

SPECIAL MEETING

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

September 29, 2014

Kathi Meyer, Yampa Valley Housing Authority Board President, called the special meeting of the Yampa Valley Housing Authority to order at 5:00 p.m.

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

Others present: Jason Peasley, Yampa Valley Housing Authority Executive Director; and Bob Weiss, attorney for the Housing Authority. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: RESOLUTIONS 2014-006 & 2014-007

At Kathi's request, Bob reviewed the purpose of the special meeting and the resolutions being considered in relation to the Fish Creek Mobile Home Park infrastructure project. He stated that three separate transactions are involved: refinancing of Wells Fargo loan of approximately \$2.1 million; authorizing the agreement with the Colorado Water Resources and Power Development Authority (Water & Power Authority); and approving the modifications to the terms of the loan with the City.

Bob said that the refinancing would involve borrowing up to \$2.3 million from Alpine Bank for 25 years at a fixed rate of 4%. The total amount of the loan has yet to be determined, but will include the attorneys' fees. The refinancing will reduce the current annual payments of \$216,000 to Wells Fargo to annual payments of \$145,000 to Alpine Bank. This loan will be secured with the first mortgage on the property and the assignment of rents from Fish Creek Mobile Home Park. The assignment of rents will be shared with the Water & Power Authority when a loan is made to fund the wastewater portion of the infrastructure project.

Bob said that the Water & Power Authority loan, with full principal forgiveness, will be in the amount of \$486,750. Jason noted that because the money is awarded as a loan (which will then be fully forgiven) from the Water & Power Authority instead of a grant, the reporting responsibilities will remain with the Water & Power Authority rather than being transferred to YVHA. All of the funds are granted by the federal government to the Water & Power Authority for allocation and distribution.

Bob stated that YVHA would begin making payments on the \$790,777.73 loan from the City in 2015 at a rate of 1.5%, which amounts to \$30,777 annually, with a balloon payment due in 2044. YVHA has approval from the other creditors to make these payments, provided it does not default on its other obligations.

Regarding TABOR, Bob stated that based on the opinion of Alpine Bank's attorneys, YVHA had initiated the process of forming a separate subsidiary entity for Fish Creek Mobile Home Park. When this was discussed with the Water & Power Authority, YVHA was informed that the Water & Power Authority cannot loan money to an LLC, but can loan money to YVHA as an enterprise. Bob said that there is not a TABOR problem because no City or County funds have ever gone to Fish Creek, which has always been operated as its own enterprise. He reviewed that when YVHA was initially created it qualified as a whole, as an enterprise due to the revenue from the sale of Fox Creek condos. A resolution was passed at that time stating that the entity was an enterprise. Kathi clarified that although YVHA no longer qualifies as an enterprise, the funds for each project have always been segregated for accounting purposes. All City and County funds go into the YVHA general fund. Resolution 2014-006 reaffirms that the Fish Creek Mobile Home Park is an enterprise.

In response to a question from Catherine, Jason said that the current accounting practices adequately separate the Fish Creek enterprise from the organization as a whole. He added that all the Fish Creek operating and reserve accounts will be transferred from Yampa Valley Bank to Alpine Bank. Jason reviewed the requirement for a reserve account. He said that he had already discussed the process with auditor Chris Catterson. Kathi added that a management agreement between YVHA and the Fish Creek enterprise would be executed and assigned as collateral on the loan.

Bob said that because the enterprise is separate, the collateral on the Alpine loan is limited to the property and rents from the property and does not include any other aspects of YVHA. He added that he would ensure that language is added to the loan documents ensuring that under no circumstances will there be any personal liability for any YVHA Board member.

In response to a question from Doug, Bob stated that YVHA should probably approve another resolution when the loan from the Water & Power Authority for the wastewater portion of the project is finalized. Kristi asked if the Alpine Bank loan was subject to annual appropriations. Bob stated that it is not. Jason clarified that it is different than Elk River Village due to the assignment of lot rents and the status of Fish Creek as an enterprise. Regarding the funds allocated to YVHA by the City and County, Kathi clarified that these contributions account for \$160,000 (16%) of the \$1,000,000 in total revenues collected by YVHA as a whole. Jason stated that in addition to the fund accounting that keeps each project separate, YVHA should probably pass a resolution sometime in the future stating that Hillside Village is also an enterprise.

Doug suggested that YVHA should issue a press release when these transactions are finalized. Jason noted that some care should be taken in discussing the value of the project before the bidding process is complete. Kathi added that a public meeting, as well as meeting with the tenants to discuss the project, must be held as a requirement of the Water & Power Authority loans. Jason said the public meeting would probably be held as part of the regular YVHA meeting in November.

MOTION

Doug moved to approve Resolution 2014-006: A RESOLUTION OF THE YAMPA VALLEY HOUSING AUTHORITY RATIFYING AND CONFIRMING THE ENTERPRISE STATUS OF THE YAMPA VALLEY HOUSING AUTHORITY'S FISH CREEK MOBILE HOME PARK ENTERPRISE. Catherine seconded the motion. **The motion carried 6 – 0, with the Chair voting yes.**

MOTION

Kristi moved to approve Resolution 2014-007: A RESOLUTION OF THE YAMPA VALLEY HOUSING AUTHORITY, A MULTIJURISDICTIONAL HOUSING AUTHORITY ACTING BY AND THROUGH ITS FISH CREEK MOBILE HOME PARK ENTERPRISE, APPROVING A LOAN FROM ALPINE BANK, A COLORADO BANKING CORPORATION, IN THE PRINCIPAL AMOUNT OF UP TO \$2,300,000 FOR THE PURPOSE OF REFINANCING ITS EXISTING NOTE PAYABLE TO WELLS FARGO BANK, N.A.; APPROVING A NEW LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY IN THE PRINCIPAL AMOUNT OF \$486,750 FOR THE PURPOSE OF REPLACING WATER LINES AND APPURTENANCES IN THE FISH CREEK MOBILE HOME PARK; APPROVING THE EXTENSION AND MODIFICATION OF ITS EXISTING LOAN FROM THE CITY OF STEAMBOAT SPRINGS IN THE ORIGINAL PRINCIPAL AMOUNT OF \$954,000; AUTHORIZING THE EXECUTION AND DELIVERY OF THE DOCUMENTS EVIDENCING SUCH TRANSACTIONS; PROVIDING THAT ALL SUCH LOANS SHALL BE PAYABLE ONLY FROM REVENUES OF ITS FISH CREEK MOBILE HOME PARK ENTERPRISE; PRESCRIBING OTHER DETAILS IN CONNECTION HERewith; REPEALING ALL RESOLUTIONS IN CONFLICT HERewith; AND RATIFYING ALL ACTIONS HERETOFORE TAKEN IN CONNECTION HERewith.

Johnny seconded the motion.

Under discussion, Catherine proposed amending the language to include "UP TO" prior to the stated amount of the loan from Alpine Bank in the title of the resolution and in section a) on page 2 of the resolution. This amendment was accepted, as indicated above.

The motion carried 6 – 0, with the Chair voting yes.


EN RE: ADJOURNMENT

Doug moved to adjourn the special meeting of the Housing Authority. Kristi seconded; the motion carried unanimously. The meeting was adjourned at 5:35 p.m.

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



Sarah Katherman, Minute Taker


Kathi Meyer, President