

Estes Park Housing Authority, Board Meeting Minutes: March 11, 2020
George Hix Room, US Bank Building, 363 E. Elkhorn Ave., Estes Park, CO. 80517

Staff Present: Naomi Hawf, Scott Moulton, Nancy McLemore, Amanda Kellerhals, and Joe Switzer

Members Present: Eric Blackhurst, Phil Frank, and Bill Pinkham

Members Absent: Pete Smith, Julie Abel

Guests Present: Jessica Jenkins (with the EDC)

1. **Call to Order:** Eric Blackhurst called the Estes Park Housing Board of Commissioners meeting to order at 8:31 am on March 11, 2020.
2. **Public Comment:** None.
3. **Reading and Approval of Meeting Minutes for February 12, 2020:** Minutes stand approved as submitted.
4. **Complex and Development Updates:** Moulton reporting (Included in Board packet) Blackhurst asked Moulton to review our policy on issuing eviction notices.
 - A. The Pines – 0 Vacancy, \$0 Vacancy Loss, \$150 in delinquencies
 - B. Peak View – 2 Vacancies, \$1,696 vacancy loss, \$206 in delinquencies
 - C. Cleave – 2 Vacancies, \$1,215 vacancy loss, \$777 in delinquencies
 - D. Talons Pointe – 3 Vacancies, \$1,957 Vacancy loss, \$2,731 in delinquencies
 - E. Lone Tree – 4 Vacancies, \$2,514 Vacancy loss, \$4,559 in delinquencies
 - F. Falcon Ridge – 0 vacancy, \$0 Vacancy loss, \$5,452 in delinquencies
5. **Reports, Updates, and Other Miscellaneous Items**
 - A. Unit Turnover Report: Moulton reporting (Included in Board packet) Moulton provided additional insight to the lengthy turnover rate reflected in the report. Of the 105 letters sent for vacancies in Talons Pointe and Lone Tree, we received responses from only 21%. Four reasons rose to the top why they didn't qualify: 1) they needed a unit with no stairs; 2) they were over income for the particular unit; 3) they felt the rent was too high even though they qualified; 4) their income was too low for the units we had available. Moulton is reevaluating how we reach out to applicants to expedite our process.
 1. Cleave – 0 turnover
 2. Lone Tree – 2 turnovers, 74 and 50 days respectively, between move-out and move-in
 3. Talons Pointe – 0 turnover
 - B. Peak View Update: Hawf Reporting (Included in Board packet) Hawf reviewed site drawings highlighting
 - 1) location of the trash enclosure – we are looking at supplying full enclosure including a roof; 2) location of maintenance area and storage lockers; 3) location of mail structure which will be moved off the road and centrally located in a cluster; 4) all of the lower units will be wheelchair accessible, with three wheelchair parking spots.
 1. Funding Update
 - a. Town Funding (Included in Board packet)
 - i. Hawf drafted a letter to go to Town Board on April 14th, requesting \$800,000 of which \$300,000 in a grant, \$500,000 in a loan. Blackhurst reported on the outcome of the March 10th Town study session. With the uncertainty of how the coronavirus will affect summer tourism, the Town is placing a hold on all decisions to distribute surplus funds until further notice. By extension, the decision from the Town on the \$800,000 is currently on hold.
 - ii. Hawf spoke with the Town Administrator this morning. He suggested EPHA return to the study session on June 9th and make a request to the Town Board on June 23rd. If approved, funding turn-around could be as quick as two weeks.
 - iii. Regarding the Master Leasing, the Town believes first right of refusal scenario would be best where every time Peak View has a vacancy, the Town would be offered the vacancy first before going out to our waiting list for fulfillment.
 - b. USDA 538 – Although set at 115% AMI, USDA has their own limits which are different from CHFA. Hence the USDA product will not be suitable for the Peak View development.

