

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
January 12, 2012

Rich Lowe, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12:06 p.m.

Board members present: Nancy Stahoviak, Scott Myller, Johnny Sawyer, Catherine Carson, Jennifer Robbins, Kristi Brown, Trish Sullivan, and Kathi Meyer.

Others present: Mary Alice Page-Allen, Housing Authority Executive Director, and Nikki Knoebel, Mayor, Town of Oak Creek. Dee Bolton recorded the meeting and prepared the minutes.

EN RE: STRATEGIC TOPICS

2012 STRATEGIC PLAN REVIEW

Rich welcomed returning Board member Kathi Meyer and thanked her for once again volunteering to be part of the Housing Authority Board.

Rich commented that in his review of the Housing Authority's 2012 Strategic Plan he noticed that many objectives had changed, and some had not. He noted that the four major strategic initiatives were the limited services model; the down-payment loan program, client-based services, and database management; the creation and preservation of affordable homes; and the land development partnership or disposal. He suggested that the relevancy of each category be discussed. He stated that the Strategic Planning Committee had not reviewed the draft of the updated Plan so the Plan was open for discussion.

Mary Alice stated that she regarded the Strategic Plan as a road map for the Housing Authority's decision-making. She believed that much progress had been made in several areas: The down-payment assistance loan program—six loans had been made in 2011, twenty-one in 2010; the ballot issue, while postponed, had sparked community communication/education/information efforts; the database was maturing as areas such as maintenance plans for Authority-owned properties were added, and the relationship between the Housing Authority and the City was a flourishing, mutually beneficial partnership. She recommended that any proposed changes to the Plan be considered in light of those areas.

Rich asked whether the Housing Authority was at present in a position to move forward on the goals to create and preserve affordable housing, to enhance land development, and to hire an additional staff person.

Catherine suggested that, on Page 3 of the Executive Summary, the City and the County be added to the third strategy as potential partnering organizations. She suggested that the database development include a measurement tool for the ways in which the Housing Authority was meeting the needs of the community. She thought that other communities' measurements for success could be incorporated into the Housing Authority's. Mary Alice replied that defining what would be measured and ensuring that that information was in the

database were the major goals of the coordinated City/County/Housing Authority effort in relation to the update of the Steamboat Springs Area Community Plan.

Catherine said that another goal should be to consider the old Rich Gregory (Iron Horse) property as a long-term affordable rental property. She commented that grants for renovation might be available, and a group should be formed to study the possibilities. Mary Alice added that the property could generate a Housing Authority management opportunity as well, which would produce revenue. Rich agreed that the potential should be investigated, but so should the need. Mary Alice said that the data indicated that affordable rentals were needed in the community; whereas at present, the market was flooded with housing for sale. Scott noted that the current Iron Horse long term rental units were studio apartments with kitchenettes but the nightly units were just hotel rooms. Kathi stated that the City had extensively analyzed the options, a major hurdle of which was the structure of the property's financing and the huge pre-payment penalty. Nancy suggested that the topic could be further discussed during the second Strategic Topic item of this day's meeting, Acquisition of Distressed Properties.

Rich asked whether the ballot issue should be removed from the bullet-point list. Nancy noted that it would not be considered in 2012 and possibly not even in 2013. Mary Alice thought that that would be a topic of discussion at the January Strategic Planning Committee meeting. By consensus, the Board agreed that the language should be removed from the 2012 Plan but the bullet-point should be retained and the goal generalized to 'continue to evaluate options for dedicated funding'.

Rich asked whether 'a minimum of 20 to 25 loans' should be changed to 'up to 20 or 25' or to an unspecified number of loans in the fifth bullet-point listed on Page 1 of the excerpted Plan. Mary Alice wanted a specific number because then the goal was measurable. Jenn thought that if a specified number were not reached, that would seemingly constitute failure. Mary Alice noted that in 2010, 21 loans were approved; in 2011, six were granted.

