

April Special Board of Commissioners Meeting Minutes

Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505

April 15, 2025, at 5:00 p.m.

1. Call to Order and Roll Call

GJHA's Board of Commissioners Regular Meeting was called to order at 5:00 p.m. by Bernie Buescher, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:

Bernie Buescher, Chair

John Howe, Vice Chair

Rich Krohn

Ivan Geer

Randall Reitz

Leora Ruzin (Virtually)

Karen Massey

GJHA Staff:

Scott Aker, COO/Acting CEO

Jill Norris, General Counsel

Ashleigh O'Leary, HR Director

Brian Rusche, Development Director

Kate Schaneman, Business Operations Assistant

2. Disclosure of Direct or Indirect Conflict of Interest

None mentioned.

3. Development Update

GJHA's review team for the Salt Flats Property Limited Partnership (with GJHA as a Special Limited Partner) consisted of Scott Aker, Brian Rusche, Jill Norris, and Rich Krohn. GJHA received 13 proposals in response to its Request for Statement of Qualifications. Staff know that the City has set their sights on some aggressive numbers to deliver an affordable product on that site. GJHA will need to be involved in order to reach the level of affordability that the City is wanting on a large portion of the land. GJHA knew early on that there was interest in dedicating a portion of the Salt Flats Property to the Housing Authority. However, GJHA is not in a position to be a lead developer in more than one transaction at one time. Historically, 4% Tax Credit deals have not been viable for new construction in Grand Junction due to lower maximum rents.

Staff has gone through two rounds of interviews and is now in a position to seek the Board's approval to select MGL Partners (MGL) and Volunteers of America (VOA) to be the lead developers and partners in the Limited Partnership.

Colorado Proposition 123 funds were used by the City to acquire the Salt Flats property. Utilization of those funds requires that a minimum of 70% of the rental units on the entirety of the Salt Flats property be affordable to those who are at 60% AMI and below.

This type of limited partnership should not create any financial exposure for GJHA. However, it does include the right of first refusal or right of first offer. Staff felt that GJHA, MGL and

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Volunteers of America have a similar mission. MGL and VOA both have respectable reputations in Colorado, are longstanding and successful Tax Credit developers, and have a focus on providing housing for the 60% AMI and below demographic. VOA also owns the Grand View Apartments here in Grand Junction.

Bernie Buescher asked about the use of Veteran Administration Supportive Housing (VASH) Vouchers for this project. GJHA would administer the VASH Vouchers, but the number of VASH vouchers dedicated would be part of the negotiations with MGL and VOA.

The Limited Partnership will be the developer, not GJHA. However, it is important for GJHA to partner with entities that will listen to and work with them. In addition to Supportive Services through VOA, clients will also have access to case management. At this time, GJHA anticipates eight VASH Vouchers being dedicated to this project.

Rich Krohn stated that the initial MGL/VOA proforma has a funding gap of \$1,500,000. MGL and VOA would like to see the City or GJHA fill that gap. Both GJHA and the City have indicated that they should not be expected to fill that gap, but that has not yet been discussed in detail. The unit costs are high in the preliminary numbers. There is potential to add these units to GJHA's portfolio at the end of the 15-year tax credit compliance period.

There is no promise that this partnership will work, but the proposal is to provide a development that includes 100% affordable units. MGL and VOA were the only proposers offering to make 100% of the units affordable. The review team believes MGL and VOA are the best fit for what GJHA wants the development to be and, it aligns with GJHA's mission. The delivery date would be Summer of 2028, but it could be a faster timeline due to the partnership with the City. There will likely be two phases, with the first consisting of 70 units all at 60% AMI or below.

It is anticipated that there will soon be layoffs, both locally and nationally, in the construction industry. That combined with the tax exemption may help bring the costs down. GJHA's participation as a special limited partner does not come with the financial risks and compliance concerns associated with its own development projects like The Current.

Ivan Geer and Leora Ruzin voiced that they are strong supporters to move forward with this developer to begin negotiations.

Ivan Geer made a motion to authorize staff to begin negotiations with the MGL and VOA to enter into a limited partnership for the development of a portion of the Salt Flats property with GJHA acting as a Special Limited Partner. Leora Ruzin seconded the motion. Scott Aker added there are two options for a 4% Tax Credit deal. The first option would be the competitive round which includes both 4% federal credits and state tax credits, delivering more equity than the second option. The application for this round is due August 1, 2025. The second option includes

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4% credits, fewer state credits and more debt in the form of private activity bonds. It would not as competitive, but would allow more time. MGL and VOA intend to apply on August 1, 2025. The Letter of Intent to CHFA is due by June 1, 2025, and the Tax Credit Application is due August 1, 2025. This may lead to more Special Board Meetings. At the close of discussion, there was a voice vote and the motion passed unanimously.

4. Other business, if any

This is Randall Reitz's last meeting. There may be a chance for him to apply through the regular process to join the Board as there will be two open seats later this year.

5. Adjourn

With no further business or discussion, Bernie Buescher adjourned the meeting at 5:44 p.m.

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