

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
August 14, 2014

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

Others present included: Byrne Powers, resident of Fish Creek Mobile Home Park, Jason Peasley, Yampa Valley Housing Authority Executive Director and City Council Member Tony Connell. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

Mr. Byrne Powers, resident of Fish Creek Mobile Home Park unit #44, stated that he had been in his home for about a year. He said that dealing with the management of the park has been frustrating and that Kate Totos had not gotten back to him until after he had called several times. He expressed concern regarding several issues at the park including the fence between his unit and the Botanic Park and the large puddle that does not properly drain in front of his house. Mr. Powers also said that he has had many problems with employees of the Botanic Park parking their cars in the mobile home park. He said that he had spoken with Jason regarding this issue and while the situation has improved, Bob Enever and other Botanic Park board members continue to park there. Mr. Powers said that another major concern is the use of the mobile home park for parking of catering trucks, tent trucks and attendees of special events that are held at Trillium House and the Botanic Park. He said that the response of the Botanic Park staff has been only to notify him when events are scheduled. He said that this was not a sufficient response. Kathi stated that she would have Jason contact the City, the Botanic Park and Kate to try to resolve the parking issue.

Mr. Powers suggested that YVHA is not doing proper vetting of residents of the mobile home park, and cited examples at units #42 and #45. He expressed concern regarding how some residents were being treated by the owners of the units. He stated that some owners own other property in town, and others are charging exorbitant rents. Jason said that he would look into these issues. Mr. Powers left the meeting.

Regarding Mr. Powers' comments, Jason said that the Botanic Park has an access easement through Fish Creek Mobile Home Park. The Board discussed the need for signage in the park. Catherine suggested that the Board should look into the "owner-carry" arrangements that may be causing hardship to tenants. Kathi stated that the all they can do is enforce the existing rules.

EN RE: RESOLUTION 2014-003 – SECOND SUPPLEMENTAL BUDGET

Jason reviewed the proposed supplemental budget that would permit the expenditure of up to \$10,000 for engineering services for the Fish Creek infrastructure project to satisfy the requirements of the Colorado Department of Public Health and the Environment (CDPHE). In response to a question from Doug, Jason said that approximately \$2,000 of this money has already been spent, and that everything is now in place for the grant hearing with the Water and Power Authority next week.

MOTION

Scott moved to adopt the Second Supplemental Budget Amendment: Resolution 2014-003, as presented. Doug seconded; **the motion carried unanimously.**

EN RE: UPDATE OF FISH CREEK MOBILE HOME PARK PROJECT

Jason reported that YVHA is on track to receive a \$500,000 principle forgiveness grant from the Water and Power Authority. He said that the official notification for the award will be made next week and that the grant would cover approximately one half of the cost of the project. He said that a condition of the grant would be that YVHA establish and maintain a 3-month reserve fund (approximately \$30,000) for operating and maintenance costs.

Jason reported that the loan documents for the Alpine Bank loan had been received. He stated that Bob Weiss is reviewing the documents and that the amended City loan agreement was approved last week. The amended loan will be 0% interest for the first 5 years and 1.5% interest for the remaining 25 years. He said this will really help the cash flow of the park.

Jason said that the application for Water & Power Authority funding for the waste water portion of the project is due September 15th, with the decision to be made in December. He said that the funding would most likely be in the form of a loan, as the pool of money available for principle forgiveness on this part of the project is much smaller.

In response to a question from Kristi, Jason reviewed that the source of the loan from the City was the sale of the right-of-way through the former mobile home park. The funds are restricted for use on affordable housing. Doug offered that the restriction was not mandatory, but suggested that the City has a moral obligation to use the funds for housing. Kathi stated that the City Finance Director had said that from a GAP perspective, the funds are restricted. Catherine agreed, and thanked all those who helped to accomplish the deal with the City.

