

**YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING**  
**November 7, 2013**

Kathi Meyer, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 1:00 p.m.

Board members present included: Catherine Carson, Rich Lowe, Scott Myller, Doug Monger, Johnny Sawyer, Trish Sullivan and John Spezia. Patrick Welsh joined the meeting in progress. Board member Kristi Brown was absent.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director, and citizen Scott Wedell, City Council member-elect Scott Ford and City Economic Development intern Casey Earp. Sarah Katherman recorded the meeting and prepared the minutes.

**EN RE: PUBLIC COMMENT**

There was no public comment.

**EN RE: RESOLUTION 2013-006 – 2014 BUDGET ADOPTION**

Kathi stated that the proposed budget had been reviewed by the Finance Committee in detail prior to its being reviewed in a worksession with the full Board and presented in a public hearing. She stated that following adoption, the YVHA 2014 budget would be submitted to the State of Colorado. Jason noted that per the YVHA By-laws, the budget must be adopted through a resolution.

In response to a question from Trish regarding the increase in payroll expenses, Jason explained that the 2.9% cost of living bonus was based on the Denver/Boulder/Greeley Consumer Price Index (CPI). He said that by awarding a one-time bonus rather than increasing the base pay, the on-going monthly payroll expenses would not be affected. Catherine noted that Kate Toto's salary was increased to compensate for her new duties as the manager of Fish Creek Mobile Home Park, but because there would no longer be an on-site manager there, the change would result in a net cost savings to the organization. She noted that YVHA does not provide benefits to its employees.

Catherine noted the upcoming infrastructure improvements at Fish Creek are not included in the budget, as they hope to fund the project through grants. The budget for the project will come through as a supplemental budget next year. She added that the Sierra View lots would be refinanced and brought into compliance with TABOR in 2014.

Doug asked about the \$7,500 budgeted for legal expenses. Jason said that the renegotiation of the Sierra View loan would require some legal counsel, but noted that it would be minimal compared to 2013. The budgeted amount of \$7,500 will not be spent unless necessary. Catherine offered that it would be a good idea to have any new loan documents reviewed by the attorneys. Regarding the payroll increase, Doug noted that since 2009 the CPI has increased 6.8%. Kathi added that an additional challenge for YVHA is the USDA formula that determines the maximum amount allowed for a property manager's salary. The YVHA is currently beyond that maximum, so in order to increase Kate's salary changes were made to her job description.

## MOTION

Rich moved to adopt the 2014 YVHA Budget as presented and authorize the President to sign Resolution 2013-006. Trish Sullivan seconded the motion. **The motion carried unanimously.**

Patrick joined the meeting.

Scott said that he had mentioned to City Manager Deb Hinsvark the idea of having YVHA manage the Iron Horse property for the City. The City is currently paying \$80,000 for this service, so anything less than that would be beneficial. There was a discussion of how such an arrangement might work. Kathi offered that YVHA would need to analyze the situation thoroughly before any discussions with the City. Catherine suggested that there might be an opportunity to increase YVHA revenues and asked if the Board would be agreeable to looking into it. Scott said that there was a window of 5 – 6 months before a decision would need to be made.

## EN RE: ELK RIVER VILLAGE PROPERTY

Kathi stated that the goal of the discussion would be to review the history of the property, and now that there is a little room to breathe, begin to consider the options for the future of the parcel. Kathi stated that following the successful development and sale of the Fox Creek Condominium project in 2005-2006, YVHA had some cash. She stated that at that time a commercial/light industrial/residential development project for the Elk River Village property was working its way through the planning process. The developers of that project expressed interest in having YVHA manage the inclusionary zoning units of the project. Instead, YVHA decided to purchase the entire property for \$2.3M, putting 15% down with 85% carried by the seller. YVHA subsequently hired Curtis Church and began working on plans for 67-unit residential development. Kathi noted that the City had encouraged YVHA to develop a mixture of multi-family and small lots. The plan has vested approvals until the Spring of 2014, with any extension or changes to the plan requiring Planning Commission and City Council action. Kathi stated that when the downturn hit in 2008 the project stalled and staff was laid off. The property was refinanced in 2008, 2009 and 2010. It was reappraised in 2011 for \$1.5M.

