

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
September 10, 2015

Kathi Meyer, Yampa Valley Housing Authority Board President, called the regular monthly meeting of the Yampa Valley Housing Authority to order at 12:05 p.m.

Board members present included: Kathi Meyer, Catherine Carson, Scott Myller, Roger Ashton, John Spezia, Cole Hewitt and Dillon Fulcher. John St. Pierre joined the meeting in progress. Trish Sullivan, Craig Melchow and Doug Monger were absent.

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

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: YVHA STRATEGIC PLAN

Jason summarized the progress made at the Board retreat toward the development of a strategic plan. He reviewed a statement of the vision, noting that it is not the same as the mission statement of the organization. He reviewed the list of goals and stated that the next steps in the process are to identify specific tasks associated with each of the goals, to assign those tasks to individuals and to set target dates for their completion. Jason referred to a worksheet in the fact packet.

- Goal 1: Invest in our existing affordable housing communities

Catherine suggested that an additional task under this goal would be to establish a plan for enforcing resident occupancy at Fish Creek Home Park (FC). Kathi offered that this would fall under the tenant management plan. Roger asked why this is a goal if it is what YVHA is already doing. Jason noted that three years ago FC was on the verge of collapse, and Scott noted that investment in the FC property can only really begin once the infrastructure project is complete. Kathi noted the importance of preserving and protecting existing assets. The Hillside Village Apartments (HS) CIP is due to be completed next week by the HS Committee, and the tenant management plan due date was set for January 1, 2016. Jason, Kate, Scott and the HS Committee were assigned to these tasks. For FC, both tasks were assigned to Jason, Kate and the FC Committee, with a due date of March 31, 2016.

There was a discussion of ways to encourage FC tenants to improve their properties and to combat the perception that FC is a slum. Jason noted that there is a vacant space in FC and YVHA could explore options for how to install a residence with a foundation on that lot.

- Goal 2: Down Payment Assistance Loan program evaluation

Cole stated that he had done some work on this already. He proposed discussing the issue with the Executive Committee prior to presenting it to the full Board. A due date of October 31, 2015 was set.

- Goal 3: Monitor the LIHTC project at the Elk River parcel

Jason stated that the task list for this goal must be completed prior to starting construction in the spring. He said that Overland is putting together investor package, which will be reviewed by YVHA prior to release. In response to a question from John St. Pierre, Jason said that YVHA would plan to pay the 2016 lease purchase payment, although it will probably be reimbursed when Overland takes ownership of the land. There was a discussion of Jason's role in steering the project through the planning process. Jason offered that YVHA will be able to claim credit for the project's success, but would also be blamed for any

bad outcomes. Jason suggested that hiring an owner's representative to monitor and inspect the construction would be in both YVHA's and Overland's best interest. Jason will assume responsibility for the other tasks and will keep the Board informed.

- Goal 4: Expand educational programs

Jason offered that the gaps in the knowledge of housing seekers must be identified in order to build programs to address the community's need. John St. Pierre suggested holding a work session with bank reps, mortgage lenders, realtors, etc. to identify the needs. Cole discussed partnering with YPN, the Economic Development Council, etc. A working group of Cole, Roger, Dillon, John St. Pierre and Jason was assigned to these tasks, with a completion due date of March 31, 2016.

- Goal 5: Expand marketing/PR/online offerings

Roger said that he would work on the design, content and navigation tools for the website. Kathi noted that \$3,000 is included in the budget for this process. She recommended using Ashley with *Insite* as a consultant on the technology. There was a discussion of using the website as a vehicle to deliver marketing and the community plan. Roger agreed to Chair the Marketing Committee, which will also include John Spezia, Trish and Jason. No due date was determined.

The task of elevating housing to a top priority within the community was added to Goal 5.

- Goal 6: Housing Policy Advocacy

These tasks were redistributed to Goals 5 and 7.

- Goal 7: Build partnerships with City, County, developers and other organizations and housing professionals

Catherine offered that looking for opportunities to leverage money and skills should be added to the task list for this goal. Jason and the entire Board are responsible for these on-going tasks. Contributing to the City's housing policy discussion was added to this list, as was serving as advocate for affordable housing residents.

- Goal 8: Staffing/Financial Redundancy

Jason reviewed the two aspects of this goal. He said that he would work on developing a procedures manual for each position to help insulate against staff turnover. He added that property manager cross-training can be done when the Reserves property is staffed. There was a discussion of possible housing for the Reserves property manager. Jason said he would assume responsibility for these tasks.

EN RE: 2016 BUDGET WORKSHOP

Jason reviewed YVHA's fund accounting and how the five funds correspond to the different functions of the organization. He noted that the staffing expenses for the organization are spread across the funds, as detailed in the staff report. Catherine noted that the Finance Committee will need to review how the cash flow from the Habitat for Humanity mortgages is handled, as that revenue source is not permanent.

Regarding the General Fund, Jason said that he is assuming that the \$50,000 payment on the Elk River parcel would be paid in 2016 and then reimbursed. In response to a question from Scott, Kathi stated that the YVHA balance sheet would reflect the change in assets as Habitat mortgages are paid off, but the income would be recognized in the General Fund as it comes in. Jason added that the mortgage income allows YVHA to request reduced contributions from the City and County. Roger suggested that YVHA budget for cyclical computer replacement. The Board agreed that technology replacement should be added to the budget.