Rich noted that the Plan called for keeping administrative costs to 10% of expenses, but a goal was to increase staff by one person in 2012 and another in 2014. Mary Alice stated that an increased work load was directly related to staffing needs so the goal could be to increase staff as programs expanded or matured, contingent on remaining within the 10% of total expenditures. Jenn recommended that rather than including specific target years, the goal be ongoing. Mary Alice explained that in the 2012 budget, staff had been increased 20% to hire a person for one day a week to maintain the database and community education and information efforts.

Catherine asked whether financial balance sheets should be presented to the Board for review on a quarterly basis. Mary Alice said that an annual audit was performed so the monthly reconciliation balance sheets were dropped. She noted that the USDA required an annual audit; other lenders required financial statements on a quarterly basis. Those financial statements were not forwarded to lenders until the Board had approved them, and balance sheets were reconciled internally every month. Catherine acknowledged that Mary Alice monitored the financials regularly, but she thought that the financial reports as well as the aging reports should also be routinely reviewed by the Finance Committee. Mary Alice will begin including aging reports with the monthly distributions.

Kristi stated that the most important aspect of the document before the Board was that it be read. She thought that the Executive Summary was great, but she recommended that the full Plan be kept as short as possible. She noted that the text in the Executive Summary paragraph above Table 1 was reiterated in Table 1 so she suggested that the paragraph be deleted. She noted that the second full paragraph on Page 4 of the Executive Summary was repeated on Page 5 in the first bullet-point so the Page 4 paragraph should be deleted. Nancy said that if the paragraph were deleted, the list of bullets that followed should be titled. Catherine wanted the '90¢ of every dollar invested' from the paragraph to be added to the Page 5 retained bullet-point.

Kathi suggested that the Exit Plan as a strategic option be removed from Page 3 of the Executive Summary because the Exit Plan was devised to demonstrate the loss of services to the City and the community if the Housing Authority were to dissolve at a time when the City's support of the Housing Authority was in question. She recommended that that list of services that would be lost be located elsewhere in Plan, but not juxtaposed to an Exit Plan, which was unnecessary in the current political climate. Nancy posited that the Exit Plan need not be mentioned anywhere in the Strategic Plan. By consensus, the Board agreed to remove all reference to an Exit Plan.

Based on this day's comments, Mary Alice will rework the Strategic Plan and present it at the next Strategic Planning Committee meeting for additional feedback. The final draft of the Plan would be presented to the full Board at the regular February or March meeting.

ACQUISITION OF DISTRESSED PROPERTIES

Mary Alice said that two situations could inform a discussion regarding the acquisition of distressed properties. The first was the Fox Creek Village unit that was guaranteed by the USDA and financed by CHFA, a loan that was scheduled for foreclosure on February 8, 2012. Both CHFA and the USDA would regard a short sale favorably. To execute a short sale, a willing seller was necessary. The Housing Authority's attorney might be able to negotiate a short sale with the unit's owner, or another non-profit community organization could acquire the unit, repair it, and thereby protect the deed restriction, which would otherwise be forfeited in foreclosure. Losing the deed restriction would render the unit the only one in the complex that could be sold at market rate, which was problematic. Last week, Mary Alice met with the contractor, the property management company representing the homeowners' association, the Housing Authority's attorney, the City Planning Director, and a homeowners' association board member. She reported that the meeting was conducted in a spirit of cooperation and problem-solving, and all parties were addressing one or more aspects of the situation, including conducting baseline improvements to the water intrusion issues. She felt that the solutions would minimize liability as well as provide a beneficial opportunity for the Housing Authority to participate in a short sale, remodel the unit, and provide housing for a low-income family through resale. She thought that if the unit were refurbished, it could sell for approximately \$170,000; the unit would be valued at that, less the cost of repairs, which she estimated to be between \$15,000 and \$30,000. The outstanding mortgage on the property was just below \$180,000. The USDA might potentially loan the Housing Authority the funds to repair the unit, or a bridge loan might be secured. Rich asked what would happen if another unit were to seek the same restitution. Mary Alice thought that possibly the creation of an LLC would be a

