

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

April 9, 2015

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: Kathi Meyer, Trish Sullivan, Catherine Carson, Doug Monger, Scott Myller, Roger Ashton, John Spezia, Craig Melchow and Cole Hewitt. Dillon Fulcher and John St. Pierre were absent.

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

EN RE: PUBLIC COMMENT

There was no public comment

EN RE: LETTER OF INTENT BETWEEN OVERLAND PROPERTY GROUP AND YVHA

Ward stated that the letter of intent is a non-binding agreement that provides the outline for the final agreement between the developer, Overland Property Group (OPG), and YVHA. He stated that all of the comments received at the last review had been accepted by OPG and had been incorporated into the letter of intent, as presented in the meeting materials. Ward reviewed those changes. He said that the details of the arrangement would be spelled out if the tax credits are awarded. In response to a question from Catherine regarding a provision of the document pertaining to any cash flow generated by the project, Jason noted that YVHA is not entering into this project for its cash flow. He suggested that it was time to approve the non-binding letter of intent, noting that if the tax credits are approved, there will be many binding documents defining the details of the agreement.

MOTION

Scott moved to approve the letter of intent between OPG and YVHA and to authorize the executive Director to sign it, subject to a clarification of the cash flow provision included in the "Ownership" section of the letter of intent. Trish seconded the motion. **The motion carried unanimously.**

Kathi reported that the City and County had authorized a contribution of up to \$400,000 from the Housing Fund toward the project. Jason said that not only is the contribution a requirement of CHFA, but it demonstrates the community support for the development. Jason said that he had initiated discussion with the City regarding entitlements and had received the preliminary comments on the project by the Technical Advisory Committee (TAC). Planning Commission will review the proposal on April 30th; City Council will review it on May 18th. Jason said that through this process the Conditional Use would be approved and several variances would be vested that would allow the project to move toward a development plan fairly quickly. In response to a question from John, Jason said that the details regarding the community building and other aspects of the project would not be considered until after the tax credits had been awarded. The presentation of the project before CHFA will be in June, with the decision regarding the tax credits to come in July. Kathi noted that OPG is the applicant. Jason added that OPG had asked the Bank of the San Juans to write down the value of the property by \$200,000.

EN RE: FISH CREEK MOBILE HOME PARK INFRASTRUCTURE PROJECT

Jason stated that the engineers' estimate had been \$357,000 short compared to the bids received. He said that he has been working with the Colorado Water Resources and Power Development Authority (CWRPDA) to acquire additional funds. He said that he had sent all the financial information to the state, which confirmed that YVHA meets the state's underwriting standards and that it would recommend approval of additional funding. Jason

said that he was fairly confident that the CWRPDA Board would agree to fund the gap at their next meeting on April 23rd. Cole asked why the engineers' bids had been so off target. Jason responded that 1.5 years had elapsed between the estimate and the bid and suggested that any discounts lingering from the recession have disappeared. He said that there was no single issue that was responsible for the disparity. Jason noted that the principal forgiveness loan provides a cushion that will enable the project to move forward.

Jason reviewed a rough timeline for the infrastructure project. Catherine recommended that a schedule for the notification of residents should be added to the timeline. Jason reviewed the communication plan. Doug offered that YVHA should post public information updates on its website.

Kathi noted that a special meeting may need to be called to review and approve the additional loan.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of March 3 and March 12, 2015 minutes
- b. Review and approval of February 2015 financial statements

Catherine pulled the financials from the consent agenda.

MOTION

Cole moved to approve the minutes of March 3 and 12, 2015, as written. Roger seconded the motion.

The motion carried unanimously.

Regarding the financials, Catherine said that she wanted to point out for the new Board members the way that YVHA handles the reporting of principal and interest through a year-end adjustment. Doug suggested that it would be useful to review this on a monthly or quarterly basis. Following discussion, the Board agreed to leave the reporting as it is for now.

MOTION

Catherine moved to approve the February 2015 financial statements, as presented. Cole seconded the motion. **The motion carried unanimously.**

