



AGENDA  
HAYDEN MUNICIPAL HOUSING AUTHORITY  
HAYDEN TOWN HALL – 178 WEST JEFFERSON AVENUE  
MONDAY, JULY 11, 2024  
6:00 P.M.

ATTENDEES/COMMISSIONERS MAY PARTICIPATE VIRTUALLY VIA ZOOM WITH THE INFORMATION BELOW:

Join Zoom Meeting

<https://us02web.zoom.us/j/86417720065?pwd=XpJDrYSsR7abVzTbDbutMJZsGmT0ci.1>

Meeting ID: 864 1772 0065

Passcode: 349007

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OFFICIAL RECORDINGS AND RECORDS OF MEETINGS WILL BE THE ZOOM RECORDING AND OFFICIAL MINUTES OF MEETING

REGULAR MEETING – 6:00 P.M.

1a. CALL TO ORDER

1c. PLEDGE OF ALLEGIANCE

1d. ROLL CALL

2. PUBLIC COMMENTS

Citizens are invited to speak to the Commissioners on items that are not on the agenda. There is a 3-minute time limit per person, unless otherwise noted by the Chair. Please note that no formal action will be taken on these items during this time due to the open meeting law provision; however, they may be placed on a future posted agenda if action is required.

3. CONSENT ITEMS

Consent agenda items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a Councilmember or Town staff requests the Council to remove an item from the consent agenda.

A. Consideration of minutes of the July 1, 2024 Housing Authority Meeting

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4. OLD BUSINESS

A. Review and Consider Approval of Prairie Run Development Request for Tax Exemption and Payment in Lieu of Taxes for Certain Special Districts and School District Page 5

*NOTICE: Agenda is subject to change. If you require special assistance in order to attend any of the Authority's public meetings or events, please notify the Authority at (970)276-3741 at least 48 hours in advance of the scheduled event so the necessary arrangements can be made.*

5. NEW BUSINESS None
6. PULLED CONSENT ITEMS
7. STAFF AND COMMISSIONER REPORTS (CONTINUED, IF NECESSARY)
8. EXECUTIVE SESSION (IF NECESSARY)
9. ADJOURNMENT

Chair Banks called the regular meeting of the Northwest Colorado General Business District to order at 7:05 p.m. Vice Chair Reese, and Directors Corriveau, Gann, Hicks, and Bell present. Director Carlson presented via Zoom. Also present were Town Manager, Mathew Mendisco, Town Clerk, Barbara Binetti, Community Development Director, Tegan Ebbert. Finance Manager / Deputy Town Clerk, Andrea Salazar, Sarah Stinson Arts Director, and Police Chief Scott Scurlock. Town of Hayden General Counsel Thad Renaud, and Housing Authority Special Legal Counsel Jon Peterson via zoom.

PLEDGE OF ALLEGIANCE Chair Banks led the Pledge of Allegiance.

PUBLIC COMMENTS

CONSENT ITEMS

Review and Consideration For Approval of December 8, 2022 Housing Authority minutes Commissioner Corriveau moved to accept the minutes of the December 8, 2022 Housing Authority meeting. Commissioner Gann seconded. Roll Call vote Commissioner Carlson via Zoom – aye, Gann – aye, Corriveau – aye, Hicks – aye, Bell – aye, Chair Pro Tem Reese - aye, Chair Banks – aye. Motion carried.

OLD BUSINESS None.

NEW BUSINESS

Work Session

Tegan Ebbert gave a synopsis of the history for the needs of housing via a housing assessment done by the Housing Authority (HA) and what options are available to help increase affordable housing through the housing authority. Jon Peterson explained how the property tax exemption process worked for housing authorities and how it could work for Prairie Run. He discussed the difference of a full or partial tax exemption and the AMI percentages. Commissioner Bell asked if Gorman was going to share in the revenue based on the ownership model described by staff. Mathew stated that the loan interest will be coming back to the Housing Authority as well as principle starting with payments in year 5 and eventually the capital because it is a loan (\$8.6 million ,40 year) from the Housing Authority to Gorman. Mathew stated that the ownership came with various benefits in addition to the revenue including dedication of the skate park land, some first right of refusal for employee housing options, and new housing options for the employment growth that is anticipated from Northwest Colorado Business District, Xcel, and others in the area. Discussion followed about the AMI breakdown for the properties and how the AMI adjusts every year. Tegan discussed that this subdivision is a "middle-income" project with AMI levels of 80% to 160%. Mathew stated that Gorman has agreed to a "payment in lieu of taxes or PILOT" to pay certain special districts taxes which included West Routt Fire and the School District. Mayor Banks asked Jon if he had examples of other projects like this (129 units) with the tax exemption status. Jon discusses several projects and pointed out that without the benefit of tax exemption it is very difficult or

