

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
April 15, 2008

Mary-Alice Page Allen, President, called the public meeting of the Yampa Valley Housing Authority (YVHA) Board of Directors to order at 12:10 p.m.

Board members present: Kathi Meyer, Nancy Stahoviak, Kristi Brown, Trish Sullivan, Catherine Carson, Ed MacArthur, Scott Myller, John Spezia and Bob Kauffmann

Others present: Donna Howell, Executive Director; and Curtis Church, Assistant Director/Project Manager; Stephanie Curd-Goulette, Housing Qualifications Specialist/Minute Taker

Mary Alice first talked about the number three item on the agenda and stated that we needed to stay focused within the 30 minute period.

EN RE: PUBLIC COMMENTS

Mary Alice called for public comment on any topics not on the day's agenda. No public comment was forthcoming since no members of the public were present.

EN RE: USE OF CITY'S PAYMENT IN LIEU FEES RELATED TO THE IZ AND LINKAGE ORDINANCES AND DISCUSSION OF PROPOSED CHANGES TO THOSE ORDINANCES FOR THE PURPOSE OF ESTABLISHING A YVHA BOARD POLICY POSITION ON THESE ISSUES

Mary Alice asked that Nancy start, as this topic came out of the strategic planning committee.

Part 1 Discussion:

Nancy referred the Board to page 11 in the packet, which is the recommendation that was made to City Council by Nancy Engelken regarding the use of the funds generated from the payment in lieu. Nancy also referred the board to the questions that were submitted to City Council. She directed the board to the first question: "What is the geographical scope of the use of the City's Community Housing Funds for building affordable housing? (Within City limits, City limits plus annexable parcels, within the urban growth boundary or anywhere within Routt County). She indicated that clarification is needed from the City.

Donna said that the City Council did not respond to the first question. Bob asked if the City had resolved any of these items. Scott believes that the City's position would be within the urban growth boundary, which would eventually be annexed into the City. Nancy made the point that the relationship with the City is still being built and we need to focus on providing housing within the urban growth boundary, not out in the County. John concurred that we need to stay inside the urban growth boundary. Mary Alice asked if everyone was comfortable recommending staying in the urban growth boundary. Bob voiced concern about areas outside of the urban growth boundary. Mary Alice said that there could be a situation in the future, but, as a planner, it was her opinion that growth belongs in the urban growth boundary. Kathi asked if the opportunity popped up in Oak Creek or Hayden, would it be considered.

The suggestion was made that Oak Creek and Hayden could use the County's money, if Residential Linkage is implemented. John talked about transportation and keeping the affordable housing within the urban growth boundary. Mary Alice stated that she saw "nodding heads" in agreement and believes that the board had reached consensus on the issue.

Mary Alice indicated that YVHA's recommendation to City would be that the geographical scope of the use of payment in lieu funds should be within the urban growth boundary.

Part 2 Discussion:

Donna indicated that the board needs to discuss the issue of whether it is reasonable to ask the City to give the funds generated through the payment in lieu directly to the YVHA? Nancy Stahoviak indicated that Nancy Engelken presented two proposals to City Council; one involved a RFP and the other a Discretionary Grant Process. With both processes YVHA would be just one of a number of entities that could apply.

Nancy Stahoviak further explained that the proposal suggests that the City would designate 80% of the payment in lieu funds for the RFP process and 20% of it for the Discretionary Grant process. Developers or YVHA could apply for the Discretionary Grant anytime during the year. Mary Alice noted that the RFP process is an acceptable process that shows responsibility.

Donna indicated that the roles and responsibilities agreed upon at the joint meeting with the YVHA Board, City and County stated: "The City will provide funding to YVHA for affordable housing projects through the RFP process and direct disbursement to YVHA for specific projects." John questioned whether the grant was for an ongoing process and the RFP process was for a specific project. Nancy stated that the proposal was for an RFP that would be an annual process and the discretionary grant request could be submitted any time during the year. Curtis discussed the percentage allocation as defined in the proposal and suggested that there could be more than two levels. Bob asked where the specific amount falls short in terms of self-funding. Nancy indicated that all of operational costs fall short; the cost for current staff levels is approximately \$200,000 annually. Nancy further indicated that the proposal stated that no more than 10% of the funds go towards administration. Nancy feels that all money should go to projects. Donna agreed with Nancy. Donna indicated that we are a separate governmental entity created to focus on affordable housing and we would have to compete for dollars with for profit developers. She believes that funds should be allocated directly to YVHA. Curtis asked how the City is defining administration. He believed that clarification is needed because many of the pre-development costs are administrative. Nancy agreed with Curtis that we should get clarification and have administrative defined.

