

**YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING**  
**January 9, 2014**

Kathi Meyer, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12:00 p.m.

Board members present included: Catherine Carson, Rich Lowe, Scott Myller, Doug Monger, Johnny Sawyer and Trish Sullivan. Board members John Spezia, Patrick Welsh and Kristi Brown were absent.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director. Sarah Katherman recorded the meeting and prepared the minutes.

**EN RE: PUBLIC COMMENT**

There was no public comment.

**EN RE: ELECTION OF OFFICERS**

**MOTION**

Doug moved to re-elect the current officers: President – Kathi Meyer; Vice-president – Rich Lowe; and Secretary-Treasurer – Catherine Carson. Scott seconded the motion. **The motion carried 7 – 0.**

**EN RE: CITY HOUSING STUDY**

Rebecca Bessey of the City of Steamboat Springs Planning Department reviewed that the Community Housing Ordinance had been suspended for two-years, during which staff was directed to explore alternatives to this method of addressing the community's housing needs. She said that the market review, prepared by Yampa Valley Data Partners, is the first step in that process. In response to a question from Doug, Rebecca reviewed the process through which Planning Director Tyler Gibbs had proposed a budget and scope of work for the study. She said the Tyler would soon return to City Council with a proposal for a further study of the housing issue.

Rebecca reviewed the MLS home sales data as presented in the packet, noting that the real estate market is in recovery and stabilizing, with homes in the \$300,000 to \$600,000 having the fewest days on the market and the lowest discounts from asking price. In response to a question from Catherine, Rebecca said that the market analysis does not break down the data between year-round residences and second homes. Rebecca reviewed the residential rental market, which appears to be very tight in both Routt and Moffat Counties. She acknowledged, however, that many rental properties may not show up in the data. Jason clarified that rental rates are based on monthly rent per bedroom. Current rates are approximately \$650 - \$700 per bedroom.

Rebecca reviewed the transportation costs associated with living in outlying areas and commuting into Steamboat Springs, noting that even with transportation costs figured in, housing is less expensive in these areas. Doug noted that the IRS mileage rate is high, meaning that the cost of transportation is probably somewhat less than estimated. Jason noted that there are also social costs associated with commuting. Rich stated that all areas, including large cities and small towns, have commuters. Kathi noted that the housing costs used in these data are based on single family homes and do not include condos, rentals, etc. Jason added that second homes also inflate the sales data.

Rebecca reviewed the demographic and employment data as presented in the charts and graphs included in the packet. She noted that overall unemployment is declining, but has not yet returned to pre-recession levels. She highlighted the dramatic drop in construction employment that occurred with the recession. She also reviewed the changes in hourly wages for different sectors of employment. The highest income industries have shown the greatest increases since 2008; the majority of industries have shown declining or stagnant wages.

Rebecca reviewed several slides depicting the overall affordability of housing in the area for different income levels. She noted that housing is generally less affordable in Routt County now than in the past few years, with affordability at approximately 2009 levels. In Moffat County housing has become gradually more affordable since 2008. Jason noted that workers commuting in from Moffat County made up a large percentage of the drop in construction employment during the recession. Rebecca reviewed a graph indicating that approximately 50% of available homes in Routt County would have a monthly mortgage payment of \$2000 which is more than 80% or more of the workforce can afford. Approximately 20% of the workforce could afford to buy a house. There is a much larger gap in affordability in Steamboat Springs than in Hayden or Oak Creek. Rebecca noted that the graph is based on percentage of wage earners, not percentage of households, many of which contain more than one wage earner. Jason offered that going through this analysis may be able to help YVHA to understand how best to target policies in order to close the gap between earnings and the availability of affordable housing. Kathi pointed out that in not considering income earned outside of Routt County, the chart (page 32 of the packet) captures the Routt County workforce and excludes second home owners and location neutral businesses. Jason said that it would be very useful to combine the data regarding what is affordable to different segments of the population (pages 32 & 33 of the packet) with the actual cost of different housing types. Doug noted that it is important to clarify which segment of the population YVHA should be targeting. Rich stated that the organization's charter specifies that YVHA should target its efforts to wage earners within its district. Jason said that the only thing that YVHA currently has to offer people is down payment assistance.

Rebecca said that the market analysis was presented to City Council in November. Scott said that City Council's response to the data was to ask how big the problem actually is. Doug reiterated that it is important to define who YVHA should be serving. Catherine offered that separating out the rental market from the sales market would be helpful in determining where YVHA should focus its efforts. Rebecca said that the work program for the rest of the study would begin with a broader discussion of where the problem lies and a re-evaluation of the City's policies, and then move on to analyze various strategies for the future. She offered that it was unlikely that the suspended ordinance would be reinstated.

Jason suggested that a good next step would be to determine the target population for YVHA and what the affordability gap is for that population. He added that if the target population is retail, accommodations and food service employees, the focus should probably be on rental units rather than homes for purchase. Scott said that one of the problems with the ordinance was that only those building multi-family units were really paying into the system. He offered that since it is a problem that impacts the entire community, everyone should contribute to a solution. He added that it doesn't make sense to penalize those who are providing the very units that would help to solve the problem. Rebecca stated that Tyler is interested in looking into incentive-based strategies, as well. Catherine added that one of the reasons that there is such a wide affordability gap is the impact of the second home market on prices. Rich suggested that the fairest option would be a county-wide mil levy or other type of property tax. Doug said that the affordability gap is longstanding, but the challenge is ensuring that it does not grow worse.

