



*Strengthening our community by creating opportunities for diverse housing alternatives.*

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**Board of Commissioners  
Minutes of Regular Meeting  
June 11, 2020 at 6:00 p.m.**

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The regular meeting of the South Metro Housing Options (SMHO) Board of Commissioners was held on Thursday, June 11, 2020 at 6:00 p.m. MDT remotely via Zoom Video Communications meeting link <https://us02web.zoom.us/j/7873518069>, or dial-in number 253-215-8782.

**Commissioners Present**

Kyle Henderson, Chairman  
Pat Cronenberger, Vice Chairperson  
Aubrey Ebbs, Commissioner  
Aaron Heumann, Commissioner  
Mike Madrid, Commissioner  
Stewart Meagher, Commissioner  
Sandra Petry, Resident Commissioner

**Commissioners Absent**

None

**SMHO Leaders/Others Present**

Corey Reitz, Executive Director  
Lauren Money, Deputy Director &  
Director of Finance  
Iván Anaya, Director of Real Estate  
Emma Mallory, Executive Director for  
Libby Bortz Assisted Living Center  
Jodi Rodriguez, Director of Housing  
Mike Criner, Chief Operating Officer  
for Habitat for Humanity Metro Denver  
Kate Hilberg, Director of Real Estate  
Development for Habitat for Humanity

**Board Meeting Minutes**

**Call to Order**

Chairman Henderson called the meeting to order on June 11, 2020 at 6:09 p.m. MDT. A quorum of members was present, and the meeting was ready to proceed with business. Upon the meeting being called to order, Chairman Henderson represented the Board of Commissioners by reading the SMHO mission statement. Guests introduced themselves.

**Review of the Agenda**

Chairman Henderson reviewed the agenda. The agenda was adopted by the Board.

**Unscheduled Public Appearances**

There were no unscheduled public appearances.

**Scheduled Public Appearances**

Mike Criner and Kate Hilberg from Habitat for Humanity of Metro Denver (Habitat) were scheduled to present to the Board. Iván Anaya, Director of Real Estate, introduced Habitat followed by a description of its history and background by Mr. Criner. Habitat's focus on homeownership was emphasized and its core competencies were reviewed. Habitat desires to understand Littleton community needs and how to best meet those needs alongside SMHO as a long-term partner. The advantages of partnering with Habitat were pointed out, including no third-party brokers or lenders, proven renovation performance, donated product and labor for renovations, financial education for homebuyers, below market mortgage financings, and long-term affordability covenants.



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All buyers would be at 80% of area median income (AMI) or lower, which is the demographic that Habitat serves.

Mr. Anaya pointed out that the U.S. Department of Housing and Urban Development (HUD) has specifically requested a deed restriction on the homes that are converted under Section 22 and subsequently sold. Having a partner to monitor and enforce those deed restrictions is necessary since it is not a core competency of SMHO. Habitat is a recipient of HUD funding and is familiar with their deed restriction requirements.

The proposed partnership model was reviewed, including the timeline. The structure of the program was explained, and Mr. Criner expressed the excitement of Habitat to potentially provide the program in Littleton. Habitat's capacity to partner with SMHO on this project was considered including in-house Habitat staff, subcontractors, consultants, and core volunteers. The importance of partnering with an organization that has the capacity, will deliver on the promise to keep the homes affordable, and provide financial literacy and supportive services was discussed.

### **VOTE: Approval of the Minutes of May 14, 2020 Regular Meeting**

Upon motion duly made by VICE CHAIRPERSON CRONENBERGER and seconded by COMMISSIONER MADRID, THE BOARD UNANIMOUSLY VOTED TO APPROVE THE MINUTES OF THE MAY 14, 2020 REGULAR MEETING.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Ebbs, Commissioner Heumann, Commissioner Madrid, Commissioner Meagher, and Commissioner Petry

NAY: None

ABSTAIN: None

MOTION CARRIED: 7:0:0

### **Finance Committee Commissioner Report**

Commissioner Ebbs and Commissioner Meagher provided an update from the Finance Committee. Much of the discussion had by the Committee was surrounding vacancies. SMHO is continuing to focus on depressing vacancies and finding areas for quicker turnover. SMHO is paying attention to it and making it a priority. The Committee discussed the resolutions pertaining to the refinance of Libby Bortz Assisted Living Center (LBALC) and the renewal for the line of credit with FirstBank and recommended Board approval. Overall, the Finance Committee is very focused and able to have effective dialogue. The committee concept is working well. The minutes from the June 6, 2020 Finance Committee meeting were provided to the Board for review.

