

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
May 10, 2012

Rich Lowe, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12: 03 p.m.

Board members present: Nancy Stahoviak, Catherine Carson, Kristi Brown, Kathi Meyer, Trish Sullivan, Scott Myller, Squeak Melehes, and Johnny Sawyer.

Others present: Mary Alice Page-Allen, former Housing Authority Executive Director; George Krawzoff, Yampa Valley Housing Authority Executive Director; John Merrill, County Attorney, and Erick Knaus, Assistant County Attorney. Dee Bolton recorded the meeting and prepared the minutes.

EN RE: RECOGNITION

DEPARTURE OF THE HOUSING AUTHORITY EXECUTIVE DIRECTOR

Rich thanked Mary Alice for her service with the Housing Authority. He stated that she began working with the Housing Authority as a Board member. When the Housing Authority was transitioning, Mary Alice assumed the role of Manager, put the organization in order, and became its Executive Director. He said that he was grateful for her efforts. He asked that the City and the County representatives on the Board speak to Mary Alice's tenure with the Housing Authority.

Nancy said that long-time Board members realized from whence Mary Alice had brought the organization, which everyone appreciated. Scott said that at the time that he became a Housing Authority Board member, the City had wanted to dissolve the Housing Authority. Due to Mary Alice's organizational skills and Scott's reports to the City, that sentiment had been reversed. He thanked Mary Alice for her work. George thanked Mary Alice for her support and patience as he assumed the Housing Authority's Directorship. Catherine said that she appreciated the way in which Mary Alice had organized the financial statements, steered the Housing Authority to clean annual audits, and brought the Housing Authority through difficult times. Kathi said that the Housing Authority had a Board that held monthly meetings and committee meetings, but the main thrust of the organization was to help people. Mary Alice understood that mission and did all in her power to ensure that the Housing Authority's programs were in good order with candid honesty.

On behalf of the Housing Authority Board, Rich presented Mary Alice with a gift of appreciation for her service to the organization.

Mary Alice thanked the Board members for the gift and stated that she was available to answer questions or give an opinion whenever needed.

EN RE: PUBLIC COMMENT

Rich called for public comment. None was forthcoming. Rich closed public comment.

EN RE: REVIEW OF PUBLIC OFFICIALS' ETHICS AND ROLES / JOHN MERRILL AND ERICK KNAUS

Mr. Merrill stated that the last time he had reviewed the public officials' ethics and roles was in 2009. His purpose this day was to make Board members aware of issues that arose in relation to local public bodies, which were subject to many rules that businesses were not. He provided each Board member with a pamphlet that explained the legal status of the Housing Authority, the Intergovernmental Agreement between the City of Steamboat Springs and the County, and the Housing Authority's by-laws. He then detailed the stipulations of the Open Meetings Law, the Conflict of Interest rules, the permissible executive session topics, and the Public Records Law. Points of note that particularly pertained to Housing Authority Board members were the map that established the boundaries of the multi-jurisdictional Housing Authority, excluding Milner; that the Housing Authority's actions were primarily legislative and administrative acts and rarely of a quasi-judicial nature, which applied rules in relation to established facts; that the Sunshine Act was statutory and required the description of the locations for posting of notices for Housing Authority meetings; that meetings had to be posted 24 hours prior to a meeting; that as a public body, every meeting had to begin in open session and a motion had to be made with the reason stated in the motion before entering an executive session; that a quorum was necessary to conduct an official meeting and minutes must be taken and available for public inspection in perpetuity, except when an executive session was to discuss legal matters with the organization's attorney, and that the law applied to recordings as well, if made; that after an executive session, the Chair must declare that no formal actions were taken or other items discussed during the executive session; that a record must be kept with the minutes notebook of the certification of each executive session's topic and signed by the Chair; that an individual acting for a group was a public employee or official and as such could not accept a gift worth \$50 or more, a loan, or compensation exceeding market rate, or it would be a violation of the public trust; that the public had a right, without having to state a reason, to read a public body's records unless harm to the public interest would be created, and the custodian of those records was responsible for responding within 72 hours of receipt of a request or provide the grounds on which the request would be declined; that it was better to err on the side of disclosure in regard to open meetings; that a court order could be sought if the custodian were unsure whether a document need not be disclosed

Catherine asked whether minutes had to be taken for committee meetings. Mr. Merrill said that they did if a quorum of committee members were present. Mary Alice said that committee meetings had always been treated as work sessions so minutes had not been taken; the exception was the Loan Committee, which voted to approve loan applications. Mr. Merrill said that that was a common practice. A public meeting was to discuss public business and required a quorum. If the public were allowed to attend a meeting but no formal action was taken, that should satisfy the statute.

