

**YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
March 8, 2012**

Rich Lowe, 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: Nancy Stahoviak, Catherine Carson, Kristi Brown, Kathi Meyer, Jennifer Robbins, Trish Sullivan, Scott Myller, and John Spezia.

Others present: Mary Alice Page-Allen, Housing Authority Executive Director; Kent Horner and Kate Totos, Hillside Village Apartments, and Rodger Steen, Community Alliance of the Yampa Valley. Dee Bolton recorded the meeting and prepared the minutes.

EN RE: RECOGNITION

DEPARTURE OF THE HOUSING AUTHORITY EXECUTIVE DIRECTOR

Kate said that Mary Alice had been an asset to the Housing Authority, had taught the Hillside Village staff an enormous amount, was leaving the Housing Authority in good condition, and was greatly appreciated for her leadership.

Kent said that he wished to honor Mary Alice for all of her hard work and dedication. Kate and Kent presented Mary Alice with a set of etched crystal goblets as a token of the Hillside Village staff's and YVHA Board members' gratitude for Mary Alice's services.

EN RE: STRATEGIC TOPICS

HOUSING AUTHORITY'S 2012 COMMUNICATIONS PLAN

Kate and Kent exited the meeting during the following discussion.

Nancy said that the Strategic Planning Committee and the Public Relations Committee had met to discuss ways in which to educate the community as to what the Housing Authority was, what it did, and how it accomplished its goals. The Committees reviewed the current Strategic Communications Plan and made some changes to it in regard to who the Housing Authority wanted to serve and what the issues were. Those changes had been incorporated in the version of the Plan included in this day's agenda packet. One addition to the Plan was the plan to create a one-sheet educational handout that would describe the Housing Authority's projects, programs, accomplishments, populations served, and partners. The flyer would ideally be ready to hand out at the Steamboat Springs Area Community Plan (SSACP) update meeting that the Housing Authority would host possibly in April.

Catherine stated that Board members had to take responsibility for accomplishing the action items in the Plan. John said that pie charts in the flyer would visually convey information well. Mary Alice stated that the Plan should provide the talking points and the basic understanding, and it should be agreed upon by the full Board. The goal of the document was that there should be no deviation from the message: Everyone should speak with the same level of information, which would also be the same information conveyed in the

SSACP. Mary Alice would ensure that the latter occurred but could not develop the flyer itself. The Board discussed the development of the flyer and determined that the Strategic Planning Committee would devise the flyer at the Committee's March 22nd meeting. Rich noted that much of the information to include in the flyer was imbedded in the Housing Authority's Strategic Plan as well as in the information generated for the SSACP update.

Trish said that many blogs were written in the newspaper that related to the Housing Authority or affordable housing. The Board discussed whether to ask one Board member to volunteer to check and respond to such topical blogs. After much discussion, the Board determined that no one was willing to accept that responsibility. Nancy suggested that if a few Board members periodically read the blogs and noted the types of legitimate information people needed, that would guide the information to include in the flyer and/or the newspaper articles. Rich said that the articles planned for the newspaper would generate responses to which the authors of each article could reply at their discretion. He thought that if in general blogs were to be checked, that would fall under the auspices of the Public Relations Committee. Kristi thought that the Board should establish a policy to not directly respond to any blogs. She said that if a newspaper article reader wrote a blog in response to one of the Housing Authority's articles, the response from the Housing Authority should be through the newspaper rather than to a particular blogger. By consensus, the Board agreed to establish a policy that Board members would not respond to individual blogs.

John said that Board member photographs would 'put a face on a governmental organization'. Rich thought that photographs of the Housing Authority's clients served or projects completed would be more appropriate than Board members' photographs. He said that the writers of the newspaper articles could include a photograph if they wished. Mary Alice said that she could easily add biographical information to the Housing Authority's membership section of the Plan. Catherine thought that the Board's strength was its diversity so that should be highlighted as a group rather than as individual write-ups.

Kristi asked whether funds had been budgeted for the development of a flyer. Mary Alice stated that \$3,000 had been allocated for marketing, and \$1,000 had been budgeted for printing and reproduction, which typically was used for the printing of Board meeting agenda packets.

Scott asked when the purchase of lunch for Board meetings would be eliminated. Mary Alice noted that lunch was the only tangible perk that Board members received for their service.

Mary Alice stated that when the Communications Plan was finalized, it should be adopted by the Board. Nancy asked how and when the Executive Summary and the Action Plan Summary sections of the Plan would be completed. Mary Alice said that the graphics and demographics were missing at present, but once the remainder of the Plan had been written, the summaries could be compiled.

