

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
September 8, 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, Trish Sullivan, Roger Ashton, Cole Hewitt, John Spezia and Dillon Fulcher.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; B Torres, Executive Assistant; and Mary Alice Page-Allen, Town Administrator and Clerk of Oak Creek. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

Catherine thanked Jason and B for attending the recent low income working group. Roger stated that the Routt County CEO program is looking internship opportunities for high school students in the program. Doug suggested that working with Jason might be more beneficial than sitting in the board meetings. John expressed concern with adding to Jason's workload. Roger said he would gather more information.

EN RE: SIERRA VIEW LOTS

Jason said that he had met with Mary Alice to discuss the future of Sierra View Lots 17 & 18 in Oak Creek, which YVHA had purchased many years ago. He stated that it has cost YVHA \$60,379 to hold onto the lots. The principal outstanding balance on the loan is \$69,106. The lots were appraised at \$127,000 in 2015. Mary Alice said that housing opportunities in Oak Creek are disappearing quickly. She said that the Town of Oak Creek is at a 66% LMI level, and that half of the population is between 25 and 45 years old. Mary Alice stated that the demand is for single-family homes. The two lots owned by YVHA take up 2/3 of an acre combined, with one being currently designated for a duplex and the other for a 4-plex. Mary Alice offered that the trend in Oak Creek seems to be very small houses on small lots. She suggested that there may be an opportunity for a partnership between YVHA, the Town of Oak Creek and/or a private investor to develop workforce housing on these lots. She said that Oak Creek is also considering developing a 9-acre parcel directly to the west of the Sierra View lots, probably with a mixed-use development. She proposed that a full investigation of the opportunities for a partnership for the development of the two YVHA Sierra View lots would take about a year of due diligence, with construction to occur the following year. Regarding the zoning, Mary Alice said that Oak Creek uses performance districts rather than zone districts and that replatting the existing lots into 6 – 12 very small lots would be a possibility. In order to get the optimal configuration, access through the adjacent condo development would be necessary.

Jason said that he could envision a process led by Mary Alice and Oak Creek, with YVHA acting in a supporting role. He offered that YVHA might be able to offer the land at a price that would make a project financially feasible. He said that it is up to YVHA to decide if it wants to sell the lots or pursue some other option. Catherine stated that partnering with Oak Creek would be an opportunity to work on a County-wide solution to the housing problem. She stated her support for pursuing the idea. There was a discussion of how much YVHA has invested in the lots. Mary Alice said that because of Oak Creek's LMI status, housing there qualifies for CDPG funding. She added that Oak Creek could contribute infrastructure and could delay tap fees. She said that if she is going to pursue the idea, she would like a commitment that YVHA will continue to hold the property for two years.

Mary Alice said that the demand in the housing market is for three bedroom, two bath single family residences, but noted that although there are many available lots for between \$28,000 and \$55,000 in Oak Creek, the new construction is \$400,000 - \$500,000 homes in Stagecoach. She offered that a target market would be \$250,000 - \$280,000. She said that in any case, she would like to see the lots developed. Mary Alice noted that 80% of Oak Creek residents leave Oak Creek for work.

Following a discussion of whether to sell or develop the units, and of the available options for putting the lots on the market to see if there is interest, Kathi proposed putting out an RFP as a means of ensuring that something would be built soon.

MOTION

Kathi moved to direct the Executive Director to work with the Executive Committee to draft an RFP for the purchase, development or joint venture for the development of Sierra Lots 17 & 18. The draft RFP will be circulated to the Board prior to its being published. John seconded the motion. **The motion carried unanimously.**

EN RE: 2017 BUDGET WORKSHOP

Jason reviewed that YVHA uses fund accounting that allows the books of the Fish Creek Mobile Home Park, the Hillside Village Apartments, the Development Fund and the Down Payment Assistance programs to remain separate from each other. He stated that the YVHA General Fund is the umbrella that sits over the other enterprises and is subject to discretionary contributions from the City and County and where the management fees are deposited.

o CPI Adjustment

Jason offered that staffing expenses are the biggest topic in the General Fund. Jason reviewed the process through which YVHA adopted a new predictable salary schedule in June. He stated that salaries are to be adjusted annually for inflation, adding that it would be important to pick a specific measure for that adjustment and remain consistent in the use of that measure year after year. He reviewed the CPI-U and the CPI-W, noting that the CPI-U is the broader metric. The proposed calculation is based on the trailing 12-month period as of June 30th.