The Board reviewed the pro-forma that had been developed for the PUD project approved in 2008. In response to a question from Catherine, Jason said that the build-out cost of the project was estimated at \$9M when it was proposed. Kathi discussed the current tax credit market in Colorado, which is very competitive, and concluded that there was little hope of getting tax credit funding for any project on the site.

Kathi stated that when the development of the property was determined to be unfeasible, YVHA decided to hold onto the property for sale or future development. She said that two credible purchase proposals had been received, both significantly under \$1M. She stated that the recent restructuring of the financing to a lease purchase agreement with First National Bank of the Rockies has provided YVHA with some time to consider various options for the future.

Patrick offered that the property is so underwater that there is no way that a developer could come in and make a project work on the site. Rich stated that with the changes that have occurred to the surrounding area, the parcel may no longer be a good location for residential development. John Spezia noted the traffic problems associated with the area, and offered that YVHA should think about how this parcel fits into the proposed changes to the intersection of CR 129 and US 40.

Catherine asked if there is any potential for finding a way to use the six acres of the property on the hillside. Jason stated that the purpose of this discussion is to consider the options for the future and how the property fits into the mission of YVHA to provide affordable housing. He stated that the available options are:

develop the property, sell it, walk away or hold it for the future. John Spezia offered that the only option for development would be through a partnership. Doug suggested that it may be too early to even have the conversation. He said that he could not support adding to the loss just to develop the parcel, and said that waiting for demand to catch up and walking away are the only two viable options. Scott Myller suggested that if YVHA were to pursue a new development, it would be better off purchasing some less expensive land elsewhere.

Catherine stated that she would support spending \$3,000 to have experts take a new look at the land to determine if there is a way to use the upper six acres. Patrick agreed, noting that recent changes in engineering technology allow development in areas never thought possible before. Kathi stated that the problem with the upper portion of the property is access. Jason reviewed that the City would not allow a subdivision of land with a grade of 30% or greater, but that development through proper engineering might be possible. In response to a question from Doug, Kathi stated that when the property was purchased the assumption was that all the money would come out the 4 flat acres at the bottom.

Johnny noted that the hillside would be perfect for solar development. He said that he would be meeting with a representative of Denver Solar soon, and would ask him to take a look at the parcel. Doug noted that any development on the parcel would require a secondary access. Kathi offered that an alternative to secondary access would be to equip the buildings with sprinkler systems. This would be very expensive. Regarding the solar option, John Spezia reviewed the 500,000 kW solar garden being developed near Craig. He said that once this project is fully sold, there may be an opportunity to do something similar on the hillside at the Elk River Village parcel, perhaps in partnership with one of the big businesses in town. John stated that YVEA is looking toward the future and is now more open to such ideas than it has been in the past. He added that capturing water off the hill could support greenhouses on the site. He said that in order to look at these possibilities, information is needed regarding the adjacent property owners. He added that topographical maps of the site would also be helpful.

Jason said he is seeking direction from the Board regarding how to proceed and what information is needed in order to consider the options. He stated that Landmark Surveying has said that for \$3,000 the basic feasibility of three concepts could be analyzed. Catherine reiterated that she would support spending the money to get an expert opinion on the possibilities for the property. Doug said that he did not think the money would ever be recouped and should therefore not be spent. Johnny offered to ask a friend of his with experience in road building to look at the property to determine if spending the \$3,000 makes sense. The Board stated its support for this offer. Johnny said he would provide a report on the solar and road possibilities in January.

In response to a question from John Spezia, Jason said that there is currently no data available on the affordable housing needs of the community; the YVHA database tracks the sales and rentals markets. He said that the Yampa Valley Data Partners study on housing needs commissioned by the City will be presented to City Council on November 12<sup>th</sup>. Rich cautioned that market analyses have historically been unreliable, citing the study done in 2004 with an update in 2008.

#### **EN RE: PUBLIC COMMENT**

Scott Wedell offered that a private developer would not care what the seller thought about the possible development options on the property. He advised against spending the \$3,000 with Landmark Surveying. He added that the land cost makes solar development unfeasible on the site. He suggested that YVHA stop the financial bleeding and walk away from the property. Regarding forecasting demand, Mr. Wedell offered that the common mistake is to assume that current trends will continue into the future.

