

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

April 7, 2016

Doug Monger, Yampa Valley Housing Authority Board President, called the meeting of the Yampa Valley Housing Authority to order at 12:00 p.m.

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

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; B Torres, Executive Assistant; Ward Van Scoyk, YVHA attorney; Matt Gillam & Pat Beatty of Overland Property Group (OPG) joined the meeting in progress. Sarah Katherman prepared the minutes.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

John St. Pierre, Doug and Jason stated that they all had been approached by a realtor interested in purchasing the Fish Creek Mobile Home Park. Catherine noted that the properties are self-financing and providing homes for 68 working families. The offer would not cover the outstanding loans. Doug noted that after the Elk River project is finalized, YVHA needs to review its strategic goals.

Doug asked for authorization for him to sign a thank you to all the entities that helped with the loans and grants that made the Fish Creek infrastructure project possible. The Board unanimously authorized such a letter.

EN RE: EXECUTIVE SESSION

MOTION

Kathi moved to enter executive session, pursuant to C.R.S. 24-6-402 (4) (a) and C.R.S. 24-6-402(4) (e) to discuss matters related to the disposition of Lot 1, Copper Ridge Subdivision (The Reserves at Steamboat Springs). John Spezia seconded the motion. **The motion carried unanimously.**

No minutes were taken during executive session. The YVHA Board consulted with its attorney and no decisions were made during executive session. The regular meeting resumed at 1:30 p.m.

EN RE: ELK RIVER VILLAGE LIHTC PROJECT

Ward asked the OPG representatives why the \$800,000 loan does not accrue for first two years, given that the equity goes into the partnership from the beginning. Pat said he would follow up on this. Ward also asked if it would be possible to restructure the right of first refusal (ROFR) such that it would be triggered by a decision to sell and not only by a bona fide offer by a third party. Pat noted that the oldest OPG deal is 13 years old, and they had not yet dealt with this situation. He contacted Jon Peterson, an attorney for OPG, and Audrey Watson, OPG's CFO, via telephone.

Audrey stated that it can be arranged for the loan to accrue from the beginning at the stated 5% interest rate. Doug confirmed that that would be the Board's preference. Regarding the ROFR, Jon stated that the statutory ROFR is set forth in Section 42(i)7 of the Internal Revenue Code (IRC). He explained that if there is a fixed price for a future purchase there is a question regarding whether the buyer had an interest in the property at an earlier date. He said that the investor's concern is whether it will receive all the possible tax benefits from the deal. Jon said that Enterprise will only allow a statutory ROFR that reflects what is set out in the IRC. He added, however, that

Enterprise has frequently not required that ROFR be exercised at all, but rather they have simply transferred their interest to the housing authority at a price equal to debt plus taxes.

Cole asked if the bona fide offer could come from the managing partner. Jon said that it could not, but said that Enterprise is very flexible when it comes to what qualifies as a bona fide offer. He said that the ROFRs are generally simply exercised, often at the request of the housing authority. Jon said that in the worst case scenario a third party could be asked to submit an offer. He clarified that the "bona fide" language is what tax council looks at to determine if an offer truly reflects the market. He said that they could request that "bona fide" be removed, adding that sometimes Enterprise has agreed to this and others not. Ward requested that a proposal to remove the language be made to Enterprise. The conference call ended.

Kathi noted that the resolution included in the packet does not include a signature line for the chair. Ward said that he would add this. Doug asked for a motion to ratify the creation of the LLC.

MOTION

John Spezia moved to ratify the creation of the YVHA Elk River Enterprise, LLC. Kathi seconded. **The motion carried unanimously.**

EN RE: RESOLUTION 2016-003 – BOARD OF DIRECTORS OF YVHA AUTHORIZING THE RESERVES AT STEAMBOAT SPRINGS PROJECT

MOTION

Catherine moved to approve and authorize the signing of Resolution 2016-003 authorizing the Reserves at Steamboat Springs project, with the condition that all documents related to the project that have not yet been reviewed will be emailed to the Board prior to signing. Trish seconded the motion. **The motion carried unanimously.**

The regular meeting of the YVHA Board was suspended; the group reconvened as the Board of Managers of the YVHA Elk River Enterprise, LLC (YVHA-ERE, LLC).

EN RE: RESOLUTION 2016-001 OF THE YVHA-ERE, LLC BOARD OF MANAGERS TO AUTHORIZE THE RESERVES AT STEAMBOAT SPRINGS PROJECT

MOTION

Kathi moved to approve Resolution 2016-001 of the YVHA-ERE, LLC authorizing the Reserves at Steamboat Springs Project. Roger seconded the motion. **The motion carried unanimously.**

Jason stated that the groundbreaking was tentatively scheduled for May 11, 2016 at 11:00 a.m. This should be a major event, with all entities in the deal represented. Roger will assist in coordinating the event.

The group reconvened as the YVHA Board of Directors.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the March 10, 2016 minutes
- b. Review and approval of the March 29, 2016 minutes
- c. Review and approval of balance write-offs for February 2016 (none)
- d. Review and approval of February 2016 financial statements

Catherine requested that the financial statements be pulled from the consent agenda.

MOTION

Kathi moved to approve items a – c of the consent agenda, as presented. Trish seconded the motion. **The motion carried unanimously.**

Catherine stated that there some cash application caveats on the balance sheets for Fish Creek Mobile Home Park and Hillside Village that do not equal the detail. She asked staff to direct Sandy to correct these.

MOTION

Catherine moved to approve the financial statements for February 2016 with the condition that Sandy correct the two cited items. Kathi seconded the motion. **The motion carried unanimously.**

EN RE: STAFF REPORT

Jason said that he would be out on paternity leave for six weeks beginning April 18th. He said that during his leave he would keep track of emails, to some extent, but that B or Kate would be the primary contacts.

In response to a question from John St. Pierre, Jason said that he would have limited involvement with the Reserves project when he returns. The next major project will be the Community Housing Working Groups.

Catherine noted that guaranteed bear-proof trash cans are not readily available. Kathi said that she would assist Kate with applying pressure on the Post Office to install cluster boxes at Fish Creek. Doug asked about unit #64 at Fish Creek. Jason said that a court-ordered payment plan is in effect. If the tenant does not comply, the YVHA will take possession of the trailer.

Jason confirmed that there would be no YVHA Board meeting in May.

EN RE: ADJOURNMENT

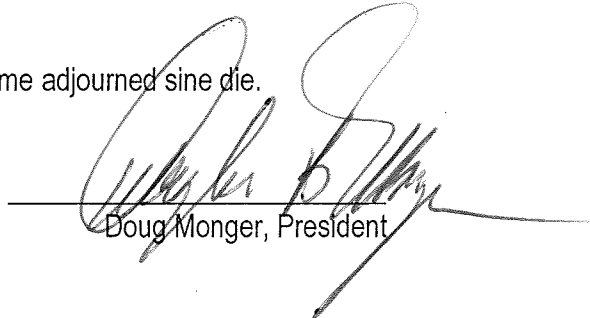
MOTION

Kathi moved to adjourn the regular meeting of the Housing Authority. Cole seconded; the motion carried unanimously. The meeting was adjourned at 2:10 p.m.

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



Sarah Katherman, Minute Taker



Doug Monger, President