

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
January 14, 2016

Doug Monger, 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: Kathi Meyer, Catherine Carson, Roger Ashton, Dillon Fulcher, Cole Hewitt, John St. Pierre, John Spezia, Trish Sullivan and Doug Monger. Craig Melchow was absent.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director, and B Torres, Executive Assistant. Sarah Katherman prepared the minutes from a recording.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: DOWN PAYMENT ASSISTANCE LOAN PROGRAM

Cole referred to his memo, which was included in the packet. Catherine stated her support for a combined debt ratio. Cole stated that 45% was in line with the higher cost of living in the Yampa Valley. He said his goal is to get the program into the competitive range, leaving the rest to realtors and mortgage lenders. He offered that it would be inappropriate to second guess the assessment of the original loan approval process. Kathi stated that the nature of the DPA loan means that it puts YVHA in the highest risk position. She said that the higher ratios generally apply to more experienced borrowers, adding that the 30% ratio is the generally accepted allowance for housing. She said that previous users of the DPA program had no other debt. Catherine cited other areas in the state that only look at the back end ratios. Cole noted that the applicant who was recently approved for a DPA loan with conditions, was over the 45%.

Catherine asked what would happen in the event of a short sale. Jason said that it would depend on the policy of the first lien holder. He said that what Cole is presenting is a way to get the money out there to people who need it, with the understanding that there will be some percentage of default. He said that the Board needs to assess its level of comfort with the revised rules and the risk associated with the program. Kathi said that because the loan is not serviced until it is paid back in full at the sale of the property, there is no way to address potential problems. Jason stated that proposal to set strict standards eliminates the subjective element of assessing the risk of individuals. He said that if the standards prove inadequate, they can be reset in the future. John St. Pierre wondered if the program was viable with the current cost of housing in the area. Regarding the ability to re-purpose the funds if the program proves unsuccessful, even under the new guidelines, Kathi stated that the funds come from original CDGB grant, City funds, etc. Kathi said that the program can be used for condos as well as for property outside the district, provided the applicant works within the district. She said that if the program doesn't work, YVHA can go back to the original funders and discuss re-purposing the money. Doug stated that the goals of the program should be clearly defined. John stated that the program is really an investment, which has inherent risks. Catherine stated her support for Cole's proposal, and for setting a cap on the amount per person. She also stated her support for compartmentalizing programs for different target populations.

Jason reviewed that the Board needs to decide the cap on the loan amount, the loan to value ratio, the debt to income ratio and any exceptions. Following discussion the Board set the cap at \$15,000; the total loan to value at 100% with no waivers; and the debt to income ratio at 43%. Regarding the exception provision, Doug asked why it was included in the program to begin with. John Spezia offered that it was an acknowledgement of "one sized doesn't fit all." Kathi said that lenders often have an exception process to address off-setting factors. Jason stated his support for setting strict standards, particularly with the increased risk at 43%. Catherine agreed, but offered that the program should be reviewed after six months. John St. Pierre asked for a marketing worksheet

that spells out the program. Kathi asked about the fee. Jason said that the fee has been changed to \$350, which is a pass-through of what Funding Partners charges. Catherine asked about permitted capital improvements. Jason said that this was to ensure that true improvements to the property are adjusted for in the calculation of appreciation. He said he and Cole would clarify the language of this clause and develop a statement of goals. Jason said the revised document would come back to the Board for adoption.

EN RE: COMMUNITY HOUSING POLICY AND OUTREACH TO OUTLYING COMMUNITIES

Jason referred to his email describing an outline for what a community-wide housing plan might look like with YVHA as the lead agency and facilitator in a coalition that includes all the stakeholders. He offered that YVHA could develop a process that would be presented to the City and County at the February 2nd joint meeting. The City and County would then have the opportunity to empower the YVHA to move forward with a process, that if done correctly, would result in a policy with broad community buy-in. Jason offered that the failures in the past could be attributed to lack of widespread buy-in.

Catherine stated her support for the proposal to separate out specific need areas. She suggested that needs should be added along with goals and outcomes. She also suggested rearranging the categories such that permanent workforce, senior housing and homelessness are listed under the low-income group. She noted the rise of homelessness in the community.

John Spezia asked if the timeline offered was realistic. Kathi noted that the dates listed are City Council's schedule of work sessions, which are driven by the expiration of the inclusionary zoning moratorium. Jason said that YVHA must reach consensus on the goals and process, and agreed that the project could not be completed in a few months. He said that smaller working groups would be an important component. There was a discussion of the role of YVHA in the process. Catherine asked about the money needed to support the process. Kathi asked if YVHA is ready to commit to presenting the proposal at the joint meeting.

John St. Pierre stated that the building trades must be included, as should significant employers in the community. He noted that the inclusionary zoning ordinance put disproportionate burden on builders and not on businesses that create the need for work force housing. Jason urged everyone to focus on the process of establishing the problem and the goals rather than starting with solutions. He reviewed the additional work that would be required of board members. Doug suggested that the process should focus on workforce housing rather than trying to be comprehensive. Kathi stated that other agencies are addressing senior and emergency housing.

John Spezia expressed concern with the term "workforce housing," noting that these are families and community members – not simply worker bees. He stated that it is a community problem and a transportation problem as well as an economic problem. Roger suggested that what "community housing" needs to be better defined. Kathi said that this question will be the topic of the City Council work sessions.