MOTION

Kathi moved to approve the use of the CPI-U based on the trailing 12-month period, as of June 30th. Catherine seconded the motion. **The motion carried unanimously.**

o Employee Benefits

Regarding employee benefits, Jason said that he had researched moving to a basic health insurance benefit from the \$350/month stipend currently in place. He said that the cost to YVHA would be approximately \$6750/year per employee. He said that the proposed program is the same as that used by the United Way. In response to a question from Kathi, Jason clarified that YVHA would pay the premium; the employee would have the option of contributing to an HSA through the plan. Cole noted that the insurance benefit would be a pre-tax payment and, unlike the stipend, would not be taxable. YVHA would not continue to provide the stipend to those who do not accept the insurance benefit. Jason reviewed the details of the insurance policy.

Catherine offered that this was a fair proposal and was the right thing to do. She noted that the United Way shares the cost of future increases to the premiums on a 50/50 basis with the employee. Doug suggested that this issue could be discussed next year and on an annual basis.

MOTION

Catherine moved to replace the current stipend policy with the proposed health insurance plan, as presented. The plan shall be effective on the date needed to lock in the current rate. Roger seconded the motion. **The motion carried unanimously.**

Doug stated that he was fine with the \$50/month phone allowance.

○ Full-time Executive Assistant

Regarding increasing the hours of the executive assistant from 20/week to 32/week, Jason stated that the additional hours would allow YVHA to achieve its strategic objectives, as outlined in the YVHA Strategic Plan. He said that with the additional hours, B would be able to focus on the educational program, the marketing plan and provide support for YVHA operations. He said that the overall workload for the organization is increasing and that B is a valuable asset.

Kathi asked why the position should not be increased to full-time. She noted that by working only 12 additional hours per week, the position would qualify for full benefits including health insurance and paid time off. Jason said that B works one day at the hospital. Doug expressed some concern with adding another FTE to the organization's personnel. He stated that he did not really understand the requirements of the work load. Cole offered that the Board should accept the Executive Director's proposal and not micro-manage his duties. Jason said that in order to accomplish what the YVHA is required to do, the additional hours would not be needed, but for YVHA to fulfill its mission and accomplish the goals stated in the Strategic Plan, additional staff time would be needed. He cited the work plan included in the staff report. There was a discussion of the paid time off benefit and how it would apply to a 32 hour/week position.

MOTION

Catherine moved to approve the proposal by the Executive Director to increase the Executive Assistant's hours to 32/week with benefits and pro-rated paid time off, as described in the policy manual. John Spezia seconded the motion.

Under discussion, Doug Monger proposed that the effective start date for the new position would be January 1, 2017. Following discussion, the Board said that if Jason finds that he needs more than 32 hours from the Executive Assistant, he must request an increase from the Board. **The motion carried unanimously.**

○ Development Fund

Jason said that Doug had recommended that any net revenue in the General Fund should be swept into a Development Fund to build up reserves that could be made available for future projects. This sweep would occur annually at the last meeting of the fiscal year. He said that this year's contribution from General Fund would be approximately \$15,000. Jason added that the \$120,000 developer fee from the Reserves project would be added to the Development Fund account, which would amount to \$200,000 or more that could be used for a new project. Doug stated that these funds could be moved back into the General Fund, if needed. He said the idea was to conduct organizational operations as tightly as possible.

Catherine said that an additional fund would be created on the balance sheet for the Development Fund. Jason suggested that the Colotrust savings account could be renamed the Development Fund. Deposits would then be made into this account. Doug agreed that it would be useful to know how much money is available for a project simply by looking at this account.

Catherine suggested that a policy be developed stating that the reserves being accumulated in a money market account in the Fish Creek Fund will be used for the water and sewer replacement project in 50 years.

○ Fish Creek Rents

Jason said that rents are scheduled to be increased by 2% (\$10/month) at Fish Creek, effective January 1, 2017. He said that the last increase was in 2013 and that it was also a \$10/month increase. He said that this additional money will cover increased costs and the projections for maintaining debt coverage ratios for the loans that apply to Fish Creek Mobile Home Park.

