

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
September 13, 2012

Rich Lowe, 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: Catherine Carson, Kathi Meyer, Scott Myller, Johnny Sawyer, Kristi Brown and John Spezia.

Others present: Scott Wedel, citizen, and Tyler Gibbs, Steamboat Springs Planning Director. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

Mr. Scott Wedel stated that he has concerns regarding the procedures followed at the July 12, 2012 YVHA meeting at which George Krawzoff was fired. He said that he also had concerns regarding the public record of how the termination was handled. Mr. Wedel stated that the YVHA Board's memo dated August 9, 2012 mentions that a severance package had been offered and that Mr. Krawzoff had resigned, but no details of the severance package have been disclosed. Mr. Wedel suggested that it was odd for the Board to offer a severance package and accept a resignation when it had already been determined that Mr. Krawzoff should be fired immediately. He offered that many questions remain unanswered in the public record of the Board's actions. He stated that the Board should correct the public record on this matter.

Mr. Wedel exited the meeting at this time.

EN RE: ANNUAL REPORT.

John said that he likes the map of affordable housing properties and found it useful. Regarding the map, Catherine noted that the sites marked on the map are not all YVHA properties. Rich offered that the intent was to show all properties intended to be affordable housing whether managed by the YVHA or not. Catherine said that this should be clarified on the map through the title or through a legend. Kristi noted that the YVHA manages or monitors the deed restrictions on all of the properties.

Catherine suggested that the total number of families served by the YVHA should be highlighted in the report. Kathi said that this information could be included on the "Housing Authority Activities" page under the heading for each project. John noted that the rental numbers are listed "Residential Statistics" page.

Kristi said that the report had already been sent out. Rich said that he would include the rental numbers in his oral presentation to City Council. Catherine stated that positive aspects of the operations should be emphasized to ensure that the paper does focus only on the areas of concern. Kristi offered that the most important topic should be the request for a release of \$250,000 from the Affordable Housing Fund. Kathi agreed and suggested that following a

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quick presentation from Rich, Catherine could discuss the financials and then the discussion should focus on the \$250,000.

John asked what should be said if the topic of Mr. Krawzoff comes up. Scott stated that City Attorney Tony Lettunich has advised City Council to let YVHA deal with the issue.

Regarding the YVHA's financials, Catherine stated that while it was important to state that the audit and the USDA audit were both clean, it would be disingenuous not to acknowledge that the YVHA is redoing all the books for an entire quarter or more. Rich suggested limiting that discussion to the receivables. The books are expected to be completely reconciled long before the year is closed out.

Rich stated that although the \$250,000 would be discussed, City Council would not be making a decision at that meeting. Kathi noted that Nancy would like this issue to be resolved before she leaves office. Catherine stated that the water and sewer at Fish Creek should be addressed before the problem becomes critical and much more expensive. She suggested pursuing grant funding for the engineering work in preparation for the construction to begin in the spring. Scott stated that there is \$80,000 in the bank. The engineering bid is approximately \$60,000. Scott stated that he had been advised not to apply for grant funding to cover this cost because the requirements associated with the grant funding would double the cost, and half would have to be paid back anyway. He offered that it would be better for YVHA to do half the project with its own money. He added that the CDVG grant funding has been in hiatus for three years and there are currently a hundred applicants for the \$20,000,000. The YVHA would have to apply through the City and the maximum they could grant would be 50%. Kristi added that with the grant funding, no work could begin until the funding contract was signed.

Rich clarified that \$72,000 is available to pay for the engineering. He suggested asking the City and County to release funds for the Affordable Housing Fund, which is up to about \$270,000 with accrued interest, to cover the first phase of the construction. He said that another \$300,000 - \$400,000 would be needed to complete the project. Kathi suggested that an information sheet with the cost details of the project and what is included in each phase would be useful. Kristi asked about the timeline for the grant application process and Johnny asked about the terms of the grant. John asked if City Council would consider moving on this project to avert a potentially much costlier project if something goes wrong in the meantime. Scott stated that the budget includes money for repairs, but offered that the risk of waiting is low. Catherine asked why YVHA wouldn't apply for the grant if the timing is not going to hold back the project. In response to a question from Rich, Scott stated that Drexel is willing to stand by their engineering proposal for the time being. Johnny suggested that spring run-off will delay the construction until mid-summer, allowing time for the grant application process. Catherine offered that new Executive Director might be able to write the grant application.

