

**Gunnison County Housing Authority  
Advisory Board Meeting Minutes  
December 1, 2011  
Gunnison County Housing Authority  
6:00 p.m.**

**Present Members:** Advisory Board Chair David Owen ; Jim Schmidt, Town of Crested Butte; Dan Escalante, Town of Crested Butte; Ellen Harriman, member from the City of Gunnison; Kelly McKinnis, Advisory Board Vice-Chair; Andy Tocke, alternate from the City of Gunnison; Pat Montgomery, alternate from Gunnison County; Ed Seymour, City of Gunnison.

**Absent Members:** Neil Windsor, alternate from the Town of Crested Butte.

**Present Staff:** Katherine T. Gazunis, Executive Director, GCHA; Susan Eskew, Administrative Assistant

**Call to Order and Welcome:**

David called the meeting to order at 6:05 p.m.

**Minutes:**

Minutes from the October 6, 2011 Advisory Board meeting were read, discussed and corrections made. Jim Schmidt/Kelly McKinness moved and seconded to approve the minutes as corrected. Motion passed unanimously.

**Financial Reports:**

KT presented the Housing Authority monthly revenue/expense report (ending 10/31/11) for the YTD 2011 (at 83% complete), along with Activity categories, Operational Support, Vouchers, Property Based Assistance (Mountain View) and Development Reports. The Managing For Results (MFR) categorization of expenses and revenues allocates revenue and expenses by each activity within each department, and therefore is much more detailed. The overall 2012 budget will be reduced from \$780,000 to \$654,000, with the suspension of the Mutual Self-Help program responsible for most of the cut. In Gunnison County, the demand for MSHB was not enough to build any new units but the program will be closed out with Rural Development in good standing. When demand returns, the GCHA will be able to re-apply to RD for funding.

**Discussion Agenda**

**Board Update:**

David Owen will resign from his County appointment to be re-appointed as representative from the Town of Crested Butte.

Ellen Harriman announced that the City of Gunnison will donate funding towards the **Blatt Property** to install some Infrastructure for low-income housing. Sewer lines will be easily accessible from the north half of the property, not so easily from the south. KT explained that Gunnison County has agreed to sell the **Blatt** property to Habitat for Humanity at ½ its cost, and that CDBG funds will be applied for in order to offset some of the expenses of building a duplex each year.

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Ellen Harriman /Ed Seymour: The Gunnison USA Pro Cycling Challenge committee earmarked \$40,000 for promotion, sponsors returned about \$36,000. Ellen related that having the race finish in town was probably a better return on investment than having the race start from there. September sales tax was up 5%, better than the previous year, though not as good as 2007.

Jim Schmidt had several items to report; that Crested Butte collected sales tax increased 16% over the previous year, and that the new Town Council was still discussing changes to the work force linkage fees, which were increased from \$2.09/ sq ft in June to \$83/sq ft for commercial structures. In addition, the Council is looking at sales tax increases to fund workforce housing, as well as sales of lots in Paradise Park.

#### **Executive Director's Update:**

**Stallion Park Units:** Developer Dr. Landy, gave the County foundations for two four-plex buildings in addition to four 2-bedroom units in Buckhorn Ranch subdivision. The County now owns five 2-bedroom units; three are presently available for rent. In exchange, the remaining 18 units owned by the developer were released from all deed restrictions and are available for sale. The price has been lowered to \$119,000 for the remaining two bedroom units.

**Workforce Linkage Fee Update:** KT demonstrated the formula to calculate workforce linkage fee for residential and commercial building with a Power point demonstration<sup>1</sup>. It is important to note that the fee is assessed for a portion of the affordability gap, not the whole cost. Board-members learned that the WFLF needs to up-dated periodically.

For example, the BOCC is holding a public hearing December 6, 2011 to discuss changes to the exemptions to the fee, specifically requiring primary residency to be exempt.

In addition, by allocating the fees on a 100sq ft basis, the fees will not have the drastic jumps that were imposed by the 2006 methodology. A smoother curve (charging a uniform fee per increasing 100 square feet) will make the fee more equitable.

**Managing For Results** This management and budgeting program measures results for Gunnison County residents by demonstrating how the money spent serves the public, i.e., getting value for tax payer dollars. Priorities for Housing include Administration and Education (Homebuyer Counseling and Operational Support), Subsidized Housing (Vouchers, Mountain View and the Willows), and Development , which includes increasing affordable rentals and homeownership, maintaining the base of deed restricted properties, weatherizing, and the workforce linkage fee program.

**Willows Assisted Living Audit:** Every year, the Federal Home Loan Bank (FHLB) requires a short report on the Willows to insure compliance with the terms of its self-amortizing loan. Every four years they do an in-depth audit and this year's unearthed a large number of mistakes which have been made regarding calculating income qualifications at admission, lease language, and reporting errors. KT has been working several months with Wade Baker, the Willows Administrator and Karin Stewart with Senior Resources, to correct these errors. These mistakes were due to staff turnover and poor training, so KT will write a training outline for anyone to follow. The loan converts to a grant in 2017 so the property should have only one more in-depth audit before the obligations to FHLB end.

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<sup>1</sup> Included in the packet

**OLD BUSINESS:**

**Low Income Housing Tax Credit (LIHTC) Market Study Information:** Earlier this year, Prior & Associates were hired by a private developer, Drayton & Luckenberg, to determine the feasibility of multi-family low-income projects in Gunnison and Crested Butte/Mt. Crested Butte.<sup>2</sup> The information is in the conclusions.

For Gunnison, the authors feel the most appropriate development under current market conditions is in an age-restricted LIHTC project, with ¾ one bedroom units, and ¼ two bedroom units. The rent structure should include 30%, 40%, and 50% AMI rents, but more demand will be for the lower AMIs. Phasing into the market will be important to not adversely impact the present market.

For Mt CB /CB, the authors state that there is sufficient demand in the study area to support the subject’s approximately 29 units without impacting the performance of existing rental developments. A mixed income development would most effectively meet the need of new and existing renters; 1/3 low income units targeted to households earning less than 60% AMI and 2/3 should be non-income restricted dwellings.

The markets are characterized as having demand for housing in this down economy, but not enough to attract the capital for investment. As the largest current investor in Colorado LIHTC, Boston Capital has said it isn’t interested in financing these projects because the demand was not sufficient. When the economy improves and demand increases, the Housing Foundation or Housing Authority may be able to finance these projects. In the meantime, the Housing Authority has permission from Drayton & Luckenberg to use the studies to try to find other financing sources.

**NEW BUSINESS:**

**Wildwood Mobile Home Park:** News just in! The owner has agreed not to close the mobile home park or evict the renters. The next step for the City and the H.A. is to work together to have the property appraised with the goal of subdividing the property and buying just the mobile home park portion of the whole parcel.

**USDA Rural Development Guaranteed Loan Program:** USDA Rural Housing is working with Funding Partners in a statewide program, from Julesburg to Cortez (see flyer). This will open up lending to low-and middle- income rural residents.

**Next meeting: January 12, Crested Butte Town Hall, Junior Meeting Room, 6PM**

These are the proceedings of the Gunnison County Housing Authority Advisory Board to the best of my recollection.

Respectfully submitted,  
Susan Eskew  
Housing Authority Administrative Assistant

**I attest these minutes represent the proceedings of the December 1, 2011 meeting.**

By Susan Eskew Dated: December 6, 2011

<sup>2</sup> These reports are included in the packet