p.m.)

Bentley Commons, which is being developed by GPR Properties II LLC, is a 192-unit 60% AMI family affordable housing development located at 2730 Bentley Point, Colorado Springs. This project preserves 24 units of existing affordable housing that Greccio Housing currently owns and operates, while also adding 168 units nearby. Due to close in the third quarter of 2022, Bentley Commons plans to leverage \$1,950,000 in state funds. The project is requesting \$600,000 in HTF repaid monthly at 1.5% interest over 30 years.

Discussion was had about the environmental plans of the project, the proximity to the floodplain and the status of the VCUP. Mr. Patke spoke to the environmental challenges of the property, informing the Board that all environmental regulations were being followed and were in process, if not approved. He also mentioned that the property would be over excavated to ensure that any residual material from the old landfill would be removed and that there are methane vents throughout the property to ensure that the property is kept environmentally compliant. With the property being outside of the 100-year flood plain and with previous mitigation efforts present between the property and Sand Creek, Mr. Patke assured the Board that there were no concerns with the proximity of the project to Sand Creek. Finally, the Board was informed that the VCUP had been preliminarily approved by CDPHE.

(Mr. Russell, Mr. Clyncke, Ms. Stegner, Mr. Patke and Ms. Huthoefer Nelson exited the meeting at 1:05 p.m.)

C. Silver Key Senior Apartments – Presentation and Questions

(Ms. Eflin and Mr. DeaBueno joined the meeting at 1:10 p.m.)

Silver Key Senior Apartments, which is being developed by Silver Key Senior Services, is a 50-unit senior affordable housing development located at 1605 S. Murray Blvd, Colorado Springs. This project is located adjacent to the current Silver Key building and would allow the organization to work closely with the services that are currently provided to area seniors. Due to close in the second quarter of 2023, Silver Key Senior Apartments plans to leverage \$13,350,000 in state funds. The project is requesting \$500,000 in HTF deferred for 40 years.

Discussion was had about the plan for a widow when a veteran passes away, the loan terms and the financial viability of the project. Commissioner Stott posed a question that since several of Silver Key's units would be set aside for veterans, what happens if a veteran and his spouse is living in the unit and the veteran passes away? Will the widow be removed from the unit and made to find other arrangements, or will she be allowed to stay? Mr. DeaBueno stated that Silver Key did not have a plan for that particular situation, but that he was confident that Silver Key would do right by that individual and not put them out on the street. He has since confirmed that HUD-VASH requirements allow for the surviving spouse to stay in the unit. The Board was assured that the loan terms and financial viability of the project were within the ability of the project to withstand. The loan terms are \$500,000 at 1% interest secured and amortized over 40 years.

(Ms. Eflin, Ms. Vachon and Mr. DeaBueno exited the meeting at 1:35 p.m.)

VII. FINAL BOARD OF COMMISSIONERS DISCUSSION – HOUSING TRUST FUND

A. Artspace Apartments – Final Board of Commissioners Discussion

For Artspace Apartments, the Board expressed their continued support of the project's ability to bring state dollars to El Paso County and the ability of the project to bring a new type of affordable housing to the downtown area. So many of the new developments in downtown Colorado Springs are market rate luxury apartments, it is good to see an affordable project being viable and giving a place for artists to live and work.

- *Commissioner Posey moved approval of a conditional award with the following terms for Artspace Apartments and Artspace Projects Inc.: \$300,000 in HTF with 2.5% interest secured and amortized over a 30-year term in second position set to expire on September 30, 2022. Upon a second by Commissioner Basham, the motion passed unanimously.*

B. Bentley Commons – Final Board of Commissioners Discussion

For Bentley Commons, the Board continued to discuss the environmental concerns of the project and whether the mitigation and plans of the developer were sufficient to support the project. They also discussed that the request for \$600,000 was more than typically given in Housing Trust Fund loans. A continued relationship with Greccio and their partners was viewed as a positive opportunity for the Board.

- *Commissioner Basham moved approval of a conditional award with the following terms for Bentley Commons and GPR Properties: \$500,000 in HTF with 1.5% interest secured and amortized over a 30-year term in second position set to expire on December 31, 2022. Additionally, the environmental reports and mitigation would have to be completed prior to closing. Upon a second by Commissioner Stott, the motion passed unanimously.*

C. Silver Key Senior Apartments – Final Board of Commissioners Discussion

For Silver Key Senior Apartments, the Board expressed their continued concerns over the viability of the project. Without a complete financial stack with a plan for all the funding, it would be difficult for the Housing Authority to get to the point where they would be confident that the project would be able to repay the borrowed funds from the Housing Authority. The conditional use permit for the project was currently outstanding and unknown, while the impact of Davis-Bacon requirements was uncertain. It was unknown if Davis-Bacon would even be triggered by the project.

- *Commissioner Diana moved approval of denying the Silver Key Senior Apartments application on the basis of the financial stack being too preliminary, the status of the conditional use permit being unknown and the uncertainty regarding the Davis-Bacon requirements, and upon a second by Commissioner Basham, the motion passed unanimously.*

VIII. ADJOURNMENT

The meeting was adjourned by Commissioner Beuse at 2:13 P.M.

Jack Beuse, Chair of El Paso County Housing Authority

Public notice for meeting posted online via the El Paso County Agenda Suite, December 7, 2021.