Mr. Knaus noted that, in regard to the definition of a public meeting, electronic communications were a significant pitfall. Mr. Merrill said that a public body could not hold a meeting electronically or by proxy. If an issue arose for which a decision was needed but there was no time to post a notice and hold a special meeting and someone such as an attorney sought a decision from each member immediately, that constituted a meeting by proxy. George asked whether sending important information to Board members was

permissible. Mr. Merrill replied that that would be acceptable if the information were to be discussed at a later meeting, but information could not be sent on which a decision would be made without a public meeting. For example, sending financial statements to Board members was allowable because those statements would be approved at a meeting.

George noted that the Housing Authority's insurance carrier had a video that pertained to public bodies that was available for Board viewing.

Scott noted that the information provided in the handout pertaining to the City was not current information.

Rich thanked Mr. Merrill and Mr. Knaus for their time and information.

Mary Alice , Mr. Merrill, and Mr. Knaus exited the meeting at this time.

EN RE: PUBLIC HEARING

2012 SUPPLEMENTAL BUDGET

Rich stated that since no public was present, this item need not be discussed as a public hearing agenda item.

EN RE: CONSENT AGENDA

The following items were presented for approval and signing on the consent agenda:

1. The minutes of the Housing Authority's Board meeting of April 12, 2012, and
2. Resolution to adopt a supplemental budget.

Rich asked whether anyone wished to remove for discussion any of the items on the consent agenda. Catherine requested that Item b, Resolution to adopt a supplemental budget, be removed for further discussion.

Nancy noted that the March financial statements were included in this day's agenda packet but were not included as a consent agenda item. By consensus, the Board agreed that the March financial statements will be agendized for consideration and approval at the June Board meeting.

MOTION

Nancy moved to approve and authorize the President to sign the remaining document pertinent to the consent agenda, specifically the April 12, 2012 Housing Authority Board meeting minutes. Kathi seconded; the motion carried unanimously.

In regard to Item b, several Board members had questions about the specific purpose of the supplemental budget.

Rich said that the Fox Creek unit was to be analyzed for damage. The cost of that analysis would be shared with the City, Central Park Management, the developer, and the Housing Authority, which was what the supplemental budget was for. Nancy said that the supplemental budget resolution included the acquisition of Fox Creek Unit 5.1A and the improvements to the unit. She thought that the resolution was premature, and the purchase of the unit required more discussion.

Rich noted that the Board should have an actual invoice that specified the repairs to be made to the unit.

MOTION

Squeak moved to table consent agenda Item b, adoption and signing of a resolution to adopt a supplemental budget for 2012, until additional information had been obtained. Johnny seconded; the motion carried unanimously.

EN RE: UPDATE ON FOX CREEK UNIT 5.1A

Rich said that the loan application deadline for the purchase of the Fox Creek unit was April 16th. The deadline could have been extended to May 9, 2012 but was not. George had met with the City's Finance Director, who had discouraged moving forward with the purchase since she did not think that funds would be available from the City. She had also said that it was unnecessary to save the deed restriction, since the unit was the least desirable location within the complex and the price would not change with or without a deed restriction.

Rich said that the Housing Authority no longer had a contract to purchase unit 5.1A and also had the Elk River property issue that entailed a \$500,000 deficit with the bank if the property was sold at the current asking price. He was uncomfortable purchasing the Fox Creek unit, and, unless the City partnered with the Housing Authority and fronted 85% of the purchase, he thought that the Housing Authority should not borrow additional funds. He would feel differently if monies were granted for the purchase. Then he would recommend the purchase of the unit to retain the deed restriction. Squeak agreed and added that the Housing Authority had to be prepared for the loss that it would take on the Elk River property.

Catherine noted that currently other properties were for sale at good prices. She thought that the Fox Creek purchase was an opportunity to buy a distressed property and leverage additional funds from the City.

