

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
October 11, 2016

Roger Ashton, Yampa Valley Housing Authority Board Vice-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, Cole Hewitt, John Spezia, Craig Melchow and Mike Beyer. John St. Pierre joined the meeting in progress.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; B Torres, Executive Assistant. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

Ms. Diane Brower, a member of the low-income working group and an advocate for affordable housing when the Inclusionary Zoning Ordinance was passed, expressed concern that three out of the four groups studied will not be served by market rate housing, and yet making it easier for developers to build market rate housing seems to be the focus of the Steering Committee's executive summary. She stated that there is not enough emphasis being placed on affordable housing. Jason said that the mandate of the Steering Committee is to increase housing supply across all market segments, including those that will require deep subsidies. He offered that meeting the needs of each group will require a variety of approaches. Kathi said that both the entry level and the move-up groups could be served by market rate housing, as could some segment of the seasonal workforce. Roger stated that the executive summary may have been mis-named. He said that it was really a summary of topics to be vetted by the City, the County and the development community before the final report is written. Jason stated the he appreciates Diane's concern, and added that there is a fairly clear path forward for building low-income housing through the tax credit system.

EN RE: BOARD MEMBER COMMENT

John Spezia offered that there was confusion among the working groups on what affordable housing versus market rate housing really means within the context of the group being studied. Roger emphasized that market rate housing must be affordable.

Roger stated that the slate of officers for next year will be set at the December meeting. He encouraged YVHA board members to consider volunteering to serve as officers.

EN RE: 2017 BUDGET WORKSHOP

Jason said that a few issues remained to be finalized in the budget. He reviewed that the balance remaining in the General Fund will be swept into the Development Fund at year end. The Development Fund is intended to be used to develop new housing. He stated that the development fee from the Reserves project will go into this fund and that the Colorado Trust account would be moved there as well. He said that by mid-2017 the Development Fund would amount to approximately \$200,000 that could be used, with some City and County money, for a new project. Kathi said that it was her understanding that once money was placed in the Development Fund it could not be moved back into the General Fund. Jason said that around \$200,000 would remain in the operating account. Catherine said that a one-year operating reserve is retained to manage cash-flow. Kathi noted that the City and County must inform YVHA a year in advance if they intend not to fund YVHA, which serves as an additional buffer.

In response to a question from John Spezia about the availability of low-income tax credits, Jason confirmed that the 9% competitive tax credits would not available every year. He suggested that YVHA could establish a pattern of alternating projects using the 4% non-competitive tax credits on some projects and the 9%

tax credits for other projects. Kathi added that other funding sources and grants could also be available. Jason said he would include a discussion of funding options on the November agenda.

Jason said that rents will be increased by 2% (\$10/month) at Fish Creek, effective January 1, 2017. He said that the last increase was in 2013. He said that this additional money will cover a 3 – 4% increase in operating costs because a large percentage of the expenditures for Fish Creek are fixed. He said that the rent increase fits with the mandate for Fish Creek to cover costs, support the organization through a management fee and maintain rents at well below market rate. Jason offered that it was preferable to increase rents slowly rather than with large increases at wider intervals. Catherine noted that the payroll and accounting costs associated with Fish Creek are also included in the expenses in addition to the management fee. She offered that the proposed Fish Creek budget is fair and equitable to all parties.

John St. Pierre noted that there are no income restrictions at Fish Creek. He said that there should be. Catherine stated that YVHA could discuss this at some point in the future, now that the park is financially sustainable. She added that a strong tenant/manager policy for Fish Creek should be established.

Kathi stated that she would support an increase in the Fish Creek management fee and suggested that there was a need for an on-site part-time manager to serve as the eyes and ears within the community. She suggested that the position could be paid as a reduced rent (\$250/mo.) for a resident. Kathi also noted that capital would be needed to purchase mailboxes. There was a discussion of what the role of the part-time manager would be. John St. Pierre stated that YVHA has a responsibility to ensure that its codes and policies are enforced. He stated his support for an on-site manager. Catherine suggested that the Fish Creek Committee should develop the tenant/management policy, which would then be used to determine if a part-time manager is needed. If a part-time manager is included in the recommendation of the committee, a supplemental budget can be approved to accomplish it. Jason stated his support for this approach.

In response to a question from Catherine, Jason said that the new unit at Fish Creek is expected to be installed by year-end.

Kathi proposed asking the USDA for an increase in the management fee at Hillside next year. She offered that the increase could be justified. In response to a question from Kathi, Jason said that the Down Payment Assistance program interest was deposited as a year-end sweep.

Kathi asked about the increase in contract labor. Jason said that this includes Sarah and Sandy. He noted that with the increasing complexity of YVHA finances, more of Sandy's time is needed each year. Kathi suggested that Sandy should cross-train B on some tasks.

Kathi suggested that the line item listed as "lot sales" should be clarified to state that it is the non-cash gain from the recapture of the Elk River property value.

Kathi asked about the 8% vacancy loss at Hillside, noting that the industry average is about 5%. She suggested using a 5 year average. Jason said that units are usually vacant only when work is being done on them. He agreed that the expected vacancy loss could be reduced. The Board agreed to go with 5%.

Jason said that the maintenance guy at Hillside had resigned. Jason said he would be advertising the full-time position and hopes to fill it soon, but is using contract labor in the interim. Regarding the capital budget at Hillside, Jason said that the stair replacement project was completed in 2016. In 2017 the capital projects will include parking lot sealing, electrical meter replacement and upgrading the dumpster enclosure.

In response to a question from Trish, Jason explained that when the YVHA offices move to the Reserves the current office space will be repurposed for the maintenance staff. Additional space will also be opened up for Kate to meet with tenants.

