

## HOUSING TRUST FUND ADVISORY BOARD

MEETING OF AUGUST 25, 2016

The following board members were in attendance: Ellen Reddick, David Smoot, Marilyn Pearson, Nick Jackson, Shawn Teigen, Rick Knuth, Amy Rowland, Irena Edwards, and Robert Rendon. Staff members in attendance were Melissa Jensen, Deputy Director of Housing & Neighborhood Development and Courtney Gamangasso, Office Administrator, Mike Akerlow, Director of Housing & Neighborhood Development. Also in attendance was Jake Wood representing JF Capital Development Company.

Rick Knuth was Acting Chairperson and called the meeting to order at 12:02 PM

### **Introduction and Welcoming of New Board Members:**

Two new board members, Ellen Reddick and David Smoot, were welcomed and introduced; each person gave a brief biography of themselves.

### **Approval of Minutes for May 20<sup>th</sup> 2016:**

A motion was given to accept the May 2016 minutes: a unanimous vote confirmed the motion.

### **Updates on Housing Trust Fund Sustainability:**

Ms. Melissa Jensen spoke to the board about loans and increasing sustainability for long term funding strategies. She offered two strategies that would work towards ensuring sustainability: a blended fund and the sale of some of the portfolios. She explained that in this last year \$6 million was loaned out and is not sustainable, so for the next fiscal year and so on, the target would be to loan out between \$2 million and a maximum \$3-4 million.

### **Review Request for Granary Loan Increase:**

Mr. Jake Wood, who was representing JF Capital Development Company spoke next. He described the goals of the Granary Project, which is to provide affordable housing. This project will offer 134 units, it will be affordable for those at 60% or less area median income. Also this project which is located on 3<sup>rd</sup> west and 7<sup>th</sup> south, will replace the dilapidated warehouse with affordable housing. He explained that the Granary Project is fundamentally the same, it is merely the financing that is changing. One of these financing changes is that the developer fee has been reduced to \$1.3 million and his company is requesting an additional \$500,000.00 from the Housing Trust Fund. The gap in financing was due to the project appraisal coming in considerably lower than

anticipated thus, restricting their ability to take on additional traditional debt. The group discussed a desire to increase the interest rate as the loan amount was considerable higher. Further, they discussed the merits of the project and the continued need for affordable housing.

A motion was made to add \$500,000 to the Granary Project for a combined total of \$1 million with the same amortization of 35 years and a 17 year term with an increased interest rate of the entire amount to 3.5%. A unanimous vote carried the motion.

**Other Business:**

There being no further business, the meeting adjourned at 12:36 PM.