Kathi reviewed that \$60,000 from the General Fund is transferred to the Development Fund for the payments on the Elk River property and the Sierra View lots. Jason said that the Board will need to address the future of the Sierra View lots.

Jason stated that the HS Fund is heavily regulated by the USDA which subsidizes rents at HS through an income-based formula. This fund contributes \$400,000 to the General Fund, conservatively discounted by \$30,000 for vacancies. Jason noted that the vacancy loss is generally much less than this, and is limited to the time it takes to ready units for re-occupancy and to remodel one unit at a time. He noted that the HS fund is projected to lose \$56,000 in 2016 because there is an excess of cash that will be spent on capital improvements. Kathi noted that the format of the budget is directly related to the worksheet required by the USDA.

Jason reported that the Home Store was closed.

Jason said that the rents at FC would be increased slightly in 2016, after the infrastructure project is finished. He noted that YVHA has four loans on the property: two 0% loans with the Water and Power Authority, one 0% loan with City (scheduled to increase to 1.5% in three years) and a 4% loan with Alpine Bank. Jason said that FC would net \$25,000 next year, with another \$10,000 transferred to reserves. He offered that FC will soon be on firm footing as a self-sustaining property.

Regarding the Down Payment Assistance Fund, Jason stated that there is a percentage-based expense on the administration of the loans. He said that YVHA periodically receives repayments. There is currently about \$300,000 in the fund. Jason offered that the money could be put to beneficial use.

Jason noted the spreadsheet detailing the 2015 and projected 2016 staffing expenses by position. He noted that the cost of living increase for 2016 is only 1.0%. He reviewed the breakdown of the salary increases and bonuses awarded last year which totaled 4% and added that employees also receive a monthly benefit stipend. He said that another 4% increase is projected, which would include performance bonuses and a retirement benefit. Jason noted that YVHA is generally behind other comparable organizations in the community regarding employee benefits. Catherine offered that in order to retain quality employees and behave honorably, YVHA should increase its benefits, beginning with a matching retirement benefit. Kathi expressed concern with budgeting for performance bonuses. She suggested such bonuses should be awarded at year-end, based on the availability of unallocated funds. Catherine and Cole stated that all projected possible cash flows, even if they are not commitments, should be included in the budget. Jason reviewed the extraordinary accomplishments of staff in 2014. He said he would like to have the authority to provide incentives to his employees within a defined structure. He reviewed the process through which individual retirement accounts would be set up. There was a general discussion of merit-based bonuses versus tenure-based pay increases. Kathi noted that including the performance bonuses, the cost of living increase, the retirement benefit and the executive assistant, the projected increase in employment compensation costs would be 7% over 2016.

Kathi noted that both a public hearing and an adoption hearing on the budget would need to be scheduled prior to December 15th, when the budget must be filed.

Jason reviewed the proposed half-time executive assistant position and explained how an additional staff member would allow him to do more of the tasks outlined in the strategic plan. Following discussion, the majority of the Board stated their support for the new position. Kathi noted that Doug might need to be convinced of the need.

Dillon and Cole left the meeting.

EN RE: IRON HORSE

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Jason reviewed that the City is currently evaluating two proposals for the Iron Horse. He asked how, if at all, YVHA should participate in the discussion about the future of the property. Catherine offered that YVHA should reach out to the City and offer to help in whatever way it can. Kathi suggested that doing this without having some idea of what YVHA could do would not be helpful. John St. Pierre expressed concern for the families living there, noting that some are City employees. Scott stated that he has had to recuse himself from the consideration of the proposals, but offered that neither one would put the property to its highest and best use. He stated that it would cost the City \$1.5 million to fix up the property, and the offer is for significantly more than the appraised value. Kathi reviewed how YVHA had assisted with negotiating the relocation of the residents of Westlands Mobile Home Park. Jason expressed concern with YVHA inserting itself into a no-win situation. John St. Pierre suggested that YVHA could make a recommendation to City Council that the property remain as housing in order not to reduce the already limited stock. The Board agreed with this position.

EN RE: FISH CREEK MOBILE HOME PARK INFRASTRUCTURE REPLACEMENT PROJECT

See staff report.

EN RE: ELK RIVER VILLAGE LIHTC PROJECT UPDATE

See staff report

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of July 9 and August 24, 2015 minutes
- b. Review and approval of balance write-offs for June and July 2015
- c. Review and approval of June 2015 financial statements
- d. Review and approval of July 2015 financial statements

MOTION


John St. Pierre moved to approve the consent agenda, as presented. John Spezia seconded the motion. **The motion carried unanimously.**

EN RE: ADJOURNMENT


MOTION

John St. Pierre moved to adjourn the regular meeting of the Housing Authority. John Spezia seconded; the motion carried unanimously. The meeting was adjourned at 2:45 p.m.

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



Sarah Katherman, Minute Taker



Kathi Meyer, President