

**YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING**  
**February 13, 2014**

Kathi Meyer, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12:10 p.m.

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

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director and Michael Schrantz of the *Steamboat Pilot & Today*. Sarah Katherman recorded the meeting and prepared the minutes.

**EN RE: PUBLIC COMMENT**

There was no public comment.

**EN RE: FISH CREEK MOBILE HOME PARK INFRASTRUCTURE UPDATE**

Jason stated that the primary goal is to put together a financing plan for the infrastructure project at Fish Creek Mobile Home Park (Fish Creek). He reviewed that YVHA will be making an application to the revolving loan fund through the Colorado Water Resources and Power Development Authority (CWRPDA), noting that if the income survey currently underway demonstrates that the mobile home park is a low-income community, YVHA will be eligible for a reduced interest rate (0 – 2%) and/or principal forgiveness. Jason said that approximately 50% of the surveys have been returned. He said that he and Kate would be going door-to-door to explain to residents the importance of the survey. Doug reviewed the levels of assistance that CWRPDA can provide.

Jason stated that CWRPDA financing is contingent upon YVHA demonstrating that the revenues from the mobile home park can cover all of its liabilities. In order to do this, the Wells Fargo loan must be refinanced. Jason said that negotiations are underway with Alpine Bank and that they hope to make a deal involving a fixed interest rate of around 3% for a 20 – 25-year term. He added that all of the revenue from Fish Creek rents is currently pledged to Wells Fargo, and that under the new agreement CWRPDA and the bank would need to be on equal footing with regard to rent revenues. Jason said that they hope to accomplish the infrastructure project without raising rents at Fish Creek. Jason said that as soon as firmer numbers are available from Alpine Bank and the CWRPDA, he would evaluate the revenues to determine if rents will need to be increased, and if so, formulate a plan for raising them gradually. He said that he expects to hear back from Alpine in a week or two with more details on the structure of a possible deal. Jason noted that Bob Weiss is very interested in seeing a change in the structure of the primary loan.

Jason said that YVHA's other outstanding loan for Fish Creek is with the City. He said that he has asked Deb Hinsvark to look at restructuring this loan, but that any change will have to be approved by City Council. He said that the new deal with the City would have to work in concert with the other two loans to allow the infrastructure project to be completed. There was a discussion of what the City would be willing to do and what it would be able to do under IRS rules. Catherine noted that as the project moves forward, it would be important to publicize the obsolete condition of the current water and sewer system at Fish Creek. She stated that upgrading the water and sewer system would be necessary before any consideration could be given to transforming Fish Creek into a resident-owned community. Jason noted that the project would need to be completed whether Fish Creek is to become a resident-owned mobile home park or not.

Jason reviewed the cost estimates for the infrastructure improvements that had been completed by Drexel Barrell and Co. He said that the YVHA portion of the project is estimated at approximately \$850,000. He said he would be meeting with the City's Public Works Department on February 28<sup>th</sup>. Scott said that he would be available to attend the meeting. In response to a question from Catherine, Jason clarified that the units will not be individually metered. He explained that since Mt. Werner Water is not going to accept the infrastructure, it would not be cost effective to do separate billing for water and sewer. The water will be purchased in bulk and the cost will be spread evenly across the units. Jason offered that since YVHA manages Fish Creek, any instances of extreme water usage can be handled on a case-by-case basis. John asked about the potential for future costs associated with individual metering if units are sold. Jason said that units could be sold without incurring this cost, explaining that the units in most condominium buildings served by Mt. Werner Water do not have individual meters. Instead, residents pay into a homeowners' association.

Jason noted that the cost estimate for the project is subject to negotiation with the City, particularly regarding the shared site work costs. He described different ways in which these costs could be shared. He said that the City is also using CWRPDA financing for their project, and that they are waiting for YVHA because there are significant incentives for doing the work together. Jason said that the 24" sewage collector is sized to handle future needs and is part of the City's Capital Improvements Plan. Scott noted that the estimates are engineer's estimates and that the project may include significant additional costs. He said that he might be able to use Native Excavating's costs for the Dream Island project as a comparison.