Nancy said that the Board had yet to discuss the acquisition of distressed properties in general. At present, the question was whether the Fox Creek unit was the right investment available. She thought that the approach should be that if, for example, \$100,000 of funding were available from the City and/or County to purchase a distressed unit, one unit could be purchased outright, then funds from the could be used assist in the purchase other distressed units. She noted there was more than \$250,000 in an affordable housing fund set up by the City and County in 2003 that had not been used in a while. She explained that the fund was started in response to an action item in the West of Steamboat Plan, which was currently not a viable plan given the defeat of the vote on the Steamboat 700 annexation. She asserted that that money should be granted to the Housing Authority to close out the joint City/County

Affordable Housing Fund since the City now had the Community Housing Fund in connection with their inclusionary zoning ordinance. If the City did not agree, she was willing to ask the County to cancel its Intergovernmental Agreement with the City regarding the Affordable Housing Fund and donate its half to the Housing Authority so that the money would be put to use. She suggested that a packet of information and a formal proposal be submitted to the City to request that \$250,000+ from the fund be granted to the Housing Authority. She thought that with the City's Affordable Housing Fund, perhaps that other fund might not be necessary and could be used to benefit the community. Scott supported Nancy's statements and said that he would be willing to go with George to meet with Deb Hinsvark to explore that concept.

George said that it was important to be clear about the vacancy factor. The pro forma was based on 9% vacancy, per the market. If the Housing Authority took possession on July 1, 2012, then the repairs were completed, there were potentially three months of vacancy, which negated the pro forma. He stated that if the unit were seasonally rented, the Board had to accept the vacancy potential.

Kathi did not believe that the property was the best deal for the Housing Authority, but she did believe that the Housing Authority had the opportunity, given the current market, to use funds to create a revenue stream for the Housing Authority. She thought that a financing commitment should be in place, then the units available should be explored to find the best unit possible.

Kristi thought that the Housing Authority should not overpay for the Fox Creek unit simply to preserve the deed restriction.

Nancy thought that the overall goal was to try to meet the need for affordable rentals. If that were true, identification of possible properties that would best meet that need should be considered. She thought that the City and County should be asked to give the fund that was not being used to the Housing Authority, then perhaps two distressed units could be purchased to start moving toward the goal of providing affordable rental opportunities to the community.

Johnny suggested that the New Projects Committee begin looking at the options available for purchase by the Housing Authority.

Squeak asked whether the Elk River property could be a mobile home park. Catherine posited that it could begin that way and gradually become stick-built or modular. She thought that possible options could be explored then, with better information, the City could be approached for funding. Scott thought that zoning might be an issue because a mobile home park might not be a good use of the property.

Rich summarized the discussion by saying that better information would be obtained, then a meeting with the City could be scheduled. The priority at present was to get the earnest money for the Fox Creek unit from Colorado Group Realty.

Nancy said that the New Projects Committee should check the availability of distressed properties since the acquisition of affordable rental units was stipulated in the Strategic Plan. It would make sense if the \$250,000 in grant funds could be obtained from the City and the

County to start that program. She explained that the fund was begun in 2003 and borrowed by the West End Village project, paid back, then borrowed by the Fox Creek project and paid back. The funds were used up-front as project development monies then paid back as the project's units were sold. It was based on compliance with an incentive matrix that no longer existed. The City/County joint agreement did not stipulate that the fund had to be used solely for loans; rather, the monies had to be used for affordable housing projects. Each party in the agreement had the option to terminate the agreement with notice. Then too, the City had an affordable housing fund, and the County had a means by which a portion of Building Department fees and use tax could be used for affordable housing projects. She thought that a proposal for the Housing Authority's intentions for that money should be developed to present to the City and the availability of units should be researched.

The Board directed George to try to recoup the \$2,000 earnest money.

EN RE: YAMPA VALLEY HOUSING AUTHORITY STAFF REPORTS

HILLSIDE VILLAGE

George reported that Hillside Village had 100% occupancy, except for the units being renovated.

FISH CREEK MOBILE HOME PARK

George stated that Blue had undergone surgery for a non work related injury and was recuperating.

FOX CREEK VILLAGE

George said that Fox Creek and deed restrictions had already been discussed this day.

DOWN-PAYMENT ASSISTANCE

George reported that a party was no longer interested in purchasing the unit that he had discussed previously with the Housing Authority. Catherine requested that the phrase be changed to 'Down-Payment Loan Program'.

DATABASE

George said that he understood how it worked, but he had yet to work with it. In summary, he was still learning about that, the down-payment loan program, and home-buyers' education.

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 2:10 p.m., Kristi moved to adjourn the Housing Authority meeting. Scott seconded; the motion carried unanimously.

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


Dee Bolton, Minute Taker


Rich Lowe, President