Nancy announced that the Steamboat Chamber would resume its forum series this year, one of which, to be held on April 19th at the Smokehouse, from 4:00 p.m. to 5:30 p.m., would be on housing and transportation. She recommended that a Housing Authority Board member volunteer to participate on that particular panel. Scott, Catherine, and John said that

they could attend. Nancy will offer to have a Housing Authority Board member on the panel and notify those interested in attending.

EN RE: PUBLIC COMMENT

Rodger Steen, representing the Community Alliance of the Yampa Valley, stated that his organization's members considered the Housing Authority a valuable asset to the community and were seeking opportunities, other than financial, to help the Housing Authority. He will share the Communications Plan with the Alliance's Board, which, at minimum, could orally support the Housing Authority's efforts. Rich said that providing volunteers for the educational awareness campaign would be appreciated. Rodger will encourage his Board to commit to that. John asked that Rodger survey the Alliance Board's feelings about the Housing Authority. Rodger will consider that suggestion.

Rodger exited the meeting at this time.

EN RE: 2011 AUDIT

AUDIT REPORT

Chris Catterson, Catterson & Company, PC, joined the day's proceedings at this time.

Mary Alice said that Chris had been auditing the Housing Authority's records for several years. This day he would present a summary of the annual audit report, which was given every year before April 1st to be in compliance with USDA requirements.

Chris stated that an audit looked at the internal controls—the way funds flowed through an organization—to identify misstatements, bookkeeping errors, or fraudulent background in an organization's financial statements. Revenues were a major focus of an audit, but the Housing Authority's revenues were not high risk since the majority of revenues came from rents, the City of Steamboat Springs, Routt County, and other contributions. Assets held for development or sale was the major area reviewed and requiring an adjustment for the 2011 audit. GASB addressed capital assets, intangible assets, and investments; it did not give guidance for assets held for development or sale, which was the Elk River Village property's category, so the American Institute of Certified Public Accountants suggested the guidelines to follow, which included the use of the property's fair market value, established by a core value appraisal. Including that in the development fund showed a liability and a loss of \$700,000, which might be recouped or partially recouped if the property sold and an arrangement could be made with the lender. Notes Receivable, or program loans, was another area reviewed in the audit. The Housing Authority had shown due diligence to not lend over the value of the home. The manner in which repayments were made was appropriate and no issues were discovered. Some accounting adjustments had to be made, primarily in the category under which repayments were recorded. He had no significant deficiencies to report; no indication of fraud had been established, and he had no findings to report in regard to reporting and calculations. Thus, the audit was clean. He commented that the Housing Authority's two projects had good cash flows; the development fund was the organization's major concern.

Since a new Executive Director was slated to be hired soon, he recommended that monthly procedures be carefully documented in writing. He was available to answer the new Director's accounting questions whenever necessary.

Rich thanked Chris and Mary Alice for such a good report for the fourth year in a row.

Nancy asked about the contract with Chris. Mary Alice answered that Requests for Proposals had been sent soon after the Housing Authority was formed and again three years ago; both times, Chris was the only respondent. Recently his annual contract had been approved by the Board so was in effect for the remainder of 2012; a new engagement letter would be sent by Chris in November, 2012. She was comfortable continuing to retain Chris. Rich agreed that Chris had invaluable knowledge of the organization and proposed that an RFP process need not undergone for the foreseeable future.

MOTION

Kathi moved to accept the Yampa Valley Housing Authority's Independent Audit for the calendar year 2011. Kristi seconded; the motion carried unanimously.

Chris exited the meeting at this time.

EN RE: PUBLIC HEARING

2011 SUPPLEMENTAL BUDGET AMENDMENT

No members of the public were present.

Mary Alice stated that the audit indicated that appropriations in the development fund had been exceeded by \$3,071 due to the refinancing and holding costs of the Elk River property. The Board had authorized the refinancing so the expense was not unauthorized, but procedural paperwork had to be completed that required the present public hearing. Since no members of the public were in attendance, the adoption of a resolution was in order. She noted that the resolution before the Board represented the third supplemental budget amendment to authorize an appropriation of \$3,071.00 for the development fund; the appropriation would be covered by a transfer from the general fund.

MOTION

Nancy moved to adopt and authorize the President to sign Resolution 2012-002, A Resolution to Adopt Supplemental 2011 Budget Appropriations to Defray Expenditures in Excess of Amounts Budgeted in the Development Fund. Jenn seconded; the motion carried unanimously.

EN RE: CONSENT AGENDA

Rich asked whether anyone wished to remove for discussion any of the items on the consent agenda. Catherine requested that the December, 2011 financial statements be removed for further discussion.