## **EN RE: YVHA BOARD PRIORITIES FOR 2014**

### **1. Fish Creek Mobile Home Park**

Jason said that although the first priority is the Fish Creek infrastructure project, there are several issues that must be resolved before the financing for the project can be secured. The Wells Fargo and City loans must be restructured so that YVHA can pledge lot rents to the Water & Power Authority. The design for the infrastructure is almost complete. The construction will occur in 2015. Jason said that he is targeting a financing application deadline of June 15<sup>th</sup> that may open up the possibility of principle forgiveness, which could allow the project to be completed without having to raise rents. The principle forgiveness will depend on the results of the income survey.

Doug reported that the Water & Power Authority usually works with utility companies, not with mobile home parks that are enterprise funds. He said that there are two separate principle forgiveness programs associated with the two different loans – one for water and the other for waste water. He said that YVHA may qualify for both programs based on the income survey and the other competing applications. He said that the biggest issue is that the Water & Power Authority wants to ensure that they are in a position of parity with other lenders with regard to lot rents. Doug said YVHA would be required to sign an income guarantee letter, and if that guarantee is not met by the rental income, YVHA would have to raise rents. Jason clarified that the problem is that all revenue from Fish Creek has already been pledged to Wells Fargo. Kathi noted that with the new regulations the issue is not so much collateral, but the ability to repay. Jason said that he feels that this can be resolved, allowing the infrastructure project to move forward. He added that YVHA can't do much until it takes care of those it currently serves. Catherine requested that addressing the accounts receivable at Fish Creek be added to the list. She also suggested that getting the Sierra View loans compliant under TABOR should be added to the list of priorities for 2014 as a new item.

## **2. Down payment assistance**

Jason reported that the fund is approaching \$200,000 and no loans have been made in the past two years. He suggested that in addition to community outreach, YVHA could look into how the program could mesh better with available loan products. He said that USDA loans currently available will allow financing of up to 102%, but the down payment assistance program has a maximum of 100%. Kathi suggested that the loan committee be re-established to look into the issue. The City Council members on the committee include Kenny Reisman and Tony Connell. Kathi said that she would clarify who all is on the committee.

## **3. Elk River Village**

Jason offered that a full exploration of the available options should be conducted prior to the budget review process, when it will be determined whether it is worth \$50,000 to hold the property for another year.

Johnny reported on his discussions with an excavation expert and with Fire Chief Jay Muhme regarding building a road to access the upper portion of the Elk River Village property. He stated that the requirements for emergency access and fire truck turn-arounds make a road unfeasible. He said that the best way to access the site would be through the storage unit property at Copper Ridge or from a point near the Truck Stop. Johnny also reported that Doug Bradfield had told him that the lower portion of the parcel is largely composed of fill. Kathi said that soils reports had already been done, and the composition of the fill dirt is why engineered foundations would be required. Johnny added that the property would be great for solar, but only 4 acres of the property is actually usable. Scott asked whether YVHA would choose to build the project already designed for the parcel if the money to do so were available. Catherine proposed doing a land swap with the Forest Service for an equivalent sized property.

## **4. Hillside Village Capital Projects**

Jason reported that he had received a friendly note from USDA saying that YVHA is not spending enough money on capital improvements. He noted that a Capital Improvements Plan (CIP) is in place, but should be formalized. He clarified that the operating account should be between \$75,000 and \$80,000. That account balance is now \$100,000 to \$150,000 in addition to the \$85,000 in the reserve account.

## **5. City and County funding**

Jason said that it would be beneficial to hold discussions with the City and County officials regarding where they want to go on the issue of community housing and where YVHA fits into the housing policy. He offered that YVHA needs to justify the continuing contributions that it needs to survive.

## **6. Sierra View**

Bring loans into compliance with TABOR.

### **EN RE: SUNSHINE LAW RESOLUTION**

Kathi reviewed Resolution 2014-001 designating the public posting places for notices of YVHA Board and Committee meetings.

#### **MOTION**

Scott moved to approve Resolution 2014-001 as per C.R.S §24-6-402(c) as written. Rich seconded the motion. Under discussion Jason confirmed that the minutes and agendas had been updated on the website.

**The motion carried 7 – 0, with the Chair voting yes.**

### **EN RE: CONSENT AGENDA**

The following items were presented on the consent agenda:

- a. Review and approval of October 10, 2013 and November 7, 2013 minutes
- b. Review and approval of the October 2013 and November 2013 financial statements

#### **MOTION**

Trish moved to approve the consent agenda. Scott seconded; **the motion carried unanimously.**

### **EN RE: STAFF REPORT**

Jason reported that he had enjoyed a wonderful vacation. He stated that in preparation for the annual audit, trial balances would be submitted to Chris Catterson by the end of January. The audit will begin in early February.

Jason reported on the great job that Kate has been doing at Hillside. He described the efforts she had made to ensure that Christmas was enjoyed by all of the residents. He said that he intends to submit a nomination to the USDA for formal recognition of Kate for what she has done for the Hillside tenants.

### **EN RE: COMMITTEE MEETINGS**

Kathi reviewed the upcoming committee meeting schedule. She noted that the Executive Committee would meet January 28, 2014 and would complete a review form for Jason, retroactive to January 1st. Meeting dates for the other committees were also confirmed.

### **EN RE: OTHER BUSINESS**

Johnny asked about the access to the Elk River Village parcel. Kathi stated that the approved plan includes two designated access points from CR 129, although no access has been constructed. Johnny asked

about the feasibility of utilizing the property for a community garden. Kathi clarified that no water or other infrastructure has been built to serve the parcel.

**EN RE: ADJOURNMENT**

Rich moved to adjourn the regular meeting of the Housing Authority. Scott seconded; the motion carried unanimously. The meeting was adjourned at 2:50 p.m.

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



Sarah Katherman, Minute Taker



Kathi Meyer, President