impossible to get middle-income or affordable housing built. Commissioner Gann asked the total construction cost of the project and Mathew responded it was approximately \$73 million. Commissioner Gann asked what are the steps to start moving dirt? Jon responded, with documents and permits that would be necessary on both sides of the partnership which were in draft form pending this meeting Mathew stated staff is requesting direction from the Authority Board today, specifically around the tax exemption as Gorman is hoping to close by the end of August to ensure they can meet the grant deadlines of being fully leased on the Transformation Housing Grant units by December 31, 2026. Commissioner Gann wants to have as much information as possible in order for the boards to make the most informed decision as /possible. Mathew, stated that on next two meetings (7/11,7/18) staff will present the final documents with the requested information 6 p.m. to bring in as much information possible and walk through all questions independently for the boards to have what is needed to make the best decisions.

PULLED CONSENT ITEMS      None.

STAFF AND  
COMMISSIONER  
REPORTS CONTINUED      None.

ADJOURNMENT      Chair Banks adjourned the meeting at 8:32 p.m.

Recorded by:

\_\_\_\_\_  
Barbara Binetti, Town Clerk

APPROVED THIS 11th DAY OF July 2024.

\_\_\_\_\_  
Ryan Banks, Chair



Town of Hayden

Housing Authority Agenda Item

**MEETING DATE:** July 11, 2024

**AGENDA ITEM TITLE:** Review and Consider Approval of Prairie Run Development Request for Tax Exemption and Payment in Lieu of Taxes for Certain Special Districts and School District

**AGENDA SECTION:** Old Business

**PRESENTED BY:** Tegan Ebbert, Community Development Director.

**BACKGROUND REVIEW:** After the special meeting Monday July 1<sup>st</sup> staff has been working on gather the various information from the Housing Authority meeting. Below are some follow up responses from the Housing Authority Work Session from July 1, 2024. Responses from Gorman & Company are in **blue** below. After the meeting Gorman made the formal request for the above item to be on the agenda for the Housing Authority on July 11<sup>th</sup>, 2024. Speaking to the Mayor he agreed to put it on the agenda as a formal item for consideration. We have also provided further breakdown to support staff's recommendation at the end of the document.

**Deed Restricted Workforce Housing Units**

# Bed room(s)	Description (optional)	Set Aside	# Units
1	TAHG-Assisted	80%	5
1		80%	13
1		100%	8
1		120%	2
1		160%	5
2	TAHG-Assisted	80%	5
2		100%	19
2	Townhome	100%	2
2		120%	1
2		160%	3
2	Live Work	160%	8
2	Townhome	160%	8
3	TAHG-Assisted	80%	3
3	TAHG-Assisted	100%	4
3		100%	1
3	Townhome	100%	8
3		120%	2
3		160%	10
3	Live Work	160%	4
3	Townhome	160%	14
4	TAHG-Assisted	100%	1
4		100%	1
4		160%	2

This chart depicts the spread of units by bedroom count, housing typology (if "description" is blank, the unit is an apartment), Area Median Income (AMI) maximum, and number of units.

TAHG Assisted = units partially funded through the Transformation Affordable Housing Grant. The TAHG units carry some additional restrictions as required by the Colorado Department of Housing, some of which are referenced throughout the following responses.

Will the rents be the maximum rental limits based on the Area Median Income (AMI) assignments for the units?

These units are going to be perpetually deed restricted, meaning that income and rental caps will not expire after a set amount of time, they are restricted in perpetuity. We want flexibility over 'perpetuity' to have rents float between the identified 80% to 160% AMI rent levels. However, at the onset, we obviously can't exceed what the market rents would be, otherwise no one will rent the dwelling. So we are assuming the numbers below for now, however it is clearly market dependent, can't ever exceed the AMI requirement in the deed restriction and will ebb and flow over time up to that maximum AMI level.

- 1 bedrooms – 76% AMI to 105% AMI
- 2 bedrooms – 76% AMI to 105% AMI
- 3 bedrooms – 76% AMI to 116% AMI
- 3 bedroom Live Work and Townhomes – 126% AMI – 127% AMI
- 4 bedrooms – 96% AMI to 130% AMI.

Can individuals of a lower AMI level occupy the designated units (ie a 60% AMI family/individual occupying an 80%) and how is their rent adjusted?

