

April Regular Board of Commissioners Meeting Minutes

Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

April 9, 2024, at 5:00 p.m.

1. Call to Order and Roll Call

GJHA's Board of Commissioners Regular Meeting was called to order at 5:03 p.m. by Rich Krohn, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Rich Krohn, Chair
Bernie Buescher, Vice Chair (Virtually)
John Howe
Bill Johnson
Randall Reitz

GJHA Staff:

Jody Kole, CEO
Scott Aker, COO
Sheila Brubacher, Controller
Jill Norris, General Counsel
Krista Ubersox, Asset Manager
Ashleigh O'Leary, HR Director
Kevin Sperle, IT Supervisor (Virtually)
Brian Rusche, Development Director
Kate Schaneman, Business Operations Assistant

A member of the public, Teri Cavanagh, from Sync Strategic, attended the meeting in person and left at 5:14 p.m.

A member of the public, Mike Foster with Coldwell Banker Commercial, attended the meeting in person.

A member of the public, John Gargas, from Aspire Residential, was acknowledged by Rich Krohn as attending the meeting virtually and joined at 5:19 p.m. He left the meeting at 6:00 p.m.

A member of the public Juliana Bomark, a journalist student from Colorado Mesa University joined at 5:22 p.m.

2. Disclosure of Direct or Indirect Conflict of Interest

John Howe disclosed that he had a conflict as he represents the landowner of the property that would be discussed in agenda item #4. He stated he would abstain from any discussion as well as any vote.

3. GJHA 50 Year Celebration Presentation

Teri Cavanagh introduced herself and reviewed her slideshow presentation. She has been working with a team of GJHA staff to prepare for several celebrations for the Housing Authority's 50 years of service, as well as the 2023 Annual Report and Annual Meeting. These celebrations will take place internally with staff and externally with community partners and residents.

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Scott Aker added a thank you to the team. He highlighted that along with the efforts to celebrate GJHA's 50th anniversary, staff have been working on an update and refresh of the websites for GJHA and Doors 2 Success.

4. Aspire Presentation

The attendees of the meeting introduced themselves. Jody Kole gave a brief explanation of the recent history of the relationship between GJHA and John Gargas, which focuses on John's firm, Aspire, having interest in developing affordable housing on two parcels of land on Orchard Mesa, near the Linden Pointe Apartments. More specifically, Aspire is interested in having GJHA join the development as a Special Limited Partner, and possibly provide property management and maintenance services. John gave his initial proposal to GJHA a few weeks prior, and following some education and conversation with GJHA staff, he modified his proposal so he could present it at this meeting.

John Gargas introduced himself and gave some details of his background. He currently lives in New Hampshire but frequently finds himself in Colorado. He also talked about his previous work history and shared some photos of one of the apartment complexes that he owns.

The project John proposed is a Net Zero Operating Carbon sustainable project. This means it is designed to save and generate as much energy as it uses, effectively creating net-zero carbon emissions. The plan is to target 60% Area Median Income (AMI) and under on a low-cost basis, targeting less than \$225,000 hard cost per unit. The air quality in these units would be healthy, as it is filtered through an Energy Recovery Ventilation unit (ERV) and the building itself would be resilient against things like power outages.

The way John Gargas and his team build, energy consumption is reduced by 2/3. and the buildings would be all electric. When solar gets added to the roof, it would be 100% net zero. The site is 7.11 acres located on Stacy Drive, near Dos Rios Elementary School and was recently rezoned to R-24. John reviewed a map of the location and images of what the proposed building would look like. Each building is planned to be a 24 unit, 3 story walk up with the first floor to include ADA units, 6 two-bedroom units and 18 one-bedroom units.

Aspire's strategy would be to leverage low costs, include 30/40/50/60% AMI and include utilities in the rent. They plan to partner with local, experienced team members. This project would be completed in two phases, Phase I would include 72 units and Phase II would include 120 units. The challenges John Gargas and his team are facing include the pressures of time, a "yellow light" from the City as they did not like the idea of being the bond issuer, and closing the funding gap.

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In John Gargas's modified proposal, he requested middle income workforce housing (80-120% AMI). With this change, the time pressure goes away, the City does not have to issue bonds, there would be no need for CHFA tax credits, nor for GJHA to act as Special Limited Partner. Favorable debt and private equity investors would still be needed. If the City supported a Land Acquisition Program, only a smaller portion of grant funding would be needed. John concluded by requesting GJHA to write a letter of support for this project.

Rich Krohn summarized that John Gargas was no longer looking for assistance with the initial proposals and was now looking only for a letter of support. Jody Kole asked if his units would count toward Proposition 123. Randall Reitz investigated and said that only some of the units included in this project would count. Bernie Buescher mentioned that it would be difficult to clarify with a letter of support what exactly GJHA would be supporting. John Gargas clarified that it would simply be an act of support.

Rich Krohn asked for clarification that John Gargas would not be seeking action from the Board today. John agreed but stated that his proposal will ultimately change slightly and would be brought back to the Board for their consideration. Rich Krohn asked if Aspire could get a more complete proposal, then the Board could give it a more thorough look for consideration.

The earliest GJHA could look at the finalized proposal from John Gargas would be at the next Board Meeting on May 16, depending on when John could get the proposal finalized and sent to GJHA staff.

Bernie Buescher mentioned GJHA's initial concerns with the bandwidth of the staff as well as the financial impact. Although those topics are no longer concerning, he voiced his concern that there would not be adequate onsite management.

5. Other business, if any

The May regular meeting is scheduled the evening before the GJHA Team's presentation on The Current to the CHFA Tax Credit Committee. Jody Kole requested this meeting to be rescheduled to give staff the ability to focus on the CHFA presentation without the stress of dividing their attention to focus on preparing for the board meeting as well. Thursday, May 16th at 5:00 p.m. was suggested. All Board members stated they would be present. The regular June meeting is during the National Council of State Housing Agencies (NCSHA) conference that executive staff will be attending. June 18th at 5:00 p.m. was suggested as an alternative date. All present Board members stated they could make that work.

Rich Krohn suggested that GJHA did not need to schedule a Real Estate Committee Meeting now, knowing that John Gargas was now only requesting a letter of support.

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6. Adjourn

With no further business or discussion, Bernie Buescher made a motion to adjourn. With a second by Bill Johnson, and unanimous roll call vote, the meeting was adjourned at 6:02 p.m.

All Board packet documents and documents distributed
during the Board Meeting are retained at GJHA.