

Date	February 11, 2015
Members Present	Matthew Heiser, CJ Jensen, Sandy Good, Jack Dinsmoor
Member Absent	Eric Blackhurst
Staff Present	Sharlet Lee, Sam Betters, Rita Kurelja, Erin Tice
Guests Present	Christian Collinet, Paul Fishman

The February 11, 2015 meeting of the Estes Park Housing Authority Board of Commissioners was called to order by Matthew Heiser at 8:30 am in Room 203 of the Municipal Building of the Town of Estes Park.

### **PUBLIC COMMENTS**

No comments

### **APPROVAL OF MINUTES**

**Executive Session minutes from January 14, 2015 meeting were reviewed and approved as submitted with no objections by Matthew Heiser.**

**Minutes of the January 14, 2015 meeting were approved as submitted with no objections by Matthew Heiser.**

### **FINANCIALS:**

4<sup>th</sup> quarter 2014 report: Kurelja reported highlights:

- EPHA: Fourth quarter 2014 payment of \$26,496 of the 2014 annual contribution of \$105,984 received from Town of Estes Park; Talons Pointe Partnership Management Fee was \$45,468 for 2013, received in 2014; EPHA has spent \$356,562 toward the development of Falcon Ridge; EPHA received \$270,000 from Vista Ridge on the sale of the final unit, \$137,134 paid off accrued interest and the balance as a transfer of \$132,866 to EPHA.
- Cleave Street: Rental Income is over budget as vacancy loss less than budgeted; 1 unit vacant for the year, budgeted 4; Total vacancy loss for 2014 \$460.
- The Pines Operating: Rental Income is over budget as vacancy loss is less than budgeted, 6 vacant for the year (market rates only), 16 had been budgeted. Development: Balance of the town note was paid in 4<sup>th</sup> quarter \$195,464; Unit 3-2 sold in May and a principle payment was made to Bank of Colorado for \$90,031.
- Vista Ridge: Last unit sold; funds have been transferred to EPHA; Checking account has been left open with \$6243 in case future business is conducted with this entity; Fund was closed in the 4<sup>th</sup> quarter. Dissolved Estes Investors. Will no longer report on Vista Ridge.
- Talons Pointe: Rental income is on budget; More vacancy loss than we would have liked; Units turned are under budget; 16 units vacant for the year, budgeted 20 vacant units; Financial Expense is over budget due to bad debt write offs.
- Lee reported on the audit. Talons Pointe is done; starting EPHA. Overall good year.

### **COMPLEX AND DEVELOPMENT UPDATES**

#### **A. Talons Pointe**

1. Occupancy and delinquency: Kurelja reported one vacancy at the end of January; no vacancy as of today. Delinquency for current tenants at \$1427, vacated tenants \$648. At the end of 2014 wrote off \$3981.
2. Change of General Partner Update: LHA would like to exit the partnership; however, John Hancock will not agree to LHA exiting entirely; still want some guarantees. The next proposed idea is to have John Hancock exit the partnership. John Hancock has asked EPHA to come up with an exit proposal. Once John Hancock exits, LHA could exit as well. Pay asset management fees and legal fees; Betters estimates \$20,000.

**Motion to authorize Kurelja to submit an exit proposal to John Hancock made by Jack Dinsmoor; Sandy Good seconds the motion; passes unanimously with one absence.**

3. Basketball court currently has fence around it. Kurelja proposes that it be removed. Board agrees to have it removed.

#### B. The Pines

1. The Pines Sales: Collinet reported that two units are under contract. One moving right along with closing next week. Other one has potential problems. However, we have made the buyer an offer to rent the unit; should hear back today if buyer agrees. Resale under contract. Currently no restrictions on rentals.
2. The Pines Rentals
  - a. Occupancy & Delinquency: Kurelja reported 1 vacancy which is market rate – no delinquency. \$700 in vacancy loss, market unit.

#### C. Cleave Street

1. Occupancy & Delinquency: Kurelja reported zero vacancy; zero delinquency; zero vacancy loss. Went smoke free January 1, 2015. Kurelja asked Cornerstone Engineering to take a look at some cracks in the building. Stems from when the exterior remodel was done in 2006. Don't think it is a threatening situation. Recommendation is to caulk the cracks and monitor.

