

**Estes Park Housing Authority Board Meeting Minutes**  
**George Hix Room, US Bank Building, 363 E. Elkhorn Avenue, August 14, 2019**

Staff Present: Naomi Hawf, Scott Moulton, and Nancy McLemore.

Members Present: Eric Blackhurst, Phil Frank, Julie Abel, Pete Smith, and Bill Pinkham.

Guests Present: Dan Centurione, Travis Machalek, Jon Nicholas, Rita Kurelja

1. **Call to Order:** Eric Blackhurst called the Estes Park Housing Authority Board of Commissioners meeting to order at 8:32 AM on August 14, 2019.
2. **Public Comments:** None
  - a. Introduction of Dan Centurione who sits with Hawf on the Workforce Housing Committee
3. **Reading and Approval of Meeting minutes for July 10, 2019:**
  - a. The Minutes stand approved as submitted
4. **Housing Strategy Discussion with Travis Machalek**
  - a. Introduction – Hawf: Goal: To establish the content of the strategy that would: 1) Make sure we have the appropriate and key players involved; 2) Define the roles of those key players; 3) Establish goals and deliverables that would be attainable.
    - i. Hawf suggested two options for delivering strategy: 1) EPHA could hire a consultant to help us through that process; 2) EPHA could work with different entities around town
  - b. Response – Key points raised
    - i. Discussion centered around 1) Housing Authority to lead housing strategy efforts in partnership with Town support (Machalek); 2) Importance of setting up a reserve fund programmatically as a way to dedicate funds for work-force housing (Nicholas); 3) Importance of having a housing strategy plan in place(Kurelja); 4) The need for deed-restricted work-force housing that considers income limits (Nicholas); 5) The need for defining ‘what is work-force housing, questioning: what is work-force housing and what does that mean? How is it structured, who pays for it? Who controls it and how is it controlled? And what role does the Housing Authority play how it is monitored? (Blackhurst)
  - c. Action: Board agreed to Blackhurst’s suggestion to bring leadership together from library, rec district, school district, park service, and the Town with intent to finalize a housing strategy in the first quarter of 2020, to solicit ideas, and begin securing funding. The meeting that will involve the larger districts will take place in September/October. The conversation will include determining need; level of contribution funds; benefits derived from investment.
5. **Peak View Development Team (with Rita Kurelja in attendance)**
  - a. Co-Developer Agreement for Feasibility (included in packet)
    - i. Board discussed the agreement with Sam Betters and requested the following changes:
      1. Section 1.2 regarding travel reimbursement will be at the IRS rate of \$0.58 per mile
      2. Section 1.2 the final sentence, ‘shall not exceed 80 hours without board approval’
      3. The agreement title Consultant Agreement
      4. Correct date to 2019
      5. Include language in Section 1.0 to provide education to Hawf on the developer process
    - ii. The agreement with Kurelja will be \$50 per hour and no formalized agreement is necessary.
    - iii. The board discussed the Owner’s Rep role and Kurelja shared this is typically held by the architect. They are in place to ensure those specifications are followed. With this information, the Board agreed there was no conflict of interest if the Owner’s Rep and Architect were one and the same person/entity.
  - b. Revisited Proforma as well as adjusting AMI levels to assist with closing the gap
6. **2<sup>nd</sup> Quarter Financials:** Hawf
  - a. Hawf shared current outstanding debt: Peak View – balance owed to Bank of Colorado; Cleave – balance of \$21,000 owed to Bank of Colorado; Lone Tree – balance of \$500,000 owed to Loveland Development Corp and balance of 1.8 million on the purchase; Castle Ridge – balloon payment of \$525,000
  - b. EPHA Budget
    - i. Management services under budget due to timing of maintenance fees and maintenance fee income
    - ii. Admin expenses over budget due to salaries, rent expense, timing of EDC membership, and training.

