

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

May 12, 2017

Roger Ashton, 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: Catherine Carson, Mike Beyer, Craig Malchow, Roger Ashton, Cole Hewitt, Doug Monger, John St. Pierre, John Spezia, Sheila Henderson, Kathi Meyer and Luke Carrier.

Others present included: Matt Mendisco, Town of Hayden; Byrne Powers, Fish Creek resident; Rachel ??, Fish Creek resident; and Jason Peasley, Yampa Valley Housing Authority Executive Director. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

Mr. Byrne Powers, a resident of Fish Creek Mobile Home Park (Fish Creek), stated that the same parking issues that he has complained about repeatedly have not been resolved. He said that there are two wrecked cars, one that has been there for six months and another that has been there for nine months. He said that there is no one paying attention to what's going on at Fish Creek and that Kate has not responded when he has called to report issues. He asked about the status of the promised cluster boxes and cited issues with the fencing and the common area. Byrne said that there was very little communication with the residents from the management. He also said that the unit next to his is being rented out, and although he has not contacted the owner directly, he has contacted Kate, who accused him of harassing his neighbor. He stated that Fish Creek needs on-site management.

Regarding the cluster boxes, Jason stated that staff is working with Kum & Go and the Chamber to secure a spot to locate the boxes, but that they are uncertain if they will be able to do so. Catherine said that the renting situation is serious, and suggested that this and the other issues be addressed at the committee level. She asked that a Fish Creek Committee meeting be scheduled.

Ms. Rachel ---, a new resident of Fish Creek, asked if the public could attend the Fish Creek Committee meeting. She said she wanted to get more involved. Jason said that he would contact her with information as soon as the meeting is scheduled.

EN RE: BOARD MEMBER COMMENT

Catherine announced a Town Hall meeting to be held by State Representative Diane Mitsch Bush.

Mike said that the Board should address Kate's accrued sick leave. Jason reported that he and Trish had looked into it, but had not yet resolved the issue.

Roger noted that the Brynn Grey presentation was being postponed. Jason said that Brynn Grey is presenting to City Council on May 23rd and would like feedback from YVHA beforehand. He suggested that a special meeting may need to be called to hear their presentation.

EN RE: WORKING TEAM UPDATES

▪ Legacy Issues Committee

In Dillon's absence, Jason reported that the Committee is working on creating a "blue ribbon" template for any deed restrictions that YVHA might impose on units in the future. He said that the Committee had reached consensus regarding the employment restriction (Routt County) and the residency restriction (must be sole residence), but had not made any decisions regarding affordability measures. He said that they may opt for no affordability restrictions at all.

In response to a question from Luke regarding retirees, Jason said that retirees from jobs in Routt County would be eligible, but not retirees who are moving here following retirement from careers elsewhere.

Catherine stated her support for including an appreciation cap. She offered that with local wages remaining fairly stagnant, after the first or perhaps second sale the price of homes without appreciation caps are above what local workers can afford. The owners then come to YVHA wanting relief from the deed restrictions to sell the property. She offered that an appreciation cap would allow for slower, steadier appreciation. Cole argued that a deed restriction will not insulate a property from market fluctuation. Doug stated that the Committee is discussing what an appropriate measure of appreciation might be. He said that the Committee is also investigating a way for the YVHA to be able to capture some of the appreciation on the sale of future projects. Cole stated that if wages dictate what a local can afford and there is a sufficient inventory available only to locals, the prices of those units will be dictated by local wages. Regarding the availability of financing for deed restricted units, Cole stated that the issue with financing is the loan to value ratio, and Luke added that they also look at debt to income ratios. Deed restrictions are not a factor. John Spezia stated his support for placing a maximum AMI on the buyer restrictions, noting the wide range of local incomes. John St. Pierre argued that by restricting appreciation, the deed restrictions make the homes rental units by another name.

Jason said that neither an appreciation cap nor an AMI restriction has a lot of support on the Legacy Committee. He offered that the goal would be to establish a sufficiently large and varied market of homes that are only available to locals. He said that once a template for deed restrictions is established, the next challenge will be to figure out the best means to transition the existing units into the template. Jason said that the goal is to have this work completed by the June YVHA Board meeting.

Doug expressed concern with the impact of the deed restrictions during downturns in the market, not appreciation during the booms. He noted that in the case of foreclosures the deed restrictions are eliminated. He added that he is concerned with YVHA taking a portion of the profit from sales when it is not taking on the risk of the purchase. Catherine offered that the issue is providing healthy home security, not creating investment properties. She stated that the initial price would be below market based on community investment, and that the original owner would make a windfall in the first sale, but that there would be no room for appreciation after that. John Spezia expressed concern about YVHA investing in homes that only remain affordable through one sale. He said that if some appreciation is allowed, it is not like a rental property. He reiterated the need for an AMI cap on buyers.

Jason summarized that the question that hasn't been answered is whether the deed restrictions would be used to create a local-only market with no price or appreciation controls, or whether an affordability measure, probably in the form of an appreciation cap, should be applied. Doug said that either the home price will be kept artificially low, or YVHA would take some percentage of the profit from sales to contribute to the development fund. John Spezia suggested that a flexible appreciation cap tied to some index of the housing market should be considered.