- c. Bank Financing – (see Peak View Development 2.27.20 Bank of Colorado insert included in Board packet) We have communicated with 3 banks on funding: Bank of Colorado, First Bank, and ANB down in Loveland.
 - i. Bank of Colorado believes they can do a 30-year loan and potentially go out further. Looking at a debt coverage ratio of 1.10.
 - ii. ANB provided basic information – 3.5% interest; 17 years on a 35-year amortization.
 - iii. First Bank – have not received any information.
 - d. Discussion
 - i. Blackhurst question – Is the property worth more as vacant land than it is as it sits now? Can we borrow more against that piece of vacant land that is worth closer to \$1 million as part of the construction loan package? If so, would it behoove us to pay off the loan on Peak View of \$350,000? Frank advised we obtain a commercial appraisal done on the completed project. Hawf added that the commercial appraisal as a completed project is part of what is done in the ‘obtaining the loan’ process. Frank’s point is that we no longer have the income stream to offset the cost of carrying the loan for that project so it makes more sense to go ahead and pay off the loan. Hawf reiterated that we are targeting residents to be moved out by March 31. April through June is designated for testing, mediation and removal. Budgeted demolition of building has been revised to \$75,000 to incorporate the cost of the asbestos removal.
 - ii. With Town funding possibly delayed, EPHA is exploring other funding options: Impact Development Fund as well as CHFA.
 - e. Action Item: 1) Hawf to schedule asbestos testing in preparation of demolition.
2. Pines Refinance (Terms of refinance and draft budget included in Board packet) Hawf and Kurelja continue to work on a Pines budget, with probable need to raise rents.
3. Development Updates (Estimate totals and Trend Log included in Board packet) As the design drawings are completed, Saunders will go out to bidding specific pieces, at which point, there may be changes to the overall cost. Currently, Saunders cost per square foot is sitting at \$226 psf.
- a. Air Conditioning: Cost of including a/c is approximately \$93,000 for the entire project and approximately \$3,500/unit. As an alternative, we could put fans in every room at an approximate cost of \$14,000. Blackhurst suggested we include a/c and remove fans. A/C can be cut if the costs start coming in too high. Board agreed.
 - b. Stairs: precast stairs (concrete)
 - c. Windows: looking at fiberglass and vinyl. Vinyl is a better product and one that has improved since Talons Pointe was built so the tendency to warp doesn’t exist anymore.
 - d. Finishes: 1) Kitchen appliances will be stainless steel; microwave will not be included; backsplash will be white tile; countertops will be laminate 2) Washers will be top loading instead of front loading 3) Laminate in living areas, carpet in bedrooms 4) American Standard products will be used as they are readily available locally, toilet with 1.6 gallon flush 5) Paint will be a 4-color system unless cost prohibitive.
 - e. Condominiumizing of units: If selling before 7 years, Saunders-Heath needs to warranty the units differently. Board decided to proceed with intent *not* to sell within the first seven years.
 - f. Next meeting with Saunders-Heath is set for April 2nd. Hawf will be meeting with the Mountain View Bible Fellowship on March 13th. Current pastor is leaving so for the interim, the contact person will be the maintenance and facility manager.
4. Betters Contract – Hawf indicated she would like to continue Betters consulting through the term of the development process. Board agreed to keep Betters at the current billing agreement

6. Old Business

- A. Board Member Vacancy Update: (Included in Board packet) We have 2 vacancies to fill for this year. We received 2 applications: Eric Blackhurst and Dan Centurione. Deadline for applications closed yesterday,

March 10th. Also included in the Board packet is application process of review and process of appointing/voting.

1. Action item: Hawf to send letter to Town Board indicating these are the two applicants EPHA is submitting for approval.
- B. Workforce Housing Strategic Plan Update: Adam Shake, Jason Damweber, and Hawf continue to meet with the larger organizations about their housing needs, their challenges, and what they might be able to contribute to the needs of the community.
- C. Workforce Compliance: Hawf provided an overview of the meeting with the Planning Dept and the Town Administrative staff. Discussion centered on how EPHA is going to support the compliance of the developments already in place as well as for the ones slated to be built. EPHA is in the early stages of reviewing the compliance/qualifying agreements that are already out there with the different developments.
 1. In the Kingswood property, there are 3 workforce and 4 attainable units. Hawf said there might be only two units that we have an issue with.
 2. Regarding Wildfire project, Hawf has a meeting scheduled with Melissa Westover to discuss some of the compliance issues that need to be considered on the front end.
 3. EPHA received all of the agreements as of the beginning of this week. EPHA has agreed to review them and circle back to the Town within the next three weeks.
- D. YMCA Partnership: YMCA is interested in EPHA being a property manager. Blackhurst suggested we get more of a detailed description from YMCA as to how they define property management and what the scope of property management they are seeking. Hawf will continue to report as information becomes available.

7. **Executive Director Report**

- A. 2019 Audit: John Cutler & Tracie Thompson will be at our next meeting on April 8 to review the 2019 Audit.
- B. Cleave update: the unit has been fully gutted. Follow-up testing has been done. Cost on testing is \$2,500 and removal thus far is \$6,000.
- C. Website: Hawf is looking at websites. One option which is more user friendly is \$216 a year.
- D. Down Payment Assistance Program: EPHA has approximately \$44,000 to loan. With that in mind, last year the Estes Valley Sunrise Rotary gave the program \$2,000. Hawf's question to the Board: Given our current balance, should we pursue requesting a grant from the Rotary again this year or allow those dollars to go toward other programs in the community.
 1. Action Items: 1) Suggested that Hawf write a letter that we don't need it this year but may in the future. 2) Blackhurst also suggested Hawf to contact the EVBOR President, Javier Gomez, to follow up on the conversation about increasing the maximum loan amount per request.
- E. Blackhurst shared that at last night's study session, the Town is looking at resurrecting the development at the Fish Hatchery property. Two presentations made – one by Frank Theiss for 34 single family homes; and the other by Mike Tice for 205 units ranging from apartments to single family homes. The Town indicated they needed more information on what it is going to take to develop that property. Bringing water to the property is an issue as well as a sewer line. More information will be provided as it becomes available.
- F. Hawf plans on taking some time off at the end of March and possibly at the end of April

8. **Adjourn** – Meeting was Adjourned at 10:17am

Minutes submitted by Nancy McLemore on April 7, 2020.