We require between 2 to 2.5x the rent as income for the minimum income requirement. A household that earns less than the designation are able to occupy the units so long as they make the minimum rent allowance (and other management requirements such as criminal background checks and the use covenant requirements of local work, etc). The rent levels are set where they are set and will not adjust based on income levels. Since we borrow a mortgage on the overall property, we have to pay our mortgage payments each month and the lender doesn't allow us to adjust those payments if our resident demographics shift.

Will the utilities be included in the rental costs?

Utilities ARE included in the Transformational Affordable Housing Grant funding supported (TAHG assisted) units (17). Utilities ARE NOT included in the non TAHG units (112 units).

Why was 80-160% AMI selected as the target income range (versus deeper affordability levels)?

- In applying for the TAHG funding, we identified that workforce housing (80%-160%) was a need both now **and** will become a more pressing need in the future. Since we are offering a *perpetual* deed restriction, meaning that the deed restriction will live on for perpetuity, we identified a broad AMI range to allow the housing to meet the needs of the workforce over the decades to come. We have experienced many other communities in the High Country of Colorado that all say they 'wish' they would have gotten ahead of their housing crisis and found a way to create workforce housing earlier. As such, we selected the 80% to 160% AMI range. While we wish this one project could target lower AMIs as well, the funding subsidy required for much lower AMIs is something that Low-Income Housing Tax Credits (LIHTC) are often utilized to help create. Otherwise, the local subsidy is often too great for a community to provide (typically 50% of the total development cost).
- In the case of the workforce housing project, the joint application effort between the Town and Gorman to DOLA is bringing in \$8,600,000 of TAHG funding to the project, and Gorman is raising the other ~\$67,300,000 of the total development costs.
- We had the concept for deeper affordability levels (the LIHTC application, that would have targeted 30% to 60% AMI). CHFA did not award us that project. LIHTC cycles are exceptionally competitive. We would be interested in looking to another LIHTC application if that is something the Town would be interested in exploring.

What are the expectations are of the HA/Town regarding the fractional ownership of the project?

- Gorman will take on all financial guarantees (and risks) of the project. Gorman will act as the property manager overseeing all day to day operations. We are requesting help from the Housing Authority to lower the property tax bill to the property to assist with financial feasibility.
- The Housing Authority will have a 0.01% ownership interest and receive any cash flow benefits at that amount.
- The Town will have a 2.0% ownership interest and receive any cash flow benefits at that amount.

- The awarded DOLA grant will become a LOAN to the project, by which the Town will receive annual payment on interest (starting after year 5 of operations) and a balloon payment of all \$8,600,000 upon a refinance or sale in the future. This is not expected to happen for at least 13 years as that is the time of the initial loans.
- How reporting occurs back to the Housing Authority/Town regarding unit occupancy/AMI levels served, etc?
- We will be required to report to both DOLA and CHFA (as they are providing a subordinate loan to the project as well). We are happy to provide an annual report to the Town/Housing Authority that can provide a summary of how the property is operating.

It should also be noted that the following benefits to the Town will happen with development of Prairie Run:

- Gorman agreed to donate the land to build the skate park (which we plan to break ground on in late July). If construction is delayed that project is in jeopardy. The value of that donation is anywhere from 200K to 250K.
- Hayden's rental rate (for all levels of income) was 0% in the housing needs assessment (HNA). The HNA stated that Hayden needed housing at all levels from 30% to 160%. However, based on market demand and Hayden's current AMI (88,571 as of 2022) the Gorman project is inline with market demands. As we stated in the HA meeting, two teachers could afford an 80% to 100% unit in Hayden and I believe the fire district salaries and our PD would meet these demands.
- The Town does have a "first right of refusal" for units at the project. The current count is 8 units of which we could also sub to the School District.
- Financially, the Town/HA will get a ROI financially as part of its ownership to help with future housing projects.
- Sidewalk Improvements to this development along Hwy 40 and Skate Park.
- There will be substantial Hwy 40 improvements that will aid not just this development but also Pinion Pines and the PW access.
- The School District has stated at multiple meetings that their number one problem with hiring new teachers and keeping existing teachers has been access to attainable housing. Prairie Run helps relieve that issue.
- The Town is expecting a substantial amount of tap fees (in the millions) so to lose that amount of revenue could endanger future projects in the enterprise fund.

While Hayden has big business expansion plans, if people do not have a place to live that business growth will be significantly reduced. Private development is simply not keeping up with demand in Hayden. Staff have had multiple conversations with folks looking to move to the area and take jobs with Xcel and others and they can't due to lack of inventory.