**Estes Park Housing Authority Board Meeting Minutes**  
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- iii. Training budget apportioned evenly over 12 months but majority spent in first six.
- iv. Maintenance over budget due to moving expenses
- v. Taxes and Insurance for EPHA and all properties is off. Hawf working with Tracie Thompson to adjust CIRSA expenditures and bring that back in line
- c. Cleave
  - i. Rental Income under budget due to vacancy loss
  - ii. Maintenance expense slightly over budget due to updating vacant units
  - iii. Capital improvements over budget due to rear roof replacement
  - iv. Board approved using \$16,000 of reserves to cover costs of renovations to units and roof replacement
- d. Talons Pointe
  - i. Rental Income in line with budget
  - ii. Maintenance high due to vacancy expenses
  - iii. Capital improvements high due to items replaced in vacant units
- e. Falcon Ridge
  - i. Rental Income in line with budget
  - ii. Capital improvements high due to repairs from faulty fire sprinkler which caused damage to unit 1671. Did not use insurance due to \$10,000 deductible. Discussed requesting reimbursement from CHFA reserve account.
- f. Peak View:
  - i. Rental Income is under budget due amount of vacancy loss; other income reflects amount received from insurance claim on water damage
  - ii. Capital Improvements over budget \$24,000 due to expenditures from water damage in units 1 & 2 which was covered under insurance
- g. Lone Tree:
  - i. Rental Income in line with budget
  - ii. Operating expense under due to spending \$4,000 less on water than budgeted
- h. Pines
  - i. Rental Income in line with budget
  - ii. Capital Improvements over budget due to mower of \$4,000. Hawf will draw on reserves to compensate.
- 7. **Complex and Development:** Scott Moulton
  - a. Cleave: 1 vacancy, \$1,647 in delinquency from 1 current tenant, \$410 vacancy loss
  - b. Pines: 3 vacancies, \$650 delinquencies, \$1,300 vacancy loss
  - c. Peak View: 0 vacancies, 0 delinquencies, 0 vacancy loss
  - d. Lone Tree: 2 vacancies, \$12,313 in delinquency from both current and vacated tenants, \$1,149 vacancy loss
  - e. Talons Pointe: 1 vacancy, \$2,653 in delinquency, \$643 vacancy loss
  - f. Falcon Ridge: 0 vacancies, \$4,513 in delinquencies, \$391 vacancy loss
- 8. **Reports, Update, and Other Miscellaneous Items:** Scott Moulton
  - a. Unit Turnover Report
    - i. Cleave: 0 turns
    - ii. Lone Tree: 0 turns
    - iii. Falcon Ridge: 0 turns
    - iv. Talons Pointe: 1 turn – Move-out to move-in: 47 days
    - v. Pines: 0 turns
  - b. Office Update: Hawf
    - i. Expenditures: \$40,242, down approximately \$13,000 from original projection
  - c. Open House: Scheduled for Wednesday, Sept. 11<sup>th</sup> from 4:00 to 6:00 with light snacks.
  - d. Land Opportunity Update: Hawf
    - i. Masonic Lodge: They are zoned for 6 units for the property and want to move forward, but first need to resolve the matter with their ability to maintain revenue generated from event rentals.

**Estes Park Housing Authority Board Meeting Minutes**  
**George Hix Room, US Bank Building, 363 E. Elkhorn Avenue, August 14, 2019**

**9. Old Business**

- a. Dissolution of Dry Gulch LLLP Partnership (hand-out included in packet) – Currently, EPHA owns 99.5% of the Dry Gulch/Talons Pointe property, with 0.5% owned by Loveland and 0.5% owned by Estes Park Development Corporation. Factors to address:
  - i. Financial Aspects – Loan with Bank of Colorado (balance approx. \$1.2 million, payoff estimated in 2047)
    - 1. Need to change the loan to assumption agreement, providing modification of ownership
    - 2. Modify deed of Trust; record a new deed
    - 3. Modify endorsement from the title company to continue existing coverage
    - 4. Only reason to keep partnership is if re-syndicating property within the next 5 to 10 years.
    - 5. Costs associated if partnership dissolved - \$2500 for their attorney fees plus an additional \$500 in recording fees
  - ii. Insurance – change from State Farm to CIRSA if EPHA is 100% owner
    - 1. Current annual insurance cost: State Farm \$8,828 plus \$5,000 to CIRSA
    - 2. CIRSA cost \$9,600
    - 3. Add'l cost of \$800
  - iii. Documentation
    - 1. Resolution and special warranty deed drafted by attorney, moving land from Dry Gulch, LLLP to EPHA.
    - 2. Costs associated if partnership dissolved - \$2500 for their attorney fees plus an additional \$500 in recording fees
    - 3. Costs associated if partnership maintained – much higher due to preparation of Tax returns, audit, Secretary of State fees, etc.
  - iv. Decision - Board agreed to dissolve partnership. Hawf will bring resolution and special warranty deed to September Board meeting.
- b. Attorney to use for EPHA: Hawf to investigate difference in rates between Wes Wollenwebber and Stan Matsunaka.
- c. Dunraven Property: Hawf to reach out to get update on Dunraven Property.
- d. Pines roof replacement is complete.
- e. Castle Ridge was NOT selected in Charette process.

**10. Additional Business**

- a. Resident Survey (refer to draft copy provided in Board packet)
  - i. Purpose:
    - 1. Want to get a sense of the satisfaction from our residents
    - 2. Want to get a better gage from our community and who is out there – what kinds of services are they using and are they familiar with the services that are available to them.
    - 3. Would like it to feed into the larger picture of performance indicators for staff
  - ii. Plan: distribute electronically along with a paper copy. Submit in drop box anonymously. Discussed reducing in length by half.
  - iii. Moulton would like to start conducting this within the next couple of weeks; keep it open for a month.

**11. Executive Director Report**

- i. Audit yesterday at Falcon ridge with Wells Fargo (add outcome – listen to recording)
- ii. EPHA in process of purchasing \$100\* raffle ticket from Sunrise Rotary.
- iii. Hawf to write an article for paper about difference between terms of affordable housing, attainable housing, and work-force housing.
- iv. Hawf will have first draft of Falcon Ridge budget available at September Board meeting. Final draft available in November.
- v. Hawf will have draft of Cost of Services prepared for September's Board meeting.
- vi. Board approved donating \$250 again this year to the Crisis Advocates annual fundraiser.

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- vii. Nicholas and Hawf spoke with Library Board about 1) Housing needed in the community 2) what does the Housing Authority do 3) what services do their employees qualify for.
- viii. Hawf will be out of the office for the last week in September

12. **Adjourn:** 10:35 am

Submitted by Nancy McLemore, September 4, 2019

\*Correction September 11, 2019