EN RE: UNCOLLECTIBLE RENT WRITE-OFF POLICY

Jason reviewed that YVHA does not have a firm policy regarding the write-off of uncollectible rents. He suggested that a policy would include the criteria for when past due amounts are determined to be uncollectible and how the write-off of the uncollectible amounts should occur. He noted that any policy should be designed to allow Kate to do her job. Jason suggested that one alternative would be to set an amount that Kate is allowed to write-off without approval, a higher amount that could be approved by Jason, with anything over that requiring approval by the Board. Doug disagreed with the proposed policy and offered that Board authorization should be required for all write-offs. He suggested that this would allow Kate to adjust rents or develop payment plans, but not to write anything off. Catherine noted that there are cases in which the write-off is \$10 or \$20. Doug offered that these could be added to the consent agenda. Kathi stated that \$2000 is included in the Hillside budget annually to cover uncollectibles; \$4000 is budgeted for Fish Creek. She stated her support for a tiered system through which staff could write-off a certain amount, perhaps accompanied by a monthly report to the Board. Craig suggested that staff be allowed to write-off any amount under \$100/unit per year. Catherine added that a cumulative amount for the year could also be set. Cole offered that this would amount to a slush fund. He suggested that Jason should have to sign-off on all write-offs. All write-offs will be reported to the Board on a monthly basis. The Board generally agreed with this policy.

In response to a question from Scott, Jason said that most uncollectible rents are the result of someone moving out and leaving damage or a past due amount greater than the security deposit. Doug directed Jason to write up the proposed policy for Board adoption at the next meeting. He said that he would not oppose the policy, but reiterated that he still believes the Board should have to approve all write-offs. Scott added that YVHA should do everything it can, including putting liens on properties, to collect amounts owed. Kathi stated that this is why it is important to define what is considered uncollectible.

EN RE: STAFF REPORTS

City Housing Policy

Jason said that he and City Planning Director Tyler Gibbs had met with the Chamber Resort Association Board to hear how the shortage of housing is affecting local businesses and to discuss what sort of housing policy the City should implement. He said that the goal is to inventory the community's needs in terms of seasonal housing, rental housing and for purchase units. Once the need is established, it can be used to develop goals for development and measures through which to incentivize that development. Figuring out a policy will also involve identifying the obstacles – large and small – that stand in the way of the desired development. Jason said that the moratorium will expire this summer. He offered that establishing a working group would be useful in gathering information and in adding some legitimacy to whatever policy is proposed.

There was a discussion of what might happen when the moratorium expires. Doug suggested that the YVHA Board should have a unified vision of what it wants a City housing policy to look like. Kathi offered that the topic could be added to the next agenda along with a review of the Strategic Plan to guide the discussion. Jason stated that it is important to define the gaps in the housing market in terms of who is in need of housing or is currently paying above their means. John suggested that creating a subcommittee to work on this issue might be appropriate.

Fox Creek Rental Policy

Jason told Craig and Roger that the Hillside Board is working on potential solutions, and will submit a letter with their proposal soon. Catherine reported that CJ Berg had called and asked to meet with her. Catherine said that she had recommended that they contact Roger or Craig and that the Hillside Board should draft a letter with comments on Jason's proposal. She also said that the units that have been foreclosed upon and no longer under deed restrictions may be some of the most significant offenders regarding the rental policy.

Meeting Room

Following a discussion of the meeting room, the Board decided to continue to meet in the current room until year end, when the BCC meeting room will once again be available.

Sierra View

Jason reported that the note on the Sierra View lots is due in July and that although he has been working on trying to restructure the loan, the bank has been unable to find comparables to support a value that will meet its underwriting standards. Kathi said the bank is asking YVHA to pay \$27,000 to bring the loan to value ratio down. She noted that there are no comparables because the lots are a duplex lot and 4-plex lot. The bank is valuing them as if they were single family lots. Kathi said that YVHA should consider what should be done with the lots in the long-term. Jason said that a one-year loan extension or restructure would allow YVHA to figure this out and to bring the financing into TABOR compliance. He noted that YVHA pays \$10,000 annually on the lots in debt service. The YVHA Board discussed possible alternatives, including paying the \$27,000 and putting the lots on the market if the loan cannot be extended.

Home Store

Jason reported that the store is fully staffed and is doing better.

Hillside Village Apartments

Jason reported that the situation raised by Scott Wedell at the last meeting regarding a tenant at Hillside had been resolved the day Kate returned from vacation. A new family is scheduled to move into the unit in a week.

Fish Creek Mobile Home Park

Catherine asked that Kate include the number of the unit when reporting on aging accounts. The reported settlement will be approved next month when the new write-off policy is in place.

EN RE: ADJOURNMENT

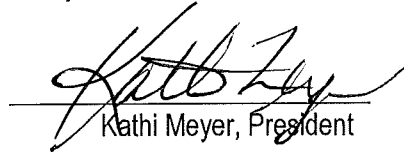
MOTION

Doug moved to adjourn the regular meeting of the Housing Authority. Catherine seconded; the motion carried unanimously. The meeting was adjourned at 2:00 p.m.

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



Sarah Katherman, Minute Taker



Kathi Meyer, President