Ed concurred with Donna's suggestion that YVHA should receive all the proceeds from the payment in lieu (PIL) fees. Projects like Elk River Village would have a totally different free market value than market rate units would have on the ski mountain. He believes that we should get PIL funds as "seed money", not have the funds put out for public bid or RFPs. He further believes that all funds should go to YVHA and the City should allow YVHA to choose their projects. Mary Alice asked if all should come to YVHA. Ed said yes; YVHA is not a for profit organization. Ed then further stated that we would be accountable to the City for doing the job we said we would do. John agreed, but asked why do we think the City would do this, and what concerns would they have. Donna stated that it appears the City wants to control the funds. Catherine noted that the City might be able to leverage more with the **RFP** process and getting the bids of multiple developers, but agrees with Ed. Mary Alice asked why YVHA couldn't do the **RFP**, noting that the community doesn't need two groups working on affordable housing. John asked if we have the trust of the City. Donna believes that trust is being built with the City. John asked if we have the trust of the community. The board members indicated they felt we do. No one has heard anything negative about the Housing Authority.

Kristi indicated that the City will want to be ensured of fiscal responsibility. Kathi stated that she has several concerns with Nancy Engelken's proposal: The 80% for RFPs triggered by dollar amount and the **RFP** annual process. Projects can't be controlled to once per year. She believes projects should all be allowed to come in under discretionary grants and the hard dollar amount should be the other way

around (20% **RFP** and 80% Discretionary Grant). Also, the report regarding the use of funds should be presented more often than annually. Kristi indicated that Kathi makes a great point that the City should accept proposals as they come in.

John suggested that we put together a proposal that we would submit to the City. Scott said that we should ideally have the money before a project starts. He further stated that you can't go through the design process, get the land and then hope to get the money. Curtis pointed out that is where we're sitting now with Elk River Village. Nancy said that we need to tell the City that they should give YVHA annually, the proceeds from the payment in lieu, since we are the designated community housing agency. All payment in lieu funds should come to YVHA. We should also be allocating some of the funds to Habitat for Humanity. Ed voiced concern about competing for funds with outside developers. Mary Alice suggested that Donna work with Ed to develop a proposal for the City. Donna, Scott and Ed will work together to create a proposal. YVHA would report at City's request on the use of funds. Scott indicated that he thinks that 5 out of 7 City Councilors will support the proposal to give the payment in lieu funds directly to YVHA. He indicated that the City supported the creation of YVHA.

Mary Alice asked if further discussion was needed.

Catherine asked how we can "sweeten" the deal for the City. Donna stated that we can include the City staff on **RFP** reviews, and that we can explore the possibility of establishing an affordable housing fund with the Yampa Valley Community Foundation. This fund could potentially be available for down payment assistance, silent second mortgages, etc. John stated that there should be one entity: YVHA. John stated that we need to address the control issue, so the City feels they have control to an extent. Scott asked when distribution should be made. Mary Alice stated that we need to propose the time frame. Nancy said that if YVHA is not using the money currently in the funds, we may want to suggest a trigger that when the funding reaches a certain level the City can withhold money. Kristi stated that if we established a limit, then the **RFP** process would kick in. Nancy concurred, stating that is one option.

Scott suggested that instead of YVHA taking all of the funds, giving a portion of the funds to Habitat or another organization. Donna said that part of our proposal would be to share the funds annually. Nancy said we should ask for all funds. Kathi stated that we're not trying to duplicate, that we need to make sure we're clear that we are the Housing Authority. Catherine suggested that we check with the Boulder Housing Authority. Nancy said YVHA met with their director a few years ago. Boulder is a City appointed Housing Authority, and although the RFP process works there, they deal mostly with rentals.

Mary Alice stated that the prescribed time had elapsed and all additional ideas should be passed on to Ed, Donna and Scott. Ed, Scott and Donna will meet and develop a proposal that will then be sent to City Council.

EN RE: REVIEW AND APPROVAL OF MINUTES

The March 13, 2008 draft meeting minutes were reviewed.