### **VOTE: Financial Reports**

Deputy Director & Director of Finance, Lauren Money, presented the financial reports. Project results were reported as of May 31, 2020, except for LBALC, which was reported as of April 30, 2020. A high-level overview was provided, and budget variances were examined.

Emma Mallory, Executive Director for LBALC, provided an update and discussed the financial position of LBALC. The census is currently at eighty-three (83) residents with two (2) new move-ins in June, six (6) more projected for July, and four (4) others potentially outstanding for August. The goal is to get the census up to ninety (90) residents by the end of summer. A new admissions director as well as a new activities director were hired recently and as the staff is stabilized, the agency staff can be reduced. Residents are now able to



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participate in small group activities with other residents and window visits with family and friends. The results of the recent health agency survey were celebrated with staff.

Upon motion duly made by COMMISSIONER EBBS and seconded by VICE CHAIRPERSON CRONENBERGER, THE BOARD UNANIMOUSLY VOTED TO APPROVE THE FINANCIAL REPORTS AS OF MAY 31, 2020 FOR SMHO AND POWERS CIRCLE APARTMENTS AND AS OF APRIL 30, 2020 FOR LBALC.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Ebbs, Commissioner Heumann, Commissioner Madrid, Commissioner Meagher, and Commissioner Petry

NAY: None

ABSTAIN: None

MOTION CARRIED: 7:0:0

**VOTE: Annual Agency Audit**

The 2019 annual agency audit was discussed. The Board reviewed and had no questions. As the auditor is employed by the Board, the Board desires to meet with the auditor moving forward.

Upon motion duly made by COMMISSIONER MEAGHER and seconded by COMMISSIONER MADRID, THE BOARD UNANIMOUSLY VOTED TO APPROVE THE 2019 ANNUAL AGENCY AUDIT.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Ebbs, Commissioner Heumann, Commissioner Madrid, Commissioner Meagher, and Commissioner Petry

NAY: None

ABSTAIN: None

MOTION CARRIED: 7:0:0

**Resolutions**

***VOTE: 20-05: Libby Bortz Refinance***

Ms. Money presented and recommended the approval of Resolution 20-05, which will authorize the refinance of the mortgage loan for Libby Bortz Assisted Living Center with FirstBank at a more favorable rate of 3.65% with a fifteen (15) year maturity and fixed monthly payments of principal and interest based on a thirty (30) year amortization. The letter of interest detailing the terms was provided to the Board for review.

Upon motion duly made by COMMISSIONER MEAGHER and seconded by VICE CHAIRPERSON CRONENBERGER, THE BOARD VOTED TO APPROVE RESOLUTION 20-05, AUTHORIZING THE REFINANCE OF THE LIBBY BORTZ ASSISTED LIVING CENTER MORTGAGE LOAN WITH FIRSTBANK.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Madrid, Commissioner Meagher, and Commissioner Petry



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NAY: None

ABSTAIN: Commissioner Ebbs

MOTION CARRIED: 6:0:1

***VOTE: 20-06: FirstBank Line of Credit Extension***

Ms. Money presented and recommended the approval of Resolution 20-06, which will authorize the extension of the \$1 million line of credit with FirstBank under the same general terms and conditions stated in the promissory note and loan agreement dated February 18, 2019, at no cost, for the purpose of real estate development liquidity needs.

Upon motion duly made by COMMISSIONER MEAGHER and seconded by COMMISSIONER HEUMANN, THE BOARD VOTED TO APPROVE RESOLUTION 20-06, AUTHORIZING THE EXTENSION OF THE FIRSTBANK LINE OF CREDIT DATED FEBRUARY 18, 2019 FOR \$1 MILLION.