▪ Funding Committee

Catherine reported that TABOR creates barriers to several of the funding options that were considered. She added that it would be very difficult to raise sufficient funds through donor-based fundraising. She said the Funding Committee had narrowed the options to four: urging the City to reinstate some form of an inclusionary zoning ordinance, asking the City to impose an additional excise tax, seeking voter approval for a property tax, or seeking voter approval for a sales tax. She said that one problem with the first two options is that they only target new construction. Catherine noted that the tax proposals would not have to be large increases to raise the amount needed to partner with developers, and a ballot measure could be sponsored directly by YVHA. She proposed initiating an exploratory effort to assess the community support for a potential ballot measure by presenting the

concept to community groups and doing widespread outreach to identify volunteers and donors. She reviewed the legal constraints on YVHA after the ballot language has been certified. Jason reviewed the deadlines for filing a ballot initiative. Catherine suggested that because several other ballot measures are being delayed to 2018, and because the work of the Steering Committee and Working Groups has raised the profile of the issue in the community, it would be best to act quickly to get a measure on the 2017 ballot. Matt Mendisco advised YVHA to get accurate legal advice on what YVHA can and cannot do in support of a ballot measure.

There was a discussion of the timing and the ability to assess community support. Kathi suggested that a third party survey would be needed, and noted the expense related to an election. She stated that prior to proposing a ballot measure, YVHA must clarify what it is asking for and why, and engage in thorough community education. She suggested that it is already too late to target the 2017 election. Several Board members expressed doubt that a survey would provide accurate results of support. Jason said that he would be making a presentation to the Chamber on June 8th, and offered that assessing the support of the business community would be crucial in deciding if a sales tax or property tax proposal was worth pursuing. Regarding a property tax, Jason said that a 1 mill levy would mean an increase in the property tax of approximately \$40 on a \$500,000 residence and \$145 on a \$500,000 commercial property. Doug noted that the inclusionary zoning ordinance and other efforts by the City were not directed at solving the existing problem, but rather provided means to get new development to create the units needed moving forward. This is the difference between "catch-up" and "keep-up." He said that each needs its own solution. Roger said that the Funding Committee will be meeting on Monday. Several Board members agreed that it would be preferable to move forward with a proposal in 2017 while YVHA has momentum. Jason asked for direction. A straw poll indicated support for directing Jason to move forward on the effort. Kathi and John St. Pierre dissented.

▪ **Development Committee**

Kathi stated that she had missed the tour of potential properties in Hayden. She stated that there was little new to report. Jason said that the discussion at the Development Committee has focused on what an on-going development plan would look like utilizing the low-income tax credit program, and on the seasonal worker housing project discussed last month. Other market segments being discussed are low-income and entry level. Regarding the amount of financial participation needed from YVHA, Jason said that on a 9% LITC project (like the Reserves) the community's investment was \$8,500 per unit. With more traditional financing at a 4% level, the contribution would be approximately \$15,000 per unit. He said that this would be the basis for determining the amount of money needed to build a given number of units over a given period of time. Kathi stated that from start to move-in the Reserves took about 3 years.

John St. Pierre stated his support for working with Corum. Kathi reviewed the RFP process. Jason emphasized that the YVHA investment would be used as leverage in a private-public partnership. Doug expressed concern about accountability regarding what YVHA would be purchasing with its investment in a project and with how to ensure that the units remain affordable. Jason said that the majority of the units that YVHA would be involved in have built in restrictions on the AMI of tenants over a 40-year period. He added that with for-purchase units, deed restrictions would be the means through which the community secures its investment. Doug also expressed concern with the ownership participation and control of YVHA, as well as with the accrued property taxes that are lost to the community in projects like the Reserves. He stressed the need to clarify the message regarding what YVHA is asking for, why it is asking, and what it would do with the money prior to any ballot initiative.

Cole stated his support for approaching the Chamber with the concept of a ballot proposal on June 8th. He noted that the work of the Steering Committee not only indicates community interest in the issue, it also indicates that the community wants YVHA to take action to solve the problem. He offered that the reaction by the Chamber would provide a good indication of feasibility.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the April 13, 2017 minutes
- b. Review and approval of balance write-offs for March 2017
- c. Review and approval of the March 2017 check register
- d. Review and approval of the leave report for March 2017
- e. Review and approval of March 2017 financial statements

MOTION

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

EN RE: STAFF REPORTS

Jason stated that he had met with representatives of CHFA, who are very supportive of what YVHA has done with Fish Creek Mobile Home Park. He said that they developing loan programs to help housing authorities purchase, build or rehabilitate mobile home parks, as well as a program through which individuals can buy and improve mobile homes. Cole reviewed the pilot program for homeowners. Jason said that the programs for housing authorities are designed to dovetail with Water and Power Authority loan programs. He said these programs are being finalized, and could be a good opportunity for YVHA to address the needs of the entry-level market segment.

Regarding the asbestos abatement of the abandoned trailer on Lot 57, Jason said the project would start next week and would cost approximately \$8,000.

Jason reviewed the delays and difficulties that have plagued the new trailer project. He said that he would be presenting a plan and a budget to the Board for the next meeting for a proposal through which YVHA would purchase and set the next new unit and sell it to a qualified buyer. He said he would also be presenting a plan for the roof replacement at Hillside Village. Both projects would require supplementary budget approvals.

Catherine asked Jason to review the credits accumulating in the Fish Creek aging accounts.

Jason said he was planning a vacation for July/August for about two weeks.

EN RE: ADJOURNMENT

MOTION

Catherine moved to adjourn the regular meeting of the Housing Authority. Mike seconded; the motion carried unanimously. The meeting was adjourned at 1:55 p.m.

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



Sarah Katherman, Minute Taker



Roger Ashton, President