Catherine asked if it would be appropriate to budget in expenses related to accommodating the residents during the construction. Jason offered that the impact of construction on the residents had yet to be determined, and would be considered in the bidding process. Any necessary accommodations would be part of the cost of doing the project. Doug agreed that there would be inconveniences, but stated that the residents are really the ones paying for the project, and that any additional costs will be passed on to them. Jason stated that an education campaign regarding the project would be needed for the residents of Fish Creek. Catherine stated that her concern was not with inconvenience, but rather with safety.

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

The following items were presented on the consent agenda:

- a. Review and approval of January 9, 2014 minutes
- b. Review and approval of the pre-audit December 2013 financial statements

Catherine requested the removal of the financial statements from the consent agenda.

#### **MOTION**

Doug moved to approve the January 9, 2014 meeting minutes. John seconded; **the motion carried unanimously.**

Catherine reminded the Board that these financial statements are pre-audit statements and do not include the end of the year adjusted journal entries and do not include the Fish Creek accounts receivable write-down. She said that Kate is working on developing payment plans with some of the residents who are behind in payments, but that there will be some accounts that are un-collectible. She said that these should not remain on the balance sheet. Doug agreed that in the future there should be an accrual of un-collectible rents. Catherine said that this was done last year and was included in the budget. Jason said that Chris had recommended a reduction of approximately \$4,000 as recognition that not all of the accounts receivable are collectible. Doug noted that the actual debt write-off needs to come through the Board for approval. In response to a question from John,

Jason reviewed the list of aging accounts and described Kate's plan for prevention of late payments in the future, combined with catching up on past due accounts. He noted that the problem will take some time to resolve.

Kathi noted the success of the management team at Hillside, where 107% of budgeted income was collected. She commended the efforts to control spending and turn over vacant units quickly. She also commended the work being done at Fish Creek and offered that both assets were being very well managed.

#### **MOTION**

Catherine moved to accept the pre-audit December 2013 financial statements, as submitted, recognizing that the pre-audit figures do not include the adjusted journal entries that will be received from Chris, or a possible write-down of accounts receivable at Fish Creek. John seconded the motion. **The motion carried unanimously.**

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

Regarding the legalization of marijuana use in Colorado, Jason reported that there had been no changes to the rules regarding drug use at Hillside, as it is a federally funded facility. He stated that this includes medical marijuana and added that smoking is also not allowed.

Jason reported that the audit field work had been completed and appears to be clean. He said that the standard journal entry adjustments and re-classifications would be done prior to a draft being forwarded to the finance committee for review.

John suggested that the comments from long-term residents cited by Kate in her report should be captured for possible future use in publicizing the success of the Hillside project.

Jason stated that the loan committee had met and had discussed the down payment assistance program. He said that some changes are being considered that could make the program more compatible with other programs and help to get the money out into the community. He added that some people have recently expressed interest in the program. Jason said that he would meet with Trish to discuss community outreach for the down payment assistance program.

Catherine announced that a day-long training on the "Bridges Out of Poverty" program would be offered on March 6<sup>th</sup>. She reviewed the concept of the program and said that she would forward the brochure to Jason for dissemination to the Board.

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

Kathi reviewed the upcoming committee meeting schedule.

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

Catherine asked whether it would be beneficial to get Hillside involved in the community solar garden project. Jason said that all the available cash at Hillside is needed to meet ongoing expenses and fund necessary capital improvements.

Kathi reviewed the vacancies on YVHA. Catherine said that she had informed that City that she would continue on the Board. The City is currently advertising for new members.

Doug asked where the City was in its discussion of its housing policy. Scott reviewed that the fee-in-lieu was suspended and would be reinstated after two years unless further action is taken. Jason said that he would follow-up with Tyler on the issue.

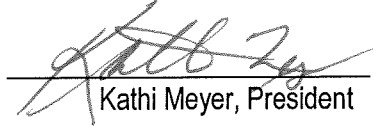
**EN RE: ADJOURNMENT**

John moved to adjourn the regular meeting of the Housing Authority. Scott seconded; the motion carried unanimously. The meeting was adjourned at 1:25 p.m.

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



Sarah Katherman, Minute Taker



Kathi Meyer, President