

Estes Park Housing Authority, Board Meeting Minutes: September 11, 2019
George Hix Room, US Bank Building, 363 E. Elkhorn Ave., Estes Park, CO. 80517

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

Members Present: Eric Blackhurst, Pete Smith, Bill Pinkham, Phil Frank

Members Absent: Julie Abel

Guests: Renee Hodgden

1. **Call to Order:** Eric Blackhurst called the Estes Park Housing Authority Board of Commissioners meeting to order at 8:30 AM on September 11, 2019.
2. **Public Comment:** None.
3. **Reading and Approval of Meeting Minutes for August 14, 2019:**
 - A. Correct purchase price of raffle ticket from \$10,000 to \$100
 - B. Minutes were approved as corrected
4. **Complex and Development Update:** Scott Moulton reporting
 - A. The Pines – 0 vacancies, loss of \$1,447, delinquency of \$55
 - B. Peak View – 0 vacancies, 0 vacancy loss, 0 delinquency
 - C. Cleave Street – 0 vacancies, loss of \$81, delinquency of \$1,233
 - D. Talons Pointe – 2 vacancies, loss of \$2,671, delinquency of \$3,865
 - E. Lone Tree – 2 vacancies, loss of \$3,262, delinquency of \$11,100
 - F. Falcon Ridge – 0 vacancies, 0 vacancy loss, delinquency of \$3,606
5. **Reports, Update, and Other Miscellaneous Items:**
 - A. Unit Turnover Report: Scott Moulton reporting. As a means for comparison, in 2018, the average turning ratio was 3.41%; for 2019, current average turning ratio is 4.1% due to higher vacancies at The Pines. Anticipated vacancies, we have 2 coming up: one at Peak View, one at Talons Pointe
 1. Cleave Street – 1 unit turned; Move-out to Move-in 110 days
 - a. Discussed status of roof and repairs; Frank suggested taking a look at CPACE which is a program that provides avenues for improvements, roofs, boiler replacements, etc. Funds provided through tax assessments instead of through traditional bank loans.
 2. Lone Tree – 2 units turned; Move-out to Move-in 29 days and 28 days
 - a. Discussed window replacements currently in progress and the need to budget for replacement of all units in the coming years
 3. Talons Pointe – 1 unit turned; Move-out to Move-in 23 days
 4. Pines – 3 units turned; Move-out to Move-in 30 days, 98 days, 72 days
 5. Peak View – No units turned
 6. Falcon Ridge – No units turned
 - B. Housing Strategic Plan (HSP) Update: Naomi Hawf reporting
 1. Hawf scheduling meeting with the districts to determine the district's housing needs; what funds they have available to contribute to housing, and what they anticipate in return. Discussed in August Board meeting to hold HSP meeting by October and have plan developed by the first quarter 2020.
 2. Hawf's action: Begin by sending survey to those districts which includes the Town, Library, Hospital School, Rec District, Parks, Rocky Mountain Conservancy, and YMCA. Goal is to gather general information from the districts regarding wage level of employees, how many commute, and what makes up their households (single or with dependents). Hawf anticipates getting survey out within next 2 weeks and will hold initial meeting in October.
 - C. Peak View Update: Naomi Hawf reporting
 1. Development team made up of Sam Betters, Rita Kurelja, Naomi Hawf