#### **EN RE: 2014 BOARD OFFICERS**

Kathi stated that the current Board Officers are willing to continue in their positions for another year, unless others are interested. She encouraged anyone interested in taking on a leadership position to volunteer. She noted that additional YVHA Board members are needed.

Patrick announced that he may need to take a leave of absence from the Board due to a temporary relocation to North Carolina. He said he would know more in the next few weeks. Regarding committee duties, he noted that he has conflicts that would prevent him from serving on the Fish Creek or Hillside Committees. Rich suggested that he could serve on the Finance Committee, which generally meets via email.

There was a general discussion of potential new Board members. Scott Wedell suggested that rather than seeking Board members to provide expertise in certain areas, YVHA should find outside advisors. Kathi noted that the subcommittees often utilize outside advisors and will continue to do so. Rich offered that it was unhealthy for the organization to maintain the same people in the same roles year after year. Catherine agreed that while some continuity is beneficial, it is important to have fresh eyes.

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

The following items were presented on the consent agenda:

- a. Review and approval of the September 2013 financial statements

#### **MOTION**

Trish moved to approve the consent agenda. John Spezia seconded; **the motion carried unanimously.** Catherine commended the work that Jason and Sandy have done on the financial statements.

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

Jason reported that Kate had begun her job as manager of the Fish Creek Mobile Home Park. He said that she has introduced herself to the residents and would be sending out individual letters residents who are behind in their payments, and develop a payment plan with each one, with the goal of getting everyone current within 12 months. Jason said that while some residents are already on informal payment plans, these need to be formalized and documented in writing. Catherine noted that Kate would continue to work with Kathi in Jason's absence.

Jason reported that the first draft of the construction drawings for the infrastructure improvements at Fish Creek had just been received. He said that the cost estimates would be available soon, and that the overall cost of the project would depend on how well the work can be coordinated with the installation of the sewer interceptor being done by the City. Any cost sharing will help. Jason said that he would submit the application to the Colorado Water Resources and Power Development Authority for low interest financing for the project before he leaves town in mid-November. He added that Catherine and Ann Pagano would be handling anything that comes up regarding financing while he is gone.

Jason stated that the income survey had gone out to the residents of Fish Creek Mobile Home Park, who will respond directly to Department of Local Affairs (DOLA). DOLA will then follow up, allowing Kate to contact those who have not responded and encourage them to do so.

Doug asked if individual bills were sent out to those who are behind in their rent payments at Fish Creek. Jason said that rents are paid directly to the bank. Doug offered that billing those who are behind might be a first step. Catherine said that Kate would be calling or going door to door. Scott Wedell asked how far YVHA was willing to go in its effort to collect past due rents at Fish Creek. Jason said that YVHA has the legal authority to

remove trailers, as a last resort. Kathi offered that before doing this, YVHA would place a lien on the property. She added that YVHA had never been forced into the position of removing a trailer, but added that the organization would pursue all legal remedies, if necessary. Rich agreed.

Jason said he was finishing up the processing of West End Village deed restriction buy-outs. Those eligible have until Wednesday to submit their buy-out checks. He said the process had been very positive and that the down payment assistance fund is now flush with funds to help out new people. Scott Ford asked for an explanation of the buy-outs. Jason explained that if those who received \$15,000 in no-interest loans from RALF pay back the loan with historical interest, as if it were a market rate loan, and the income and asset related restrictions on their deeds would be removed.

Jason said that the City and County funding of YVHA had gone forward for 2014. He said that pre-audit meetings had been held in the interest of moving through the audit process smoothly and efficiently. All audit materials must be submitted by the end of March.

Jason said Kate was beginning to prepare for Christmas at Hillside Village.

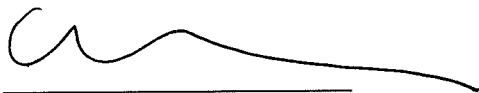
#### **EN RE: COMMITTEE MEETINGS**

Kathi reviewed the upcoming committee meeting schedule.

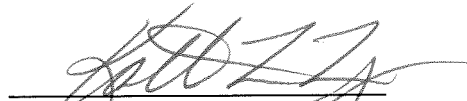
#### **EN RE: ADJOURNMENT**

Rich moved to adjourn the regular meeting of the Housing Authority. John seconded; the motion carried unanimously. The meeting was adjourned at 2:55 p.m.

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



Sarah Katherman, Minute Taker



Kathi Meyer, President