MOTION-APPROVAL OF MINUTES FOR MARCH 13, 2008

Nancy moved to approve as written the minutes of the Yampa Valley Housing Authority's regular Board of Directors meeting of March 13, 2008. Kristi seconded; the motion carried unanimously.

EN RE: FINANCIAL REPORT FOR DECEMBER, 2007

Donna discussed the financial report (enclosed with packet). An adjustment has been made to

eliminate the deficit in the Development Fund (\$53,944.22). The adjustment will impact the balance in the General Fund by the same amount. Chris Catterson is currently working on the audit and will most likely identify additional adjustments. It is hoped that the audit will be completed by the May meeting, but it could be June, which would still be within our required time frame.

Mary Alice asked if this will close the books for 2007 financials with corrections. It was noted that this will do so, subject to any adjustments necessary under the audit.

MOTION-FINANCIAL REPORT FOR DECEMBER, 2007

Kathi made the motion to approve the December 31, 2007 Financials with the understanding that additional adjustments may be made through the audit process, John seconded. Motion passed with none opposed.

EN RE: CONSOLIDATION OF BANK ACCOUNTS

Donna indicated that, as per the recommendation from the Finance Committee, she met with Wells Fargo to discuss banking options. Donna informed members that consolidation of funds would serve two purposes: to create more efficiency by having all accounts in one bank, and earn more interest on our investments. Kristi stated that she was concerned with closing Bank of the West account after they had just made a contribution. Kathi pointed out that we cannot bank online with Bank of the West, and although the gift was nice, it did not come with conditions. John suggested that we tell Bank of the West why we are leaving. Ed asked Donna about insurance and securities at Wells Fargo. Donna indicated that because our funds are public funds, Wells Fargo will provide surety for balances above the FDIC limits of \$100,000.

MOTION- CONSOLIDATION OF BANK ACCOUNTS

Kristi moved to approve moving all of the bank accounts except COLOTrust and the Fish Creek Mobile Home Park account to Wells Fargo; Ed seconded. Motion passed with no opposition.

EN RE: CONTRACT WITH RCLCO FOR THE MARKET DEMAND ANALYSIS

Donna discussed the final contract that was passed out to all present (letter of proposal and addendum). She indicated that she worked with attorney Bob Weiss to make sure the contract language fully protected YVHA. She worked from the City template and RCLCO's sample contract. Obtaining workmen's compensation in Colorado was the issue, however she was advised that if RCLCO has another office that carries workmen's compensation that would be sufficient. Their office in California carries workmen's compensation, so we are covered. The kick-off meeting with the vendor (RCLCO) is scheduled for May 1st. The maximum cost will be \$150,000.

An online survey was proposed by RCLCO and Donna believes that it may not be the best way to obtain a high response rate. The City and County were included in the workgroup and vendor selection. John asked when the project would be completed. Donna said by the end of July.

Mary Alice asked if we were finished with fund raising. Donna indicated that there are a few individuals that have not responded, but she is expecting to raise the full \$150,000, but that the contract did not exceed the money in hand. Kristi asked what would be done if there was extra money. Donna said it would be pro-rated and returned to contributors.

Mary Alice asked that the work group be discussed. Donna indicated that the work group included

representation from Steamboat Springs Chamber and Resort Association, City, County, Routt County Economic Development Cooperative, and Steamboat 700, among several others. The RFP was sent to four pre-selected firms and we received three proposals. RCLCO had the highest score from the work group. Catherine complimented Donna on a job well done and the great efforts to get the funds.

MOTION- CONTRACT WITH RCLCO FOR THE MARKET DEMAND ANALYSIS

Catherine moved to approve the contract with Robert Charles Lesser and Co (RCLCO) for the Housing Market Demand Analysis; Trish seconded. Motion passed with no opposition.

EN RE: PERSONNEL POLICIES AND PROCEDURES HANDBOOK

Mary Alice asked that Kathi take over the meeting. Kathi agreed and asked Mary Alice to proceed.

Mary Alice began the discussion, stating that several issues had been outlined in the communication form, including the ones that Bob and Kristi brought up during the time members had to review the Handbook.

