

November Board of Commissioners Rescheduled Regular Meeting Minutes

Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

November 14, 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 5:02 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
Ivan Geer (Virtually)
Randall Reitz
Karen Massey

GJHA Staff:

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

Kevin Sperle left the meeting at 5:10 p.m.

2. Disclosure of Direct or Indirect Conflict of Interest

None mentioned.

3. Re-Appoint Doors 2 Success Board Member

Scott Aker explained that Pam Francil is being recommended for her second term on the Doors 2 Success Board. The Doors 2 Success Board met two days ago and unanimously recommended Pam Francil to be reappointed. A motion was made by Bernie Buescher to Adopt Resolution 2024-11-01 Re-Appointing Pam Francil to the Doors 2 Success Board with a second by John Howe. A roll call vote was taken, and the Resolution was unanimously approved.

4. Development Update

Rich Krohn made a motion to go into Executive Session. A roll call vote was taken and was unanimously approved. The Board and Executive Staff entered into Executive Session at 5:10 p.m. Kate Schaneman left the meeting at 5:10 p.m.

- a. Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e), ;

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THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION PURPOSES:

to discuss the equity and lending proposals for The Current received in response to GJHA's Request for Proposals

The Executive Session concluded, and the Rescheduled Regular Meeting was called back into session at 5:54 p.m. Kate Schaneman also returned to the meeting at 5:54 p.m.

Participants in the Executive Session were Jill Norris, John Howe, Karen Massey, Scott Aker, Ashleigh O'Leary, Brian Rusche, Randal Reitz, Jody Kole, Rich Krohn, Bernie Buescher and Ivan Geer. No one registered any concerns regarding the Executive Session.

Jody Kole discussed the Debt and Equity Investors/Lender Selection for The Current. GJHA received ten lending offers and three equity offers. The bids of two local banks were deemed the most responsive and responsible bids for the lending side of the transaction. One of the other offers had a lower interest rate, but it would have triggered the requirements under the Davis Bacon Act because there are Federal Funds included in that offer. Staff decided to recommend against that bid because the Davis Bacon wages would possibly add to the construction costs.

Jody Kole recommended that GJHA deem the two local banks, ANB Bank and Bank of Colorado, the most responsive and responsible bidders, as finalists. GJHA plans to ask these banks if they can pause for final selection until GJHA selects an equity investor. Jody Kole also recommended that GJHA reject all of the equity proposals that were received and reissue a Request for Proposal within 30-45 days due to the quantity and quality of the proposals received.

Staff recommends rejecting the three equity proposals that were received because two of them made an offer on Federal Tax Credits only, but GJHA has been awarded both Federal Tax Credits and State Tax Credits. Accepting just an offer on Federal Tax Credits would leave a large hole in the development budget. The third offer bid on both the federal and state tax credits but had terms and conditions that were highly objectionable and one-sided. The third offer also left a hole in GJHA's budget. A motion was made by John Howe to direct Staff to reject the three equity funding proposals. This motion was seconded by Bernie Buescher and was approved by a unanimous voice vote. A motion was made by John Howe to direct staff to reissue a Request for Proposal regarding equity funding for The Current with the amendment to allow staff the timing to communicate GJHA's needs with the unsuccessful bidders. This motion was seconded by Randall Reitz and with a unanimous vote, the motion was approved. A motion was made by Rich Krohn to direct staff to advise ANB Bank and Bank of Colorado that they have been

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selected as finalists and request their best and final offers. This motion was seconded by Bernie Buescher and with a unanimous voice vote, this motion was approved.

Brian Rusche updated the Board on the status of the Salt Flats property. The City of Grand Junction is in the process of purchasing this property, located at 28 Road and Grand Avenue, with the anticipated closing to be at the end of December 2024. GJHA Staff has been discussing potential partnerships with City staff and the next steps in the process. The northwest corner will likely be the portion of the parcel that will be designated for GJHA development. Jill Norris asked if the City is seeking to do a land lease or a conveyance. Brian Rusche said that he doesn't think that the City has worked out all of those details. Scott Aker said that this opportunity and the timing associated with potential tax credit-related opportunities through CHFA will require GJHA to accelerate the delivery of a proposed Special Limited Partner Policy to bring to the Board for consideration. If the team assumes development at the Salt Flats would be funded via 4% Federal Tax Credits plus State of Colorado Housing Tax Credits, the Letter of Intent to CHFA is due at the beginning of June with full application due by August.

Randall Reitz notified the Board and Staff that about 90 minutes ago, the City was awarded a two million dollar grant for the infrastructure for this Salt Flats project.

5. Other business, if any

Staff advised the Board that the next Board Meeting is scheduled for December 10, 2024, at 5:00 p.m. All Board Members stated they will be in attendance with the exception of Rich Krohn. Kate Schaneman will check with Leora Ruzin.

Scott Aker gave the Board an update on GJHA's Voucher Program. He stated that GJHA is on track to overspend their Housing Assistance Payment by just over \$87,000. Staff is working to bring that number down as much as possible, but it will likely be covered by HUD and not by GJHA. The next update will likely be a year-end review in January or February of 2025.

Ashleigh O'Leary, Rich Krohn, Ivan Geer, and Bernie Buescher discussed scheduling an Executive Compensation Committee Meeting. Ashleigh O'Leary stated that she will call each of the Committee Members and schedule this meeting.

6. Adjourn

With no further business or discussion, Karen Massey made a motion to adjourn. With a second by Bernie Buescher, and unanimous roll call vote, the meeting was adjourned at 6:29 p.m.

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