October Special Board of Commissioners Meeting Minutes
Grand Junction Housing Authority ("GJHA")

8 Foresight Circle, Grand Junction, CO 81505 **October 10, 2025, at 9:00 a.m.**

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1. Call to Order and Roll Call

GJHA's Board of Commissioners Regular Meeting was called to order at 9:02 a.m. by Bernie Buescher, Board Chair. Attendance was taken by roll call with the following present:

Board of Commissioners:	GJHA Staff:
Bernie Buescher, Chair	Scott Aker, CEO
Rich Krohn, Vice Chair	Krista Ubersox, COO
John Howe	Jill Norris, General Counsel
Laurel Cole (Virtually)	Ashleigh O'Leary, HR Director
Karen Massey	Brian Rusche, Development Director
	Kate Schaneman, Business Operations Assistant

Paul Smith, with Bryan Cave Leighton Paisner, attended the meeting virtually. Paul left the meeting at 10:20 a.m.
Ryan Jones, with RCH Jones Consulting, attended the meeting virtually. Ryan left the meeting at 10:20 a.m.
Kerri Schneider, with KDM Consultants, attended the meeting virtually. Kerri left the meeting at 10:20 a.m.
Doris McDowall, with KDM Consultants, attended the meeting virtually. Doris left the meeting at 10:20 a.m.

2. Disclosure of Direct or Indirect Conflict of Interest

None mentioned.

3. Mission, Vision, and Values

Bernie Buescher pointed out the word "Professionalism", which is one of GJHA's values. Over the past month, GJHA Staff and the Board have demonstrated Professionalism while working through the process to get The Current across the finish line.

4. Development Update – The Current

Staff recommended to the Board that they should proceed with this transaction and approve Resolutions 2025-10-07 and 2025-10-08. This transaction will not be ready to close on October 14, 2025. It will likely be ready to close on October 20, or October 21, 2025. CHFA will provide construction/permanent financing and will remain in second position during the construction period. Bank of Colorado will not increase the maximum of the construction loan beyond $16,500,000. Since the last meeting on October 7, 2025, Staff has clarified a few points of confusion. The LIHTC equity investor, Red Stone, continues to underwrite the transaction with $1,200,000 more in equity at the closing table versus at later milestones. This number may need to change slightly. The model now anticipates half a penny reduction in the price of the Tax Credits from 80 cents on the dollar to 79.5 cents on the dollar. The model also contemplates a slight bump in the second tranche of equity infusion. In addition, there is contemplation of more developer fee being paid to GJHA at the closing table. There will be no change in the state Tax Credit pricing and no change in the deal structure.

The CHFA loans (the concessionary debt notes) will not be available to be used prior to closing leaving the $16,500,000 first position Bank of Colorado construction loan as being possibly insufficient to cover total construction costs. Staff had requested that Bank of Colorado increase the loan amount, which request was denied. From a timing standpoint, GJHA needed to get more equity up front. After some work, Redstone landed at a 10% equity infusion at closing and a 15% equity infusion at 50% construction completion, which provides more equity up front. CHFA is entertaining the idea of permitting the use of the concessionary debt loan funds during construction. If CHFA agrees, GJHA can receive and use these funds (which have a lower interest rate) to cover construction costs. The consequence would be that GJHA would have to bridge the construction loan if there are insufficient funds to get to conversion.

The debt coverage ratio has not changed from previous conversations. Red Stone needs to hold back payment of some of the developer fee to ensure they have enough as a contingency in order to get to conversion. Given the financial model's prediction that Red Stone's capital account may turn negative in year 10, GJHA has been focusing on what the year 10 buy-out option would look like. When the federal investor (Red Stone) is taken out of the equation, the special purpose entity created by the Housing Authority will become the limited partner. Any need for mitigation of losses during the credit period will be addressed with a loss reallocation to Monarch, the State Tax Credit investor. After that, it will just be the early buyout for the investors. GJHA's goal is to get the capital accounts as close to zero as possible in year 10 which would reduce the buyout cost. GJHA wants to structure the deal so that the investors want to sell the property or their partnership interest at or before the capital accounts turn negative. GJHA has the option of buying Red Stone out at fair market value plus their tax liability and Red Stone has a "put" option to force GJHA to buy them out for a specific amount. GJHA will be responsible for keeping an eye on the capital accounts and managing the losses to slow down the capital account decline.

GJHA has already infused $1,319,042.17 into this deal so they will not need to put the full $1,750,000 down at closing. At this time, the difference between GJHA's commitment and already expended funds is $430,957.83, less the net proceeds of $22,500 from the sale of the land by GJHA to the LLLP and the estimated paid developer fee of $130,195. This will result in GJHA needing to bring $278,262.83 to closing.

Rich Krohn moved that the Board Approve Resolution 2025-10-07: Approving Conveyance of 674 Durham Drive Property to The Current LLLP and Related Actions. John Howe seconded the motion and after no discussion and a roll call vote, the motion passed unanimously.

An amendment was offered to Paragraph C of Resolution 2025-10-08 to read: "GJHA formed a limited partnership known as The Current LLLP, (the "Partnership"), with a capital contribution of $100.00, in which Current Holdings is the general partner, and the limited partner is Affordable Homes Holdings LLC, a Colorado limited liability company ("Affordable Homes") in which GJHA is the sole member, for the purpose of carrying out the Development" and the amendment on the second page to change the name of the Vice Chair to read "Richard H. Krohn". John Howe moved to Approve Resolution 2025-10-08: Approving Resolution of the Board of Commissioners of Grand Junction Housing Authority Concerning Development of The Current as amended. Rich Krohn seconded the motion and after no discussion and a roll call vote, the motion carried unanimously.

5. <u>Other business, if any</u>

The Board was informed that HomewardBound is at a point where they cannot sustain seven-day operations at the North Avenue shelter. They have announced that they will not operate on weekends for some time in order to save funds to remain open throughout the colder months. Scott Aker was notified that their boiler system has failed, which could cost up to $8,000 for replacement and installation. A GoFundMe account has been set up, but funders are still scrambling. Mr. Aker wanted to bring this to the Board's attention in case GJHA is approached to participate in assisting with a purchase and/or installation of a new boiler. Rich Krohn stated that he believes, since GJHA has history with HomewardBound, GJHA should support them. The money would come from GJHA's General Fund. The Board agreed that GJHA could assist with $2,000 to $2,500 on a one-time basis.

John Howe thanked the Board and Staff since this was his final meeting as a Board Member.

6. <u>Adjourn</u>

With no further business or discussion, Rich Krohn made a motion to adjourn. With a second by Bernie Buescher, and unanimous roll call vote, the meeting was adjourned at 10:37 a.m.

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