AYE: Chairman Henderson, Vice Chairperson Cronenberger, Commissioner Heumann, Commissioner Madrid, Commissioner Meagher, and Commissioner Petry

NAY: None

ABSTAIN: Commissioner Ebbs

MOTION CARRIED: 6:0:1

**Staff Reports**

***Housing Department Update***

Director of Housing, Jodi Rodriguez, provided an update on the SMHO Housing Department. Staffing, progress on training and certifications, and challenges with COVID-19 were discussed. Staff turnover and compensation in comparison to other housing authorities were mentioned. Accountability of staff is a priority and Ms. Rodriguez is making sure that everything is in place to do the job and do it right.

***Section 22***

The need for an affiliate regarding the Section 22 conversion was discussed. One of the main reasons HUD has recommended this is because as the public housing authority (PHA), SMHO is the administrator for the Housing Choice Vouchers. As such, there needs to be a separate entity to be the landlord. The Board's questions regarding the affiliate board structure and control were addressed with the attorney and recommendations were communicated to the Board. A separate affiliate is advised for supportive services for balance sheet purposes and to prevent comingling of funds as sales proceeds cannot be used for supportive services. Affiliate board members will be appointed by the SMHO Board. The timeframe to complete was described and SMHO will work with the attorney to develop the operating agreement within the next few weeks to be reviewed for approval in the next regular Board meeting.

No new information has been provided by HUD in terms of the approval of the Section 22 application. The Board expressed concerns regarding the upcoming election and the potential impact on HUD's decision. SMHO is confident that the delay in approval is because it is the first application and is being heavily scrutinized.



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### ***Littleton Housing Taskforce***

The Littleton Housing Taskforce met for the second time recently. Most of the time during the meeting was spent with Kathleen Osher from the City of Littleton providing a timeline for the unified land use code, which is moving along quickly. The Taskforce plans to get in front of the council soon to remind them of the housing study and include housing as part of the consideration pertaining to downtown. The Taskforce is working with Kelly, the city counsel liaison, to refresh specific data from the housing study. The need for housing units in the Comprehensive Plan was discussed along with the city planner presentation on where to fit these housing units in Littleton. The next meeting will be scheduled for the week of June 28<sup>th</sup>, 2020.

### ***HUD Annual Plan – Goals & Objectives***

The HUD waivers in response to the impact of COVID-19 allow for a delay in the submission of goals and objectives. Staff requested that the discussion be tabled for the next meeting to allow for better organization and presentation to the Board, including distinction of what's been accomplished, what's ongoing, and what is longer-term.

### ***Tri-Cities Homeless Group***

The Board was provided with an update from the Tri-Cities Homeless Group meeting. The group members include city managers, attorneys, and police chiefs. The homeless study done by University of Denver (DU) was discussed along with the Bridge House model for permanent supportive housing. SMHO is interested in leading the Tri-Cities Homeless Group and has reached out to Englewood Housing Authority to gauge their level of interest in collaborating. At the very least, SMHO desires to facilitate getting the program started.

### **Commissioner Reports**

#### ***Governance Committee***

The annual performance evaluation for Mr. Reitz is expected to be done by the September regular Board meeting, which includes completion of the review, review by the Board, and Board vote in the September meeting. The evaluation will be reviewed, and responses drafted in the August Board meeting. The Governance Committee will finalize what they need Mr. Reitz to complete in July. This will get the evaluation process back on the correct schedule. Updates and revisions to the bylaws were discussed by the Board. Attorney review of the bylaws was recommended prior to making any changes.

### **Other Business**

Chairman Henderson reminded the Board and SMHO staff of the book for book club, *Golden Gates*.

### **Next Meeting**

The next Board of Commissioners of South Metro Housing Options meeting is scheduled for July 9, 2020 at 6:00 p.m. MDT. The location is to be determined and will be communicated a week prior to the meeting.

### **Adjournment**

Upon motion duly made by COMMISSIONER HEUMANN and seconded by VICE CHAIRPERSON CRONENBERGER, THE BOARD UNANIMOUSLY VOTED TO ADJOURN THE REGULAR BOARD MEETING ON JUNE 11, 2020 AT 8:25 p.m. MDT. The motion carried.



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ATTEST:

X

Kyle Henderson  
Chairman

X

Corey Reitz  
Secretary