

There were no officers reports.

E. PUBLIC FORUM

No members of the public were present to address the Authority.

F. OLD BUSINESS

1. Chair DeMott introduced Jennifer Walter to Janice Thompson and Gayle Miller.
2. Sally Payne introduced Ken Johnstone, Community Development Director.

G. NEW BUSINESS

1. Election of Vice Chair

Mr. Urban nominated himself.

It was moved by Janice Thompson and seconded by Jennifer Walter to appoint Mr. Urban as Vice Chair. Motion passed 5-0.

2. Update on Single Family Home Rehab and Sales

Mr. Nelson stated there were a number of prospective buyers for the ADA accessible home at 7910 W. 46th Ave. The leading candidate would like a garage and grass. Mr. Wehrdt is to provide quotes for these additional options and funds will be escrowed. Mr. Wehrdt stated the Certificate of Occupancy will be issued later this week.

Mr. Wehrdt stated the home at 4330 Upham St. is about 75% complete. Mr. Nelson stated there are already interested buyers for this home also. The listing will be open for a week then offers will be accepted.

Mr. Wehrdt stated Mr. Urban met with Alan Feinstein of Jefferson County Housing Authority (JCHA) to discuss future available properties. There may be a duplex available in the future. Mr. Nelson stated we won't be able to get a batch of homes at the same price point as the CDBG block. We will have to spend more money on future acquisitions.

There was a brief discussion about duplexes and the past experiences with duplexes. Chair DeMott stated the Housing Authority should not avoid duplexes due to difficult experiences in the past.

Ms. Payne stated the county agreed to allow the Wheat Ridge Housing Authority to keep the remaining Program Income funds to continue purchasing and rehabilitating homes. The restrictions/requirements for using the funds would remain.

Mr. Johnstone stated the funds would need to be returned to Washington then sent back to Jefferson County to be returned to the Wheat Ridge Housing Authority. The timing of this process is unknown.

Mr. DeMott stated the Housing Authority has its own funds that can be used to purchase properties without restrictions.

3. Fruitdale School Discussion

Mr. DeMott reviewed the Chronology of Events document (in packet) for the Fruitdale School.

Ms. Payne stated the Housing Authority has invested \$250,000 to date. Ms. Payne also provided an overview on the grants associated with the Fruitdale School.

- Last year an architect was hired to complete a Structure Assessment and address the major and minor deficiencies in the building via the State Historic Grant Fund (\$15,000 non-matching grant). The architect provided a quote in the amount of \$2.2 million to correct the building deficiencies that would make it habitable. That doesn't include any renovation for a new use.
- The second grant with the State Historic Fund is in the amount of \$43,000 that includes an \$11,000 match from the Housing Authority for construction documents to address the deficiencies. We are in the process of selecting an architect. SlaterPaull will probably be selected since they did the Structure Assessment.
- Ms. Payne stated it is too early to apply for a grant for construction funds. We did not apply for the construction funds grant this spring but may in the fall when the construction documents are complete.

Chair DeMott spoke about the reverter clause. The land was donated by a family in 1890 to the school district. It was donated with the reverter clause that stated it will revert back to the family and their heirs if the land is used for anything other than educational purposes. The reverter clause period is for 18 years. Mr. Urban asked if the building had not been utilized for a school during 1890-2007. Chair DeMott replied no.

Mr. Johnstone stated he was there to impress upon the Housing Authority that this project is a priority for 2013 to determine the ultimate disposition of the school. Mr. Johnstone stated the following items to be considered:

- Reverter Clause – We think there are a couple of solutions. Possibly a condemnation process or file a quiet title action. This will have to be explored further.
- Zoning – A use should be determined before the property is rezoned.

- The school was acquired with Housing Authority funds. The Housing Authority is governed by the state. This is a large asset to hold long term. It is an untested market for condo housing in this area. Now that the market is more active the construction costs should be reviewed with Historical Structure Assessment funds. Multiple sources of funding will be needed.
- Development – Determine if housing is a viable option. If not, what are the other viable options?