Rich asked about the term of the commitment from Alpine Bank. Kathi said that the commitment term letter should probably be extended. Catherine suggested that the public should be informed of the partnership between YVHA, the City, the Water & Power Authority and Alpine Bank that has enabled the infrastructure project to move forward. Jason said that the only outstanding risk is the accuracy of the bids, even though every effort has been made to be conservative. There was discussion of the bidding and estimating process. In response to a question from Johnny, Jason said that he was not certain where the pressure reduction valve would be located, but that there would be only one for the whole project since there is only one meter.

EN RE: ADOPTION OF THE 2014 YVHA STRATEGIC PLAN

Jason said that he had incorporated the suggestions provided at the last meeting into the current draft, noting that the plan should not be too specific because things change and the plan should be flexible.

Catherine asked about bringing Sierra View into TABOR compliance. Jason said that he and Kathi had met with representatives of Centennial Bank, who had suggested converting the loan to a series of one-year loans with a side agreement regarding the interest rate. He said that Bob Weiss had agreed that this would be a cost-effective solution to the problem. Jason suggested that this arrangement would give YVHA a five-year window to consider the options for the properties.

Kathi noted that Centennial Bank area president had been very welcoming and had offered to work with YVHA on future projects.

Regarding the strategic plan, Rich suggested changing "create new affordable *homes*" to "created new affordable *housing*." Kristi corrected a typographic error in the last sentence of the plan.

MOTION

Rich moved to approve Resolution 2014-004 adopting the 2014 update to the YVHA Strategic Plan, with the two amendments. Kristi seconded the motion. **The motion carried unanimously.**

EN RE: UPDATE ON TRANSFER OF HABITAT FOR HUMANITY ASSETS

Kathi stepped down from this item. Rich assumed the chairmanship.

Jason reviewed the previous discussions regarding the assumption of Habitat for Humanity's assets. He said the majority of the assets are mortgages, which would provide YVHA with \$20,000 - \$30,000 annually in additional revenues. He said that Sandy, the accountant for both organizations, would handle all the necessary reporting. Jason said that evaluating the opportunity presented by the acquisition of the ReStore is somewhat more complicated. He said that they are still evaluating the total costs associated with operating the business, which could be developed into an additional source of funding for YVHA. In response to a question from John, Kathi said the ReStore has an annual cash flow of approximately \$16,000. Catherine suggested renaming the business "HomeStore." Rich noted some controls would be needed to monitor the business, which is operated on a cash basis with no inventory accounting. Jason reported on his discussions with the current ReStore manager. He suggested that the limiting factor on growing the operation would be space. He noted that there is one year remaining on the current lease, which would allow YVHA to explore other locations.

Kathi reported that the lot owned by Habitat for Humanity in Oak Creek had sold. Jason said he would be working on a memorandum of understanding for the transfer of assets with Jill Brabec. Kathi said that Habitat has informed all interested parties of the dissolution of the organization and would be making a public announcement within the next month or two.

Doug suggested that the Board should consider establishing an enterprise fund for the ReStore and should discuss how the new revenue should be used. Scott asked how the ReStore fits into the Strategic Plan. Jason offered that the store would enable YVHA to move toward financial sustainability and Rich noted that furnishings are an important part of affordable housing. Johnny offered that it would also provide a good venue through which to inform the community about YVHA and what it does. In response to a question from Catherine, Kathi said that one or two Habitat for Humanity board members were likely to join the YVHA Board. Tony Connell suggested establishing a clear link between the store and the strategic goals of YVHA to avoid the perception that the store is in competition with local privately-owned consignment stores. Kathi noted that none of the local consignment stores handle appliances.