Jason said that the steering committee should include people with some sway in the community, including Board of County Commissioners, City Council members, business community members, non-profit representatives, as well as YVHA representatives. He referred to various efforts in the community that have succeeded using this model. In response to a question from John Spezia, Catherine offered that the steering committee would define the process and ensure that the groups are following that process consistently. Kathi cited the Area Plan Coordinating Committee and offered that it might be a model. John Spezia expressed concern that people with vested interests in the outcome would attempt to steer the content instead of the process. He asked who would define the process. Jason said the steering committee would have a hand in defining the process, in conjunction with input from the YVHA. He added that City staff would be involved at the group level. Catherine asked if there would be City or County funding available for a minute taker or other staff to assist the working groups. Jason suggested that some money from the Community Housing Fund may be available and that Yampa Valley Data Partners would be

available as well for support. Catherine suggested developing a budget for the project. Jason said that he would refine the proposal and forward it to the Board in preparation for presenting it to City Council. Trish recommended adding Mark Walker (Resort Group) to the stakeholders' list. Representatives from CMC and the public schools were also recommended. Cole added that the opposition should be included.

EN RE: SUNSHINE LAW RESOLUTION – 2016-001

Doug reviewed the Sunshine Law resolution regarding the posting places for meeting notices for 2016 in accordance with C.R.S. § 24-6-402.

MOTION

Cole moved to approve Resolution 2016-001 as presented. Trish seconded. **The motion carried unanimously.**

EN RE: RESOLUTION 2016-002 – COMPLETION AND ACCEPTANCE OF THE WATER AND SEWER UTILITY IMPROVEMENTS AT FISH CREEK MOBILE HOME PARK

Jason stated that acknowledging that the project is complete is a requirement of the state. He added that signing the resolution would also begin the warranty period on the work.

MOTION

Catherine moved to approve Resolution 2016-002 as presented. Kathi seconded the motion. **The motion carried unanimously.**

EN RE: ELK RIVER VILLAGE LIHTC PROJECT UPDATE

Jason said that he had provided a rough outline of the project timeline. He said that the City entitlements had been completed. The equity partner RFP was issued last night, and the architects and civil engineering consultants are working on the construction documents. Jason said that the equity partner would be selected and the building permit application would be submitted in February. In March the development partnership agreement would be closed, which will require an executive session. John St. Pierre asked if it would be appropriate to issue an invitation to sub-contractors to bid on the project. Jason said that he would ask the Overland representatives about this. Dillon expressed concern that the perception by residents is that this is a YVHA project. He offered that a PR campaign might be appropriate to counter this perception, noting that YVHA has little control over the project. Jason agreed that there is a perception risk, if not a financial risk. Catherine and Cole stated that YVHA should accept that responsibility. Roger suggested that between now and the beginning of construction there would be many opportunities of discuss the structure of the project in the local media. There was a discussion of how to manage the issue. Roger suggested having a discussion with Overland about it.

John St. Pierre asked about maintenance. Jason said the project would be managed much like Hillside is managed. Roger asked what would become of the North Routt billboard that sits at the edge of the property. Jason said that it is in the City or County Road right-of-way. Jason said he would look into it. Dillon suggested that this is another matter for the PR committee.

Doug noted that YVEA intends to install solar collector fields in the area. He asked about using the south-facing slope of the Elk River Village parcel for this use. Jason said that this had been explored by Overland. He said that whether a solar project could be included depends on the costs, noting that all the money from LITC funds must be spent. If there are funds available, they will be used to install solar to benefit the tenants and YVHA. Jason said he would discuss the issue with Overland and then perhaps YVEA.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

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Yampa Valley Housing Authority Board Minutes

- a. Review and approval of the December 10, 2015 minutes
- b. Review and approval of balance write-offs for November 2015
- c. Review and approval of November 2015 financial statements

MOTION

Roger moved to approve the consent agenda, as presented. Kathi seconded the motion. **The motion carried unanimously.**

EN RE: STAFF REPORT

Jason said that housing policy would continue to be a major topic of discussion. He said that once the housing policy begins to take form, it might inform the discussion of the Sierra View lots and future potential projects.

Catherine asked about the possible action on an aging account at Fish Creek and one account that is creeping up at Hillside. Jason said that Kate is on top of it. He said that legal action may be taken on the Fish Creek unit. He said that a lien cannot be placed on the trailer because it has not been abandoned. Jason said that he would follow up with Bob Weiss. He said that the Fish Creek would also be discussing the vacant lot.

EN RE: ADJOURNMENT

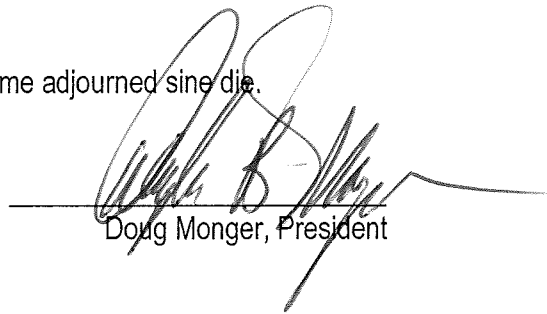
MOTION

John moved to adjourn the regular meeting of the Housing Authority. Kathi seconded; the motion carried unanimously. The meeting was adjourned at 2:05 p.m.

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



Sarah Katherman, Minute Taker



Doug Monger, President