Ms. Payne stated the Entasis Group prepared the original plans for housing units in 2008. The plan could be updated for a fee. The Historic Structure Assessment was shared with Entasis. The original plan from Entasis was \$1.6 million to rehabilitate the building and construct lofts. Now it will cost \$2.2 million just to make the building habitable. Refinishing with new housing units will require additional funds.

Mr. Johnstone stated reviewing the building as a housing perspective is a good thing to do. There aren't a lot of other possible uses for it.

Mr. Johnstone stated a proposal was received from Brian Wishneff and Associates out of Roanoke, Virginia. Ms. Payne met with a staff member from the firm a couple of weeks ago. The proposal is a partnership opportunity. It speaks directly to accessing additional monies. They're expertise is accessing federal historic tax credits and new market tax credits. The historic tax credits and new market tax credit program could be good sources of equity to go towards the cost of a housing project or some other project. Structures on the National Register are eligible for preservation tax credits which could be a significant source of equity funding.

Their proposal states they would not be paid until delivery of equity dollars that would go towards the project through the two programs. They take a fee only after getting the equity partners. There is no risk but potentially some cost could be incurred by the Housing Authority. They are willing to be the developer to find the equity partners for a fee.

The proposal seems to be something worth exploring. We received their specific proposal for the Housing Authority yesterday. The proposal needs to be reviewed closely and reviewed by the City attorney before it is presented to the Housing Authority. Ms. Payne asked the members if they would want to take that next step to get questions answered to present more information.

Ms. Thompson asked if there were any other inquiries for other uses. Ms. Payne stated none other than the Germinal Theatre Group.

Ms. Thompson stated there were issues with the building when it was looked at for housing previously such as location, lack of open space, parking and lack of walkability.

Mr. Johnstone stated it will need to be subsidized from multiple sources to get units that can sell to justify the construction costs.

Chair DeMott stated this is a delicate process. Working with grants is a long process. We have been discussing this for a while now and we need to make a decision. The Housing Authority does not have \$2.2 million dollars. We need to task ourselves with considering the Wishneff proposal. Maybe they can find someone who is willing to buy the building and finish it for apartments.

Mr. Urban stated we should research other sites Wishneff and associates has worked on. It may be a viable program. Is there anyone else doing this or is this the only group? He said he would like to better understand the market of creating equity partners and paying a commission for that service.

Chair DeMott directed the discussion to next steps to consider. SlaterPaull prepared the original Structure Assessment. We are considering them to prepare the construction documents per the State Historic Fund Grant. Chair DeMott asked Ms. Payne if this would include other uses. Ms. Payne stated no, it is preparation of construction documents to address the deficiencies that were identified in the structure assessment.

Mr. Johnstone stated the historic structure assessment prioritizes a number of things such as mechanical systems, electrical systems, fully restored windows, new interior walls and new ceilings. Those are the main components that need to be addressed. The building is not in good shape. The plans from Entasis tried to maintain the historic aspects.

Mr. Urban asked if we can amend the contract with the architecture firm to achieve the goals of both construction documents and to create a plan for housing as well. Whoever drafts the construction documents will go through some of the same exercises. He said he thinks the market has changed and we should identify the costs for housing currently.

Ms. Payne stated the current grant is for a specific scope of work for construction documents only. If we want a quote for housing rehabilitation, we can do that but the Housing Authority will have to pay for it. Chair DeMott asked if the construction documents have to be done to restore the building to the way it was. Mr. Johnstone stated that is the assumption of the Historic Structure Assessment.

Mr. Johnstone stated the Housing Authority has to determine if housing is the desired use and how much money should be spent to take the previous housing plans to the next level with Entasis or another firm. Is more information needed to make the housing decision or is there enough information based on the previous market study, the previous finance information and the previous cost estimates to make a decision now or in the near future.

Can we find sources to subsidize 1,000 square foot units that would range around \$300,000 to \$350,000? If not the Housing Authority can look at other options in terms of going out for RFP to see if there is interest in pursuing other partners with other uses. The first decision has to be whether housing will be pursued. It is a question as to how much additional information is needed for the Board to make that decision.