Kathi asked about the \$25,000 principal reduction listed under Down Payment Assistance loans. Jason agreed that this should be broken out. He added that \$25,000 was probably too high.

Jason said that a resolution to adopt the budget would be included on the November agenda. He added that he would be submitting the budget to the USDA in the interim.

EN RE: YVHA COMMITTEE STRUCTURE

Jason noted that there are some inconsistencies between the by-laws and the current committee structure. He also asked if the current committee structure is sufficient to address the goals of the strategic plan moving forward, particularly in light of the new tasks that will come out of the Steering Committee final report. He offered that YVHA will need to really focus on new projects and on educational programs. Roger suggested that the current committee structure is not conducive to accomplishing the future tasks of YVHA. He offered that the Board should become more active and figure out how to facilitate the continuing involvement of people that have been working on Steering Committee and the working groups.

John Spezia noted that Board was formerly more of a working board. He suggested that a separate autonomous volunteer advocacy group should be formed. There was a discussion of whether the Board should be expanded, or whether non-board members could be recruited to work on sub-committees. Catherine stated that the Board must continue to ensure that the existing properties are properly maintained, managed and financially sustainable. Catherine offered that the strategic plan discussion should be held after the Steering Committee makes its recommendations. John St. Pierre agreed. He said that the action items that come out of the Steering Committee should not all fall to the YVHA. Kathi reviewed the mission of the YVHA. She stated that expanding the base to increase advocacy would be worthwhile, but that it would be unproductive to create another entity to duplicate the function of the YVHA. Roger noted that county-wide outreach is part of the YVHA strategic plan. Kathi said that YVHA is intended to address the housing needs of low and moderate income families. Catherine noted the wide community involvement in the current process and suggested that the Board should wait to see the recommendations of the Steering Committee and then discuss how they fit into the YVHA strategic plan.

Cole offered that the role of the YVHA Board is to develop plans and set policies, and ensure that management executes them. He suggested that the Board is getting away from that and moving toward micro-managing. He said that he supports the committee structure, but advised that the Board should stay focused on the policy level. There was a discussion of how the organization can best take advantage of the expertise and individual skills of the Board members. Catherine stated her support for active committees and suggested that minutes should be taken at the committee meetings, which when things are running smoothly could occur on a quarterly basis. Jason offered that the Board provides the "when" and "what," staff provides the "how." There was a discussion of the need for weekly reports from Jason. Catherine and Trish offered that monthly reports were sufficient, unless something extraordinary comes up. Jason said that he had received direction from the Executive Committee to provide weekly or bi-weekly reports. The goal is to increase communication.

EN RE: SIERRA VIEW RFP

Jason said that the RFP had been distributed through the Board of Realtors and would be advertised in the paper. It has been posted on the website. Jason said that he had received 3 or 4 inquiries. He said he would discuss refinancing the loan on the lots, as the note comes due at the end of December. In response to a question from John St. Pierre, Kathi reviewed the history of the Sierra View lots. Jason said that when proposals are received, they would be evaluated in terms of the YVHA mission statement and the strategic plan along with other

considerations such as cash flow. Proposals are due on December 1st and will be discussed at the December YVHA meeting.

EN RE: COMMUNITY HOUSING STEERING COMMITTEE

Jason stated that the working groups are finished and the reports are included in the packet. All of this information will be vetted by the City, the County and the development community. The Steering Committee will then compile a final report with recommendations to be presented to the City Council, the Board of County Commissioners and the community sometime in December. Kathi added that everyone who was involved in the process will be invited to an open public meeting that will be held to share all the reports and the draft final report. She said that the meeting would provide an opportunity to thank everyone for their participation in the grass roots effort.

There was a discussion of Stagecoach as a location for new housing development. John St. Pierre asked about Oak Creek and Hayden. Jason offered that each location in the County has obstacles to development. He stressed that the goal is to expand the supply of housing consistently over the next 10 – 20 years. A variety of locations and approaches will be needed to accomplish this.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the September 8, 2016 minutes
- b. Review and approval of balance write-offs for August 2016 (none)
- c. Review and approval of the August 2016 check register
- d. Review and approval of the August 2016 leave report
- e. Review and approval of August 2016 financial statements

MOTION

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

Kathi expressed concern that the balance on Fish Creek Lot #64 had grown to around \$3000. Jason confirmed that legal action had been taken on that lot. He said that he would look into the situation.

MOTION

Kathi moved to approve the financial statements of August 2016, subject to clarification on Lot #64 at Fish Creek. Catherine seconded the motion. **The motion carried unanimously.**

EN RE: STAFF REPORT

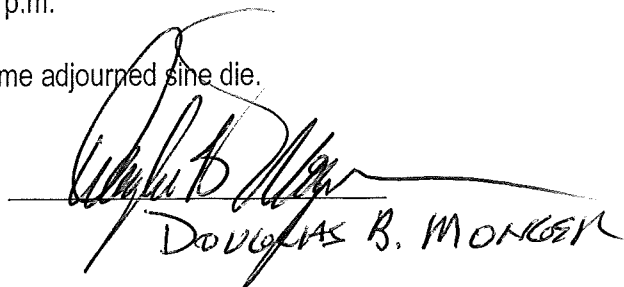
Included in the packet.

EN RE: ADJOURNMENT

MOTION

Cole moved to adjourn the regular meeting of the Housing Authority. Catherine seconded; the motion carried unanimously. The meeting was adjourned at 2:00 p.m.

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



DOUGLAS B. MENGER

Sarah Katherman, Minute Taker

Doug Monger, President