The effective date was the first item discussed. It is recommended that the Statements of Policy become effective upon their adoption, but the full text not until July 1st. Benefits will be available for employees working over 20 hours per week and pro-rated based on hours worked, except in the instance of the cafeteria plan that requires participants to work at least 30 hours per week. Meal reimbursements will be at \$35 per day, though this might go up in the future. Employees can purchase a merchant ski pass. Mary Alice also discussed the need to designate a security officer for HIPPA-required computer security (Donna will suggest this person) and that a back up of all systems is needed. A policy regarding concealed weapons was suggested, and Mary Alice stated that it was covered under the violence in the workplace policy. Mary Alice stated that she had asked for concerns regarding the Handbook. One issue raised was why have a grievance process if all employees are at will. She stated that she had consulted with the attorney and having a process provided an alternative to litigation if a poor decision might be made by a supervisor or manager. Mary Alice suggested that the recommended grievance policy be left in place.

Kristi asked about the storage of data; Curtis clarified that client financial information should be confidential - security measures would need to be put in place, but client financial information would only be kept for a few years. Donna mentioned that information could be archived and put on CD. Curtis and John agreed that the information should be held onto indefinitely as basic client information changes infrequently.

Mary Alice discussed Appendix C and drug testing, noting this is the one item that is truly a policy decision upon which the Board must give direction. Kristi raised the issue that it should be included in the Handbook. John asked if there was any liability if we did not include this option. Curtis mentioned that it might be needed for maintenance related jobs. Donna liked the suggestion that Kristi had made to Mary Alice's document. Kristi noted that she uses the proposed language in her employee handbook and has found that once you confront an employee regarding testing for drugs they will generally quit. Trish suggested adding alcohol to the verbiage as alcohol is a greater problem for her organization. She indicated that if there has been property damage in the result of \$250 or more or the need for first aid, and alcohol is suspected, there is testing. Trish supported Kristi's recommendation to Mary Alice's document. John agreed with testing based on cause. Trish asked who we would use for the testing. Curtis said Steamboat Medical is the likely option as they handle our workers compensation. Bob doesn't do pre-employment drug testing at the bank, but they do test for cause. Kathi asked if Kristi's language should be adopted or if more specificity is needed like what Trish had said. Mary Alice suggested both, amending the statement of policy and then including language for procedure. Kristi

suggested adding the reference regarding alcohol.

Mary Alice stated the Handbook, as proposed, is scheduled to be on the agenda for the May board meeting. An outline of the agenda is included in the communication form.

EN RE: EXECUTIVE SESSION

No executive session was needed for this meeting.

EN RE: COMMITTEE AND STAFF REPORTS

Finance: Mary Alice said it was discussed earlier. The April 18th meeting will be rescheduled as several will be out of town.

Strategic Planning: Nancy stated that there is a memo in packet from the strategic planning committee meeting. Topics for next three months have been identified. Nancy would like a special board meeting regarding the Elk River Project. Nancy suggested in May after the City Council meeting on May 6th.

Public Relations: Trish suggested ideas regarding media coverage for the Housing Market Demand Analysis. Donna suggested coverage for the May 1st kick off meeting. John talked about the series of articles on affordable housing done in 2003. He indicated that we should suggest another series to the Pilot. Curtis announced that YVHA.org is up and running.

Compensation and Benefits: Previously discussed.

Fish Creek Mobile Home Park: May 21st is the next sub-committee meeting.

Hillside Village Apartments: The April 21st; will be rescheduled.

New Project Review: The next meeting is on April 18th at 12:00.

Mary Alice asked for additional comments not included in staffs reports. Curtis mentioned the Planning Commission's approval of the Elk River Village Project. Donna noted that Curtis did an excellent job with the presentation to the Planning Commission. She also indicated that the new on site manager will be starting at Hillside Village Apartments on Monday (April 21st).

EXECUTIVE DIRECTOR

See Report.

ASSISTANT DIRECTOR/PROJECT MANAGER

See Report.

HILLSIDE VILLAGE

See Assistant Director/Project Manager Report.

ATTORNEY

No report was presented.

EN RE: NEXT MEETING

The next regular meeting of the Yampa Valley Housing Authority Board of Directors will be held on Thursday, May 8, 2008, in the Commissioners' Hearing Room of the Courthouse Annex, at 12:00 p.m.

EN RE: ADJOURNMENT

At 1:30 p.m., Nancy moved to adjourn the meeting. Kristi seconded; the motion carried unanimously.

No further business. Meeting adjourned.

Stephanie Curd-Goulette, Minute Taker

Mary Alice Page-Allen, President