EN RE: OLYMPIAN UNIT 309

Rich stated that Unit 309 in the Olympian is about to go into foreclosure. He stated that unless the first right of refusal to buy the unit is exercised, the deed restriction will go away. Tyler reviewed the history of the property and the options to the payment-in-lieu that were included in the amendment to the development agreement. In response to a question from

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Kristi, Tyler stated that the family of Joseph Agnello (sp?), who originally purchased the property and benefitted from the deed restriction, is carrying the loan in the private sale. Kristi suggested that the deed restriction should not go away since the sale was private and no lending institution was involved. Through the foreclosure process the original owner would get the property back with the deed restriction in place.

Kathi stated that was she was not sure if the new owner had even been qualified under the YVHA. She suggested that a thorough investigation of the matter was needed. Kristi read through the document and noted that the buyer had signed the deed restriction release agreement. She suggested that the agreement allowing them to remove the deed restriction in the event of foreclosure was executed in error. The Board reviewed the documents related to the sale of the property in 2008. Kristi suggested that allowing this release agreement in a private sale opens a problematic loophole for future deed restricted properties. Kathi reviewed the need for the agreement any time a commercial lender is involved in a deed restricted property purchase. Catherine suggested that it might make sense for the City to purchase the property and resell it, with the proceeds going to the Affordable Housing Fund. Kathi added that research was needed to determine if there is another lender involved. She reviewed the timeline and stated that she would work with the City to discover the details of the situation.

EN RE: REQUEST FOR RELEASE OF \$250,000

Kathi reviewed the email from Nancy dated May 11, 2011 regarding the options for the use of the \$250,000. Rich stated that since that time, YVHA had decided to use the funds to take care of properties it already owns. He stated that Mary Alice had sent a Communication Form to the City requesting a discussion of the funds. No decision will be made regarding the release at this time. Kathi stated that Nancy would be able to participate in the discussion via telephone.

EN RE: SETTLEMENT AGREEMENT – FOX CREEK VILLAGE

Rich reviewed that an agreement had been reached to share the cost of the remediation for water damage. Authorization is needed by the Board for the settlement agreement to be signed. Rich stated that YVHA's portion is \$2,257.15. Following a review of the agreement, it was determined that a \$2,500 reimbursement to the homeowners' association was also owed, for a total of \$4757.15. Kathi asked which account these funds would be taken from and whether a budget amendment would be needed. In response to a question from Catherine, Rich stated that the agreement covers the damage to one unit. The Board reviewed the history of the unit. Kristi noted that the release covers all claims except those of Laura Dickerson (whose unit is under foreclosure) and offered that the Board needs to be aware of the potential for liability issues related to health concerns. Catherine asked if it would be appropriate to sign a statement saying that YVHA admits to no fault in this situation. Rich clarified that attorney Bob Weiss had drafted the settlement agreement and had said that it was a close to a full resolution as could be achieved, and that the document does not admit liability on the part of YVHA.

MOTION – FOX CREEK SETTLEMENT AGREEMENT

Kristi moved to approve and authorize the President to sign the Settlement Agreement and Limited Release including payment of \$4757.15. The funds shall be charged to the General Fund and a supplemental budget will be issued transferring the funds to the Development Fund. Scott seconded the motion.

Under discussion, Kathi suggesting that the motion should include a statement that the funds will be charged to the General Fund. Catherine suggested a supplemental amendment to the budget transferring the funds to the Development Account. Kristi accepted the amendment, as indicated above.

The motion carried 7 – 0.

Tyler left the meeting.

EN RE: CONSENT AGENDA

MOTION – APPROVAL OF MINUTES

Kristi moved to approve the Consent Agenda. John seconded the motion.

Under discussion, Kathi noted that the minutes of August 9, 2012 had been reviewed by four members of the Board who had attended the meeting.