The Hayden Forward Master Plan consideration:

Staff find that the Prairie Run project, Town and Housing Authority participation, and proposed property tax exemptions advance the following policies and action items in the Master Plan –

Policy – HE.ED2: Increase the quantity of housing units community-wide to achieve a carrying capacity that supports downtown investment.



Action ED2.1: Stimulate workforce housing creation through supportive policies and regulations along with other public resources and regulations (e.g. workforce housing overlay).

Policy - HE.ED3: Encourage housing stock that is affordable to the community's workforce. • Action HE.ED3.1: Develop partnerships with local and regional employers and organizations for land allocation, funding and other resources to support workforce housing development.

Action HE.ED3.3: Provide flexibility in the code to provide affordable housing at a range of area median incomes (AMIs) or alternative formula in keeping with affordability intent.

Action HE.ED3.5: Provide support for opportunities and development programs that prioritize provision of flexible, attainable, affordable and / or workforce housing.

Policy - HE.HL1: Provide a continuum of housing for all cycles of life to include seniors, families, single occupancy households, co-living, etc.

Action HE.HL1.2: Promote development of housing for the local workforce, including multi-family, duplex, single-family and alternative housing types.

Policy - HE.FE1: As the Town grows, maintain neighborhood housing diversity through a variety of densities, typologies, and price points for equitable access to schools, public facilities, and job opportunities and to promote socioeconomic mixing.

Action HE.FE1.1 - Encourage development that integrates affordable housing into the neighborhood or project.

Action HE.FE1.2: Conduct a housing needs assessment and/or surveys to gauge the need for different typologies and income levels.

Policy – Resilient Economy (RE).ED2: Economic Development Strategy: Support a holistic approach to economic development that promotes the entire community and its assets including a range of housing products, consistent quality of life, stable business climate, and natural resources that appeal to residents and visitors alike.

Action RE.ED2.1: Instead of focusing exclusively on business retention, expansion and attraction, develop a strategy that cultivates a favorable climate for day-today business operations, development of housing for employees and employers, cultural and recreational opportunities, and institutional partnerships.

Policy - RE.HL1: Focus future development on lifestyle-driven real estate decisions rather than commodity production.

Action RE.HL1.3: Provide a diverse mix of housing products at a range of price points to support workforce attraction, retention and expansion efforts and reactions to COVID-19.

Action RE.HL1.5: Develop a strategy to balance the Town's housing inventory including resources and tactics including: developer solicitations, Colorado Housing and Finance Authority (CHFA) resources, density bonuses, overlay districts, impact fees, strategic land acquisitions, and deed restricted housing programs.

Due to all of the above benefits, support within the Hayden Forward Master Plan, and the risk of losing the Prairie Run development due to funding timelines, staff is recommending approval of the full tax exemption of Prairie Run with a PILOT put in place for the specific special districts listed in Gorman's SLP request. We expect to finalize documents related to this approval by July 18<sup>th</sup>, but the formal approval allows Gorman to certify to their various lenders on the deal they have the necessary funding and development proforma's in place to get the development built.

To: Mathew Mendisco, Town Manager  
Tegan Ebbert, Community Development Director

From: Kimball Crangle, Colorado Market President, Gorman & Company, LLC

Subject: SLP request for Prairie Run Apartments

Date: July 3, 2024

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Gorman & Company, LLC, on behalf of the project entity named Prairie Run Community, LLC, is requesting a partial property tax exemption from the Hayden Municipal Housing Authority for 129 units that are perpetually deed restricted between 80% and 160% of Area Median Income.

We are requesting that we pay for only the mills shown below and receive an abatement from the other mills associated with the property at 1501 Osprey Lane in Hayden, Colorado:

- Hayden Cemetery District: .371
- Hayden School District: 43.341
- Solandt Memorial Hospital: .354
- West Routt Fire District: 9.651
- West Routt Library District: 1.711

We believe that offering a **perpetually** deed restricted housing community, offering apartments, townhomes and live work for-rent dwellings in Hayden will offer great benefit to the community over the many decades (and beyond) in the future, as housing becomes even more expensive and regional pressures continue to push housing costs higher.

We are ensuring that all loans will recognize the Use Covenant (ensuring the deed restriction at the AMI levels) will be in a senior position to all loans, meaning that the Use Covenant cannot be foreclosed away from the property.

Thank you for your consideration,



Kimball Crangle  
Colorado Market President  
kcrangle@gormanusa.com