MOTION

Kathi moved to approve and authorize the President to sign the remaining documents pertinent to the consent agenda, specifically the February 16, 2012 Housing Authority Board meeting minutes; the adoption of Resolution 2012-002, A Resolution to Designate the Authorized Signers for All Yampa Valley Housing Authority Banking Accounts; the amendment to the Colorado Mountain Housing Coalition Down-Payment Assistance Loan Program guidelines, and the Yampa Valley Housing Authority 2012 Strategic Plan. Catherine seconded; the motion carried unanimously.

In regard to the December, 2011 financial statements, Catherine stated that the balance sheet for Fish Creek development was not consistent with the audit's long-term assets and liabilities accepted earlier this day. Mary Alice said that that would be reconciled in the January, 2012 financial statement.

MOTION

Catherine moved to approve the December 31, 2011 financial statements with the acknowledgement that the financial statements were inconsistent in the long-term assets line item with the 2011 audit approved earlier this day and would be corrected in the January, 2012 financials. Nancy seconded; the motion carried unanimously.

EN RE: YAMPA VALLEY HOUSING AUTHORITY STAFF REPORTS

HILLSIDE VILLAGE

Mary Alice reported that the Hillside Village Committee met with tenant Ben Perdue on March 2, 2012. Kristi said that Mr. Perdue hand-delivered a letter to Committee members at the meeting so no one had a chance to read it prior to the meeting. The mold issue, his frustration with the Housing Authority for not addressing the problem in a timely fashion, the fact that he was in the process of recertifying as an individual and had submitted paperwork to that effect, his disqualification for a two-bedroom unit, and the question of whether he continued to want to live at Hillside Village were discussed. Kathi added that Mr. Perdue was advised that as the property owner, the Housing Authority had rules and regulations by which it had to abide, and it had conformed to those requirements. Mary Alice said that a professional mold remediator had offered to donate time and labor to showcase the product that he used. That work was completed on March 6, 2012 in Mr. Perdue's and another unit. The remediator reported no presence of mold in the Perdues' master bedroom. However, a new area in the bathroom ceiling and at the back of the water heater closet was discovered that had not been detected earlier since the hot water heater closet was crammed with items, which was against the Occupancy Rules. Closer investigation revealed that a water leak had been occurring for quite some time that was producing mold and mildew. In order to fix the leak and repair the drywall, Mr. Perdue would have to vacate the unit, and the Housing Authority would demand that action. Another two-bedroom unit was available; Hillside Village staff would assist Mr. Perdue in moving to that apartment. If he chose not to move, he would be invited to leave the project. Under the USDA guidelines he would be required to permanently move into a one-bedroom apartment as soon as one became available, or, when

the lease expired in August, if no one-bedroom were available, he would have to leave the project. She noted that all of the units were inspected twice annually unless a unit had issues, then it was inspected more frequently. Rich said that if Mr. Perdue moved into the two-bedroom unit, it must be documented that no mold issues existed, and that he had been advised to maintain the heat at 70°. Mary Alice said that a notice of two violations for failure to keep the heat at 70° and for the presence of items in the water heater closet would likely be issued later this day. Hillside Village staff will be available to facilitate the moving process as much as possible.

FISH CREEK MOBILE HOME PARK

Mary Alice reported that a person was interested in placing a new mobile home on Lot 7, and #39 was replacing its single-wide with garage with a double-wide so upgrades were occurring. She said that the Fish Creek Committee met recently and discussed whether to proceed with the USDA loan grant application or whether to withdraw it; she recommended the latter. She noted that the Housing Authority had \$150,000 in the bank and could approach the project piecemeal, thereby remaining within the means of the Park and keeping rents low. Ed MacArthur would continue to assist with the project even if it were to be done in the ten zones within the Park. To afford the USDA grant loan would require an immediate 10% increase in rents and an annual increase thereafter. Permanently imbedding the City's loan had been discussed with City staff, and the response was to remove the interest and the community-owned timeline requirement and acknowledge the project's generation of \$32,000 annually for the Housing Authority and that it housed low-income people and was a high-order priority, so it might not be appropriate for resident-ownership because it supported the Housing Authority. If the USDA application were withdrawn, other funding sources could still be leveraged with rents and reserves.

Catherine thought that the resident-owner concept should not be addressed until the infrastructure had been upgraded. She considered a 10% rent increase to be a deal-breaker. Mary Alice noted that if the project were completed in stages, it would allow time for the City to run up-sized interceptor lines through the area, a project not slated to begin for at least five years. Kathi recommended withdrawing the USDA application because it was too hard to deal with. Mary Alice added that the USDA would not commit to confirming that the Housing Authority would even qualify for the loan due to the new census figures. Mary Alice will draft a request to modify the loan terms to eliminate the interest and the timeline deadline. Approval of that request will go before the City Council. Payback of the principal would begin in 2015. Nancy thought that the City should forgive the loan since the funds supported affordable housing and maintained the type of housing that went away with the Westland Park Mobile Home Park's demise from which the funds came. She stated that if the loan were to be repaid, the funds should go into the Community Housing Fund rather than the City's General Fund. Scott said that that was the intent.