way to manage such situations. She said that purchasing the unit at foreclosure was an option about which she still needed additional information, but it was one that was more complicated. Rich asked about the liability in relation to health issues in the future. Mary Alice stated that that was already an issue, but if a short sale were negotiated, that liability could be relinquished in the settlement. Mary Alice said that if the unit were purchased by the Housing Authority, if the figures justified it, the unit could become a rental, but that would depend on the partnering organization and its goals. Scott asked whether the Community Housing Fund had the funds for the project. Mary Alice said that that was another funding source option; having a prospective occupant would be important. Using the Housing Authority's funds above the designated \$120,000 exit fund and other reserves was yet another option.

Mary Alice asked whether she should continue pursuing her current direction in regard to the Fox Creek property. Rich said to keep the dialogue going, and the consensus of the Board was to continue in the direction reported today.

Mary Alice said that mention of those Housing Authority funds segued into the broader discussion of whether the Housing Authority should be looking at other potential distressed properties. Kathi stated that Habitat had formed a committee to do similar research; the Stagecoach area had become a focus of that exploration. She recommended that the New Projects Committee further consider the possibilities since some Stagecoach properties were foreclosing in the \$60,000 range, albeit Stagecoach was out of the Housing Authority's jurisdiction. Rich thought that collaborating on Habitat's investigations was in order. Catherine thought that the Iron Horse was another possible property to consider.

EN RE: HOUSING AUTHORITY OFFICER ELECTIONS

Rich said that since no December Executive Committee meeting had been held, no slate of officers had been devised but he had spoken by telephone with several Board members. Mary Alice said that a slate of officers had been proposed from those telephone conversations: Rich and Kristi had agreed to continue to serve in their current capacities, and Catherine had agreed to serve as Secretary-Treasurer; other nominations would be entertained as well.

Rich called for other nominations; none were forthcoming.

Catherine disclosed that she was active in the Democratic Party but she felt that she could serve impartially as the Housing Authority's Secretary-Treasurer. Rich thought that that would not be a conflict as defined by the Housing Authority's by-laws.

MOTION

Nancy moved to accept the slate of officers for the Yampa Valley Housing Authority Board of Directors for 2012 as follows:

Rich Lowe, President;
Kristi Brown, Vice-President, and
Catherine Carson, Secretary-Treasurer.

Scott seconded; the motion carried unanimously.

EN RE: COMMITTEE APPOINTMENTS

Mary Alice referenced the current Board of Directors List of committee assignments and noted that Catherine should have been listed on the Finance Committee; that Squeak was on the Strategic Planning Committee; Jenn would chair the Loan Committee, and that Ed MacArthur would continue to serve as a community member on the Fish Creek Committee and the Loan Committee.

Kathi volunteered to serve on the Finance Committee. She stated that she had served on the Hillside Village Committee as a community member, and she would like to continue on that Committee as a Board member.

MOTION

Jenn moved to approve the Board of Directors' Committees List for 2012 as amended this day. Kristi seconded; the motion carried unanimously.

EN RE: SUNSHINE RESOLUTION

Mary Alice reviewed the resolution that listed the official places for posting of notices of Housing Authority Board meetings and committee meetings. She stated that at some point, the meetings would be posted on the Housing Authority's website, but that posting place would not be included in the resolution.

MOTION

Kristi moved to adopt Resolution 2012-001, Resolution Designating the Place for Posting of Notices of Meetings of the Yampa Valley Housing Authority in Accordance with C. R. S. §24-6-402. Nancy seconded; the motion carried unanimously.

EN RE: PUBLIC COMMENT

Rich asked that Nikki Knoebel, Mayor, Town of Oak Creek, be introduced. Ms. Knoebel stated she was in attendance for information purposes only and offered no public comment.