Mr. Nelson stated we can't sell units priced at \$320,000 to \$350,000 at that location. \$250,000 was initially envisioned. Tax credits may be helpful. There are some creative things being done with them now in housing.

Chair DeMott asked if Wishneff is asking anything of us. Mr. Johnstone stated they want to enter into contract with the Housing Authority under the terms outlined in their proposal that is included in the packet. An RFP may be difficult to get responses in an equity role until the bottom line scenario is augmented with tax credits. The Wishneff proposal may attract equity partners.

Mr. Urban asked if contracts can be acquired without having a development plan and tax credits in place. Mr. Johnstone replied the whole project should be in place. Essentially, the services of Wishneff are to provide estimates of possible available monies through the programs and hopefully market the package to the development community to try to make a deal.

Mr. Johnstone stated the Housing Authority has to make a decision as to whether we are going to consider housing or open to a broader scope. Is there enough information to determine if housing is viable? If not, what information is needed?

If the ultimate goal is preserving the building then open it up more broadly to the development community.

Mr. Urban stated the assessment done by SlaterPaul as to the deficiencies wasn't done prior to Entasis developing their plan. He would like to see another provider for a housing feasibility study for the current market. Retain a provider experienced in developing condominiums or townhomes using the Structure Assessment as the basis for a new market study. Then we as owners will have done our due diligence to determine the costs to pursue housing. Ms. Payne stated we could consider an RFP for Mr. Urban's suggestion.

Ms. Payne stated she could request Entasis to utilize the information from the structure assessment and provide an updated plan for housing and ask what the fee would be to do so.

Mr. Johnstone stated there aren't any costs associated with the review of the proposal from Wishneff other than time. At some point we need to solicit the development community to find someone to develop it. Will Wishneff lead that effort or will the Housing Authority lead that effort? Will the RFP solicit housing partners or others types of partners? Do we need more information to make that decision such as

architectural or a market analysis? The developer would take ownership of the construction documents. The funding sources need to be identified and that hinges on if it will be a housing project or something else.

Mr. Urban questioned if we followed through with Wishneff the tax credit programs are equally viable for a development project that includes housing. Mr. Johnstone stated the new market tax credits are similar to CDBG in that they are required to be spent in low to moderate income areas but they don't have to be specifically for housing and doesn't exclude housing.

Mr. Johnstone stated if there is a consensus staff with meet with Wishneff to discuss their proposal. Alternatively a decision could be made to prepare an RFP to the development community. Staff's recommendation is to broaden the RFP for more than housing to solicit as much interest as possible.

Mr. Urban stated he thought it would be prudent to obtain fee information to get an updated analysis for today's market from Entasis and/or SlaterPaull relative to the HSA.

Chair Demott stated we could review housing options if there is some consensus to spend some money. Mr. Urban replied the assessment would provide good current information.

Chair DeMott asked if there was any opposition to do a market analysis. Mr. Urban stated a fee amount should be capped.

Ms. Walter stated she thinks a lot has happened with the market since the original study was done and it would be beneficial to get an update.

Mr. Johnstone stated he thought the analysis would cost about \$15,000.

Chair DeMott asked if there was any opposition on spending \$15,000.

Ms. Payne stated she would contact Entasis to get updated costs for housing construction based on the Structure Assessment and the Genesis Group to get estimates for a housing market analysis.

The Board approved the expenditure of \$10,000 for both the updated housing construction cost estimate and the updated housing market analysis but stated they would be willing to spend up to \$15,000 if needed.

H. OTHER

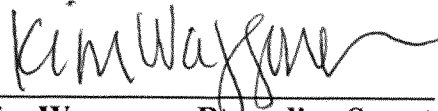
I. ADJOURNMENT

It was moved by Zack Urban and seconded by Janice Thompson to adjourn the meeting at 6:44 p.m. Motion carried 4-1 with Chair DeMott abstaining.

Next meeting will be May 28, 2013.



Joseph DeMott, Chair



Kim Waggoner, Recording Secretary