EN RE: DRAKE REAL ESTATE OFFER FOR THE ELK RIVER VILLAGE PROPERTY

Jason reviewed the history of Drake's previous below-market offers for the property and noted that the current offer is for \$1.1 million, which is somewhat closer the current value of the property. He said that he had discussed the offer with Greg Dixson from First National Bank of the Rockies, who said that he could not respond to the offer because the bank is in the process of being acquired by Glacier Bancorp, Inc. Kathi suggested that a response from the bank is needed before any discussion by the Board is merited. Doug offered that Drake cannot really make an offer to YVHA, as the bank actually owns the property. Catherine suggested that YVHA continue to

make lease payments on the property and continue the Elk River Village discussion when the Fish Creek project is complete. Jason said that YVHA could accept the offer if it was able to make up the balance owed to the bank.

MOTION

Doug moved to decline the offer from Drake Real Estate Services to purchase the Elk River Village property and inform Drake that any offers for the property should be discussed with First National Bank of the Rockies. Catherine seconded the motion.

Under discussion Rich suggested that the motion should include a provision explaining to Drake that due to the lease purchase agreement they really need to discuss any offer with First National Bank of the Rockies. The friendly amendment was accepted, as indicated above. Kathi said that YVHA could not afford to accept the offer; it is a financial decision, not a legal one. Tony Connell suggested that Drake is making the offer to YVHA because the lease purchase agreement eliminates the opportunity for a short sale. Kathi said that bank has not been willing to do a short sale. Kristi suggested that having received an offer that is close to market value, it would be worthwhile to revisit the short sale possibility with the bank. The most recent appraisal came in at \$1.5 million several years ago. John stated that instead of declining the offer, he would prefer to tell Drake that YVHA is waiting to hear from the bank. Doug reiterated his motion to decline the offer.

The motion carried 7 – 1, with the Chair voting yes.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of July 10, 2014 minutes
- b. Review and approval of June 2014 financial statements

MOTION

Catherine moved to approve the consent agenda. Rich seconded; **the motion 6 – 0, with Kristi and Scott abstaining.**

EN RE: STAFF REPORT

City Housing Policy

Jason stated that he had met with City Planning Director Tyler Gibbs last week, noting that 11 months remains on the current moratorium of the City Housing Ordinance. He said that they are engaging the Chamber and local business owners regarding the impact of the local housing market on businesses. Jason stated that the politically palatable solution would be to make some changes to the zoning code that would make private development of affordable housing more attractive. He said that he was developing a team to study what the obstacles really are to the development of affordable housing. The Board discussed the potential role of YVHA to steer development toward affordable projects. Kathi suggested that changes to the zoning code or standards would not be sufficient to attract developers to low-end projects. She said that this has been tried before, and noted the very high profit margins at the high end of the market.

The Board discussed the obstacles to affordable development. Tony offered that the abnormally slow process of gaining entitlements and the associated risk is a major obstacle. John suggested there was no point in making changes to the code unless it is sufficient to address the real gap. He offered that land cost is the major issue. Jason offered that potential changes need to be evaluated for today's market and to provide current

information to City Council. Catherine agreed that data is needed to confirm that certain types of incentives or changes will or will not work in the current environment.

Hillside Village

Jason referred to Kate's memo.

Fish Creek Mobile Home Park

Catherine noted the letter that had been submitted with suggestions to improve the park. She stated her support for the addition of speed bumps, a cluster box for mail delivery and a bus shelter. Jason said he would speak with City regarding signage, a bus shelter and traffic calming. He said he would discuss the cluster box with the postmaster, adding that it would not be difficult to incorporate the required pad into the infrastructure plan. Jason said he would also discuss the conflict with the Botanic Park with Gayle, the Botanic Park manager.

Future Discussions

Jason stated that the assumption of the Habitat for Humanity assets would be the major discussion item for next month. John asked if the new revenue from these assets would prompt the City and County to reduce their funding for YVHA. Scott noted that one of the goals of the organization is to work toward financial sustainability.

EN RE: UPCOMING COMMITTEE MEETINGS

Johnny suggested that the committees should plan to meet to discuss the potential for raising the profile of the YVHA through events. Jason agreed that a PR committee meeting was needed.

EN RE: ADJOURNMENT

Kristi moved to adjourn the regular meeting of the Housing Authority. Johnny 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