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- a. Sam Betters suggested EPHA first determine who we are trying to serve, what types of amenities are desired, and what the wage levels are. Financial standings were reviewed to confirm what loans are outstanding and what restrictions are in place, which helped to identify equity.
2. Financing Options
 - a. Freddie Mac Forward: higher debt service coverage ratio of 1.25 but can lock in interest rate for 3 years which are currently under 4% with 3 months to close
 - b. HUD 221(d)4: better terms but 8 months to close, requires Davis-Bacon rules; also need to look at mezzanine level financing that may be required
3. Unit Mix:
 - a. Hawf discussed seeing a trend for more studios and 1 bedrooms, and shared Betters' suggestion to keep same footprint but increase density. Blackhurst stressed reminder that development code focuses on maximum number of units, i.e. the density. Developing team decided not to increase density, but keep in mind for future.
 - b. Hawf reported that Betters strongly recommended doing a market study, which would help to determine who we are serving, what their interests are, what their wage level, etc. As other projects come on board, (e.g. Wind River, Grand Estates), it may be important to identify our population more specifically. Cost estimate of market study: \$10,000.
 - c. The Board discussed reasons not to move forward with another market study: it would delay building start and requires investing funds unnecessarily. Blackhurst stressed that we know our target market which is the Estes Park workforce, (people who work within the Estes Park school district) regardless of income. Board agreed not to move forward with market study. Hawf suggested we could reach same end with survey.
 - d. Betters reduced construction costs in the Pro Forma by \$200,000. Hawf will follow-up with confirmation of owner rep cost, architecture design, traffic study, and impact fees (if applicable), along with confirming cost to condominiumize estimated at \$1200/unit. Next developing meeting: September 19th
- D. EPHA staff presented at Town Study Session, making a request from the Town for a commitment to contribute 50% matching funds in amount of \$800,000. EPHA presented the need, discussed impact to the community and the Town's previously expressed Town contribution as recorded in the work force and child care final report and this is also documented in 2019 and 2020 Strategic Plan. EPHA requested to receive \$200,000 in tap fees subsidies plus \$600,000 with loans or grants from the Town.
 1. For those in the Town Home Ownership Program, EPHA would contribute up to \$10,500 for Down Payment Assistance (DPA) loan so they would automatically qualify if they were a resident. (DPA loan is 2% over 10 years)
 2. EPHA stated we are to invest potentially over \$1,000,000 cash and \$610,000 with Pines thereby asking the Town for 50% match of \$800,000.
 3. There are two budget sessions: October 18th and October 25th from 8:30 AM to 12:00 PM. Hawf is responsible to meet with the Town Administrator so they can take it into consideration.
- E. Partnership Draft: Naomi Hawf Reporting (included in Board packet).
 1. Hawf presented a draft of a possible partnership agreement which could assist with the development of Peak View. The partner had suggested 25% of the units for 25% of the cost.
 2. Board suggested the following changes to the agreement: keep partnership pieces; remove the down payment assistance option; construct a draft and send it to the partner for presentation at their Board meeting being held at the end of September; offer our presence for questions at their Board meeting.
 3. Blackhurst suggested to meet with Hospital to see if they are interested in similar arrangement.

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6. Old Business:

- A. Hawf presented partnership Dissolution of Dry Gulch LLLP Partnership with LHA (Included in Board Packet)
 - 1. The subsequent items listed still need follow up:
 - a. DOH response to dissolution
 - b. CHFA requires 10 page document to approve dissolution. LHA attorney, Paul Smith, can assist EPHA with this.
 - c. Hawf needs to update for dissolution as of 12/31/19.
 - d. Additional information in reference to dissolution includes title moves to EPHA, loan moves to EPHA, (balance of loan approximately \$1.8 million; Bank of Colorado in agreement with moving loan, processing fees for this is \$1,500); savings of \$5,000 with CIRSA; savings on audits and tax returns
 - 2. Vote: Board approved Resolution #72 with the motion by Pete Smith, Second by Bill Pinkham, Motion passed unanimously with one absence.
- B. Resident Survey Update: Scott Moulton
 - 1. Moulton made the changes proposed in August Board meeting. Plan to distribute before the end of September.

7. Additional Business:

- A. The Review of Falcon Ridge 2020 Draft Budget (Included in Board packet)
 - 1. The Board would like the following areas reviewed:
 - a. Contract Fees – EPHA proposed 7% for management fees, Loveland came back at 3% so this number may change. To provide perspective, Blackhurst shared that property management companies charge 10% - 12% for management fees on market rate rentals, and 25% - 45% of gross revenue for short-term rentals.
 - 2. Audit Fees – Blackhurst and Frank had questions regarding what the audit fees consist of.
 - 3. Travel and Training – Blackhurst questioned if enough money has been allocated and suggested we keep that in mind as we move into our budget cycle.
 - 4. Utilities – Hawf to give utilities a closer look and will provide the percentages they were increased by.
 - 5. Trash Service –Waste Management contract good through 2021. Blackhurst suggested not renewing.
- B. Cost of Services Draft: (Included in Board packet)
 - 1. Hawf presented cost of services draft to Board. Blackhurst suggested we first determine what the Town wants us to provide.
 - 2. Board determined to put this on hold until further information is acquired.
- C. Partnership Agreement Draft: discussed above
- D. Hawf included one additional item: LHA is updating their documents with the IRS. The IRS requires us to provide approval that it is okay for the IRS to talk to LHA about our transactions with the IRS. We would need to say that it is okay for Sonya Parker with LHA to also talk to the IRS about our finances as well as Hawf.
 - 1. Motion made by Smith to authorize the Chairman or Vice-Chairman of the Estes Park Housing Authority, to sign on behalf of the organization, authorizing permission for Loveland Housing Authority to act on our behalf with the IRS; motion seconded by Pinkham, and passes unanimously with one absence.

8. **Executive Director Report:** Naomi Hawf reporting

- A. Open House 9/11/2019 4:00 PM to 6:00 PM
- B. Moulton is out next week with Colorado Mountain Housing Coalition; Hawf is out the following week beginning the afternoon of September 23rd.

9. **Adjourn:** 10:27AM