The motion carried 7 – 0.

EN RE: COMMITTEE REPORTS

EXECUTIVE COMMITTEE

Rich reported on a discussion with Blue (?) who said that her unit is up for sale but that she would like to continue on as manager until the unit sells. He stated that he had also received a message from Mary Alice regarding a couple that is interested in taking over the management position. Scott said he would handle the matter when more information had been gathered.

Rich reported that the Executive Committee had narrowed the applicants for the Executive Director position to eight and had interviewed all of them. He stated that the Executive Committee would meet again on Tuesday to narrow the pool down to three finalists to be interviewed by the full Board, probably in early October.

FINANCE COMMITTEE

Catherine reported that she and been reviewing accounts from April through June with Mary Alice, who is only able to work on the project part-time. This project is expected to be completed for the October Board meeting. Catherine stated that she hopes to review the accounts at the Finance Committee meeting scheduled for 9/21/12. She stated that statements show that \$39,000 shown in accounts receivable in the Fish Creek account had

Rich reported that pursuant to C.R.S. 24-6-402 (4) regarding the purchase, acquisition, lease, transfer, or sale of any real, personal or other property interest, the Board will come out of executive session, in which the Elk River Village property and the accompanying letter of interest regarding the property was discussed, but during which no decision was made. No other topics were discussed.

MOTION

Kathi moved to come out of executive session.

Johnny seconded the motion. **The motion carried 6 – 0.**

Rich stated that a decision must be made regarding the letter of interest received regarding the Elk River Village property.

MOTION – ELK RIVER VILLAGE PROPERTY LETTER OF INTEREST

Kathi moved to notify the persons who sent the letter of intent that at this time the Board is not interested in pursuing the letter of intent, and thanking them for their interest.

John seconded the motion.

Under discussion Kristi offered that counsel from the YVHA's attorney should be sought prior to declining the letter of intent. Kathi stated that the letter of intent is one-sided and does not indicate a price; she suggested that it was not a serious offer. Kristi agreed, but added that it also includes the clause regarding the short sale and working the situation out with the bank. Catherine stated that the bank would have to approve the short sale. Rich stated that the Board has until Monday, September 17, 2012 to respond. Kathi stated that attorney Bob Weiss would not be available prior to that date. She added that she had information that the entity has limited financial capabilities. Kristi reiterated the need to consult with Mr. Weiss prior to signing the letter. Catherine stated that the bank has said that they will not accept the terms in the letter of interest.

The motion carried 5 – 1.

MOTION

Kathi recommended providing Mr. Weiss with copies of all of the loan documents and asking him if YVHA could be responsible for any deficiency in the event of a sale or a foreclosure or a deed-in-lieu.

Kristi seconded the motion. **The motion carried 6 – 0.**

MOTION

Kathi moved to direct the New Projects Committee (Elk River Asset Management Committee) to continue negotiations with the lender and to notify the Board if any offer is made, and to call a Special Meeting if necessary.

Kristi seconded the motion.

Under discussion John offered that the point of this is to leave open the discussion with the bank regarding a modification to the loan. Kathi agreed.

The motion carried 6 – 0.

EN RE: BOARD POSITIONS

Kathi noted that Jen Robbins' position on the Board is open and that the City has advertised for a replacement. She suggested adding to this advertisement any positions that will become vacant at the end of the current term. She stated that she would like to take care of this business prior to a new Board of County Commissioners being seated.

John reported that the positions currently held by Kristi, Kathi, Jen and Trish will be expiring in 2012. Kristi said that she would not be renewing her position. Kathi said she would.

EN RE: ADJOURNMENT

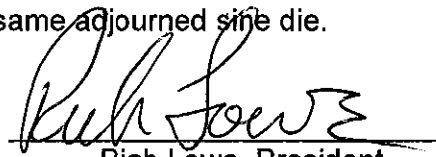
MOTION

John moved to adjourn the Housing Authority meeting at 2:15 p.m. Kristi seconded; the motion carried unanimously.

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



Sarah Katherman, Minute Taker



Rich Lowe, President