John asked about a reserve to cover run-off flooding at Fish Creek. Jason said that there is no reserve for this, and that if sand bagging is needed it would be done collectively and would not be very expensive. Kathi noted that because YVHA does not own the structures at Fish Creek, it would not be liable for damage.

Doug expressed concern with increasing rents by only 2% when the CPI increase is 3%. He offered that the residents of Fish Creek should pay a fair increase. He commented on the fact that the rents had not been increased since 2013 and we are now proposing a \$10.00/month or a 2%. He elaborated that it was an unsustainable model to increase rents by 2% over a 4 year period when annual CPI increases have been revolving around 2-3% every year, and the cumulative annualized increase has been significant. Catherine noted that the median wage for the residents of the park is \$29,000. She stated that when the pro-forma for the Water and Power Authority loan application was prepared the assumptions were to keep the rents within 30% of the median income with a 1% per year increase. Kathi offered that the management fee should also be increased. Catherine offered that the funds from any increase should be put back into the neighborhood. Roger offered that YVHA is already subsidizing the residents of the park by charging rents that are significantly cheaper than market rates. Jason said that there is not an actual subsidy, because the revenues generated by the park pay all the expenses of the park. He said that the largest expenses at the park are the debt service fees, which remain flat. Roger stated that he agreed with Doug and noted that there is no income qualification for residency at Fish Creek. Doug offered that a policy regarding rent increases should be set prior to the budget discussion for the 2018. He added that in the future he would prefer that the entire Board discuss the budget issues prior to Jason preparing the preliminary budget.

MOTION

Catherine moved to approve a rent increase of \$10/month for the tenants of Fish Creek Mobile Home Park, effective January 1, 2017. Cole seconded the motion. **The motion carried 8 – 1 with Roger dissenting.**

EN RE: COMMUNITY HOUSING STEERING COMMITTEE

Jason stated that the working group process is nearing completion and that the results of the analyses by the working groups would be presented to the Steering Committee soon. He reported that an update had been provided to City Council and the Board of County Commissioners last month. Roger said that he had recently been made aware of the Stagecoach Community Area Plan update process. He said that his working group is figuring out how to incorporate the plan into its report, citing the number of available lots in Stagecoach that could benefit the entry-level and move-up constituencies. Doug noted that the plan had not changed significantly.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the August 11, 2016 minutes
- b. Review and approval of balance write-offs for July 2016
- c. Review and approval of the July 2016 check register
- d. Review and approval of the July 2016 leave report
- e. Review and approval of July 2016 financial statements

Doug noted that the check register and leave reports had been included at his request. Jason stated that next month the check register will show all disbursements, including automatic withdrawals. Catherine asked to pull the financial statements from the consent agenda.

MOTION

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

Regarding the financial statements, Catherine asked about the sudden increase in the accounts receivable - YVHA. Jason explained that there is an issue with one of the mortgages inherited from Habitat for Humanity. Referring to page 6 of the financial statements, Kathi asked about the "lot sales" under the Development Fund. Jason stated that this amount represents YVHA recouping the impairment loss on the sale of the Elk River property. Kathi suggested renaming this account "recapture of impairment loss."

MOTION

Kathi moved to approve the financial statements of July 2016. John seconded the motion. **The motion carried unanimously.**

EN RE: STAFF REPORT

Jason reported that he had been asked to fill a term on the editorial board for the *Steamboat Pilot & Today*. Following a discussion of the potential issues, the Board agreed that this would be okay.

Doug stated that he would have a conflict with the regular YVHA meeting scheduled for October 13th. He directed staff to send out a doodle poll to determine what alternate day would work best.

EN RE: ADJOURNMENT

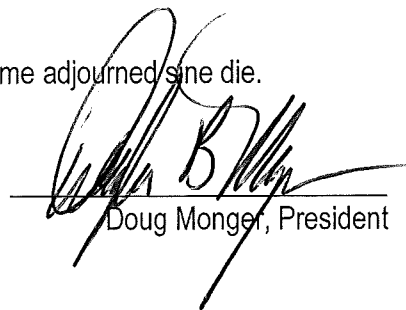
MOTION

Cole moved to adjourn the regular meeting of the Housing Authority. Kathi 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