#### D. Falcon Ridge

1. Development Updates:
  - a. Bid/Construction costs meeting: Meeting scheduled at Dohn's office, Friday in Fort Collins at 10am; should receive hard construction costs.
  - b. Change in Development, Ownership and Management Structure: Better explained the slight structure change. Investors require that General Partner be a single purpose entity; based on that requirement EPHA Falcon Ridge LLC was created. EPHA FR LLC is for profit and solely owned and controlled by EPHA which will be the General Partner.
  - c. Additional Tax Credits: EPHA will to submit an application for additional credits at the time of carryover application. Investor has agreed to buy the extra credits. All will be finalized at closing. Investors pay out Equity gradually in about 5 installments as we meet requirements. CHFA would like us to keep development fee at the original amount as a show of good faith that this is our contribution to the additional costs.
  - d. Fee Waivers: Town approved fee waivers for \$369,000 in water tap fees. These fees will probably come in higher than what we expected them to be. Water dept working on getting better numbers; probably around \$400,000.
  - e. Closings – Scheduled to close everything (partnership, construction loan, DOH loan) March 15<sup>th</sup>. CDBG\_DR funds have added requirements such as Davis Bacon which will increase some costs. Wells Fargo has been easy to work with. Better asked Rich Ekwall to put together a small earth moving contract with Dohn as a Plan B. We must start moving dirt by April 1<sup>st</sup>. Contract is to start scraping the site coming in at \$30,010. Heiser reiterated that everything we have spent so far has been through EPHA but will be reassigned to partnership; EPHA will be reimbursed from what we have spent and receive proceeds from sale of lot.

**Motion to authorize Kurelja to sign contract with Dohn Construction to initiate construction on site, not to exceed \$32,000 made by CJ Jensen; Sandy Good seconds the motion; passes unanimously with one absence.**

EPHA received a favorable rate from CHFA for permanent loan; Will be a risk sharing loan with HUD. Liability shared between CHFA and HUD. Investor will not close with unknowns. Wells Fargo requires we get a commitment letter for the permanent loan; CHFA has agreed to commit to the loan should HUD not fund.

2. Resolution 65: Heiser read Resolution 65. Allows EPHA to act as three different bodies. The signing of resolution 65 authorizes the sale of land; provides certain guarantees to partnership (construction completion, operation, tax credit); investor requires that LHA provide construction guarantee along with EPHA through stabilization; authorizes entering into co-developer agreements; authorizes Kurelja to sign 8.5 million dollar construction loan, 2 million dollar CHFA loan and 1.8

million dollar DOH loan. Betters clarified the DOH loan for the board; DOH will require repayment of 50% of cash flow after developer fee has been paid off; payments would start in 2022.

**Motion to approve Resolution 65 made by Jack Dinsmoor; Sandy Good seconds the motion; passes unanimously with one absence.**

#### **REPORTS, UPDATES AND OTHER MISCELLANEOUS ITEMS**

A. Unit Turnover Report: Tice reported one unit at The Pines; market rate unit that is under contract. Talons Pointe two units, both leased up as of today.

#### **OLD BUSINESS**

A. CAST Report: Members from the Colorado Association of Ski Towns (CAST) visited Estes Park January 19, 2015; they toured the town and met with Estes Park Housing Authority, Estes Park Economic Development Corporation and the Town Trustees. Report is very telling of the current housing situation in Estes Park. Report suggests that the needs assessment be updated and that the community should have a clear vision of how they want to address housing issues and work together as a community.

#### **ANY ADDITIONAL BUSINESS**

A. Chairperson Update: Chairperson Blackhurst will be out for a while; Heiser will stay as Vice Chairperson and fill in for Blackhurst as needed. Heiser asked the board to be a little more engaged as we are down a member for a while.

#### **EXECUTIVE DIRECTOR REPORT**

- In the process of updating leases and house rules. We made changes and sent to attorney. We recently heard back, but have yet to go over the revisions. Will bring to board as soon as we have reviewed the documents.
- Kurelja attending bi-weekly Estes Park Economic Development Corporation meetings.
- Tice will be leaving the Housing Authority in May. To begin advertising for the position by the end of February. Would like to have someone chosen for a month of training.
- Written review for Kurelja; Heiser asked the board to review.
- All employee reviews have been completed.

**There being no further business, Matthew Heiser adjourned the meeting at 10:01 am**

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Erin Tice  
Housing Operations Manager