John asked whether being a resident-owned community would be a selling point. Nancy thought that since a portion of the property was located in the floodplain and the majority of residents would likely never be able to qualify for a loan to buy their lots, resident-ownership was a poor idea. Mary Alice noted that the commitment to maintain the property as

affordable housing was the mission of the Housing Authority, and doing otherwise went against that mission.

By consensus, the Board directed Mary Alice to withdraw the USDA grant loan application.

FOX CREEK VILLAGE

Mary Alice said that the foreclosed unit went to CHFA. She thought that the Housing Authority should offer to purchase the property so as to keep all Fox Creek units deed-restricted and to acquire a property that could be income-producing as a rental or a resale. If CHFA retained ownership, the unit would be sold on the free market—probably to a second-home buyer. Rich asked whether any ongoing liability had been indicated. Mary Alice said that that had been discussed at the stakeholder meetings regarding the mold problems. The Housing Authority's attorney considered the risk minimal and the timeframe limited; considerable documentation would be required. The consensus at the meetings was not to attempt a settlement or any waiver. Drahota would be completing some exterior alterations and repairs; it appeared five entities would split the cost of the remediation analysis. Rich was concerned about the repairs to the subject unit being exorbitant. Mary Alice said that if a contract were entered into, the buyer would have the right to conduct inspections. She noted that CHFA's outstanding balance was approximately \$167,000; given the repairs needed, the Housing Authority should try to acquire the property for less than \$100,000, which could come from the General Fund or from loans from available local housing funds. The Housing Authority should consider acting on the acquisition soon because it would go on the open market in the near future. The unit would sell for what it was worth; the Housing Authority would be given no special consideration. If Kent and Johnny managed the repairs, the Housing Authority could potentially save money. Kristi was concerned about liability to the next homeowner if all of the problems were not solved, particularly if the Housing Authority bought the property and it had issues, it would create bad press for the Housing Authority. Mary Alice said that the buyer was responsible for inspections and would make a disclosure to the next buyer. She believed that all of the concerned parties were taking steps to solve the issues, which would also alleviate specific liability. Jenn said that a buyer was obligated to do due diligence and provide inspections. If the property were still purchased then the buyer has agreed to accept the property as-is. Mary Alice said that the first step would be to advise CHFA of the Housing Authority's interest in buying the unit. She would make that contact, then hold a New Projects Committee meeting to relate the information gleaned, which would determine the next steps. Nancy asked what the Housing Authority had committed to pay for costs associated with the mold issues in 2011 that would now be paid in 2012. Mary Alice explained that a person was hired by the Housing Authority, the City, and the homeowners' association to analyze the cause of the mold issues on a one-third each contribution basis of \$1,000 to \$1,500 estimate from each participant. Soon thereafter, a supplemental budget was approved by the Housing Authority Board. The cost was not included in the 2012 budget. At present, it appears five participants will share the cost. The other commitment made was to pay for the purchase and installation of two fans associated with the data collection that evaluated the functionality of those fans as a long term solution.

UPDATE OF THE STEAMBOAT SPRINGS AREA COMMUNITY PLAN

Mary Alice had not heard from the City or the County in regard to hosting a community workshop as part of the Community Plan update process. The public meeting might occur in April; she will keep the Board apprised. Nancy noted she will have more information on this after the March 14th APCC meeting.

TRANSITION UPDATE

Mary Alice said that she wished to retain Blue as an employee on the books so as to maintain access to the office and to have one contact person for Fish Creek. Blue would be uncompensated other than her lot rental and utilities, which was compensation for her being a Resident Manager at Fish Creek.

Nancy reported that the Executive Director applicants had been shortlisted to five candidates, four of whom were local. Interviews would occur on March 16th. The first round of interviews would include pre-developed questions for the candidates and an opportunity for candidates to ask questions. One person had already requested additional information about the Housing Authority.

EN RE: UPCOMING MONTHLY COMMITTEE MEETINGS

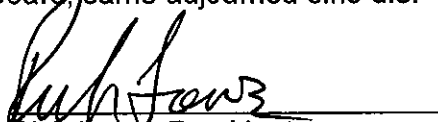
Dates and times for the next committee meetings were listed on this day's agenda.

EN RE: ADJOURNMENT

At 2:05 p.m., Kathi moved to adjourn the Housing Authority meeting. Trish seconded; the motion carried unanimously.

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


Dee Bolton, Minute Taker


Rich Lowe, President