EN RE: CONSENT AGENDA

Rich stated that the consent agenda was comprised of the December Board meeting minutes. Mary Alice stated that the review of the minutes for the December meeting had not been completed when this day's agenda packet was sent to Board members. Additional changes to those minutes included correction of typographical errors, clarification phrase insertions, and word and sentence changes. She reviewed those changes specifically and noted that they had been made on the final draft before the President for signature after approval.

Kathi asked that the minutes be removed from the consent agenda. Kathi stated that on Page 6, in Paragraph 5, the first FHA should be changed to FMNA in the first sentence.

Scott requested that a change be made on Page 6, Paragraph 2. The sentence currently read, "Scott said that when the [Fish Creek Mobile Home] Park was purchased in 2007, it appeared that even with infrastructure issues, selling the mobile homes' lots at \$75,000 might not be wise." Scott requested that the end of the sentence should be changed to read '...\$75,000 would have been wise at that time.'

MOTION

Catherine moved to approve and authorize the President to sign the document pertinent to the consent agenda, specifically the December 8, 2011 Housing Authority Board meeting minutes, as amended. Trish seconded; the motion carried unanimously.

EN RE: YAMPA VALLEY HOUSING AUTHORITY STAFF REPORTS

DIRECTOR'S REPORT

Mary Alice asked whether anyone had questions regarding her report.

Catherine asked when the Real Estate Roundup and Expo began. Mary Alice said that it began at 4:00 p.m. for vendors; the Housing Authority presentation would be from 5:30 to 6:30 p.m. on January 24th.

Kristi asked how many families attended the Home Buyers' Education class. Mary Alice replied that five persons had attended, which represented two Habitat families.

Mary Alice announced that loan renewal documents for Elk River Village were being prepared by the bank for a 30-year amortization, a two-year balloon payment, and a 3.85% interest rate. The agreement would apply the interest-only payment amount previously paid to the amortized loan. The new arrangement would not change the amount that the Housing Authority had been paying, but the loan was amortized and included two years of relief before having to seek any further financing. Rich credited Mary Alice with negotiating the transaction. Mary Alice said that Bob Kauffman was instrumental in finalizing the transaction.

Mary Alice stated that the West End Townhome in the foreclosure process closed on December 30, 2011 as a short sale to a single mother with three children. The unit was one of the few three-bedroom units that was deed-restricted.

Mary Alice announced that she was a finalist in the Town of Oak Creek Town Administrator/Clerk position. She stated that she liked her position with the Housing Authority, but the Oak Creek opportunity met some of her personal goals, and she could not let the opportunity pass without applying for the position, which incorporated all of her training and experience and allowed her to remain in the Yampa Valley. If she were selected for the position, she would begin on March 1, 2012, but she would continue to be available to assist the new Housing Authority Director. She believed that the timing was good: Elk River was on a two-year plan; the Strategic Plan was current; the financials were in good shape. Rich said

that if Mary Alice were offered the position, it would provide her with a better opportunity to grow and meet her goals and aspirations. He wished her the best. Nikki said that 23 applications had been received, from which five finalists had been selected.

EN RE: UPCOMING MONTHLY COMMITTEE MEETINGS

Dates and times for the next committee meetings were listed on this day's agenda.

DATE CHANGE

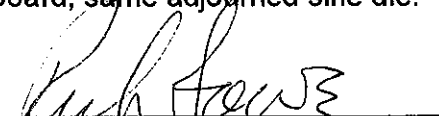
The February meeting of the Housing Authority Board would be held on February 16, 2012, due to scheduling conflicts.

EN RE: ADJOURNMENT

At 1:45 p.m., Kristi moved to adjourn the Housing Authority meeting. Kathi seconded; the motion carried unanimously.

No further business coming before the Board, same adjourned sine die.


Dee Bolton, Minute Taker


Rich Lowe, President