

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
Special Meeting
April 28, 2015

Kathi Meyer, Yampa Valley Housing Authority Board President, called the special meeting of the Yampa Valley Housing Authority to order at 12:30 p.m.

Board members present included: Kathi Meyer, Doug Monger, Trish Sullivan, Scott Myller, Catherine Carson, Roger Ashton, Craig Malchow, Cole Hewitt and John St. Pierre.

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

EN RE: PUBLIC COMMENT

There was no public comment

EN RE: OPTION AGREEMENT FOR ASSIGNMENT AND ASSUMPTION OF LEASE

Ward explained that last week it was brought to his attention that the materials to be submitted in the tax credit application to CHFA must include evidence that Overland Property Group (OPG) has control of the property. He said that the document being considered is an agreement granting OPG an option to assume the lease, which includes an option to acquire the property. He said that he has reviewed the document and feels that it includes sufficient protections for YVHA. He recommended that the YVHA Board approve the agreement, in its current form. Ward noted that if the option is exercised, which can only occur if the tax credits are awarded in this round, OPG must simultaneously close on the acquisition of the property from the Bank of the San Juans and get YVHA released from its obligations to the bank. He added that OPG must close the purchase within 180 days of being awarded the tax credits.

Jason offered that the agreement is intended to allow only the scenario described in the letter of intent to occur. Ward said that in addition to YVHA's obligation to complete the deal, the agreement states that all of the financing, entitlements, tax credits and related documents must be in place in terms acceptable to YVHA and to OPG. Ward also noted that the agreement includes a strong "as is" clause regarding the conditions of the property. Ward stated that any obligation to move forward on the lease-purchase agreement in the interim is subject to appropriation. He stated that this ensures that YVHA is not committing anything to OPG that it has not already committed to the bank.

Ward stated that CHFA had requested one change to the agreement, which has been made, that would allow OPG to assign the lease-purchase agreement to a subsidiary (a special purpose entity) that would be created to take title of the property.

Jason reviewed the discussion that had been held with the bank. He said that he had argued that this deal is the best chance for all parties to get out from under this property, and that a \$200,000 reduction in value would allow the bank to collect \$0.90 on the \$1.00 while also improving YVHA's application with CHFA. The bank was not interested. There was a discussion of the bank's position.

Jason said that the applications that YVHA would be directly competing with for the tax credits are being submitted for projects in Buena Vista, Rifle, Glenwood Springs and Basalt. He said that he had collected a wide variety of letters of support. Ward said that if the OPG is not awarded the tax credits in this round they would consult with CHFA to determine if they should re-apply in the next cycle. Kathi explained that OPG had wanted the

agreement to be effective for two cycles, but that the bank wants to be able to review the proposal again if the tax credits are not awarded in this round.

MOTION

Doug moved to approve and to authorize the Chairman to sign the Option Agreement for Assignment and Assumption of Lease between YVAH, the OPG Land Development, LLC and the Bank of the San Juans, as presented. Catherine seconded the motion. **The motion carried unanimously, 9 – 0.**

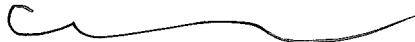
Kathi announced that Jason would be presenting the proposal to City Planning Commission on Thursday for a Conceptual Review. In response to a question from John regarding whether it is appropriate for YVHA to be presenting the project, since the project actually belongs to OPG. Jason said that he would be requesting three variances: one to allow multi-family housing on the site, and two variances regarding building specifications. He said he did not anticipate that any commitments regarding the project would be made at this meeting. Ward agreed that any commitments would have to be approved by the partnership. Doug clarified that that YVHA is asking for the entitlements, which would then be assigned to OPG if, and only if the tax credits are awarded. Kathi added that Jason would make it clear to Planning Commission that YVHA is the current lessee of the property, which would then be acquired by OPG under the lease-purchase agreement if the tax credits are awarded. Jason noted that it would be important to be able to state in the presentation to CHFA that the entitlements are in place that would allow the project, as presented, to be built on the site.

EN RE: ADJOURNMENT

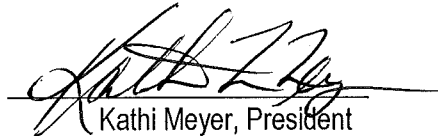
MOTION

Catherine moved to adjourn the special meeting of the Housing Authority. Doug seconded; the motion carried unanimously. The meeting was adjourned at 1:00 p.m.

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



Sarah Katherman, Minute Taker


Kathi Meyer, President