

**YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING**  
**May 10, 2018**

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, Roger Ashton, Cole Hewitt, Kathi Meyer, Doug Monger, Mike Beyer, Rachel Hassell, Mark Scully, Sheila Henderson, Chris Slota and Luke Carrier. Dick Banks participated via phone. Trish Sullivan was absent.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; Alyssa Cartmill, YVHA Executive Assistant; Matt Medisco, Hayden Town Manager; Matt Gillam, Overland Property Group; and Willa Williford, consultant. Sarah Katherman recorded the meeting and prepared the minutes.

**EN RE: PUBLIC COMMENT**

Mr. Mendisco asked about the status of the DPA program and whether progress had been made on opening up the program to all residents of Routt County. He said that he knows of people who are ready and interested in taking advantage of the program now. Kathi said that she had discussed the topic with the City finance director and would be presenting the issue to the Finance Team next week. Jason said that he would keep Matt updated.

**EN RE: BOARD MEMBER COMMENT**

Catherine stated that this Saturday is community recycling day and prom, and that the Yampa Valley Sustainability Council is looking for volunteers. She also noted the need for 100% verification of owner occupancy at Fish Creek Mobile Home Park. Mike said that how to achieve 100% verification will be discussed at the next Property Management Team meeting, to be held May 23<sup>rd</sup> at 12:30.

**EN RE: CONSENT AGENDA**

The following items were presented on the consent agenda:

- a. Review and approval of the March 8, 2018 minutes
- b. Review and approval of balance write-offs for February 2018
- c. Review and approval of the check register for February 2018
- d. Review and approval of the leave report for February 2018
- e. Review and approval of financial statements for February 2018

Sheila noted that she was absent from the meeting and Chris corrected the spelling of his name.

**MOTION**

Kathi moved to approve the consent agenda, as presented, with the suggested amendments to the meeting minutes. Catherine seconded. **The motion carried unanimously.**

**EN RE: STAFF REPORTS**

Jason reported on his new baby girl, Lily.

Jason reported that Angela Ashby, a realtor who has been working on getting the Sierra View lots sold, had submitted a new contract to extend the agreement and the listing. He suggested that the agreement could be extended through the summer, and if the lots have not sold, the Board could discuss its options. He reviewed the lots for the new members and stated that the carrying cost on the lots is \$3,500. Mike suggested that the

Development Team look could onto alternatives to selling the lots, given that the YVHA circumstances have changed. This item will be added to the Development Team agenda.

**EN RE: RESOLUTION 2018-004 SUPPLEMENTAL BUDGET AMENDMENT**

Jason stated that Alyssa's role with YVHA had grown and that more of her time was needed. He proposed increasing her position to 40 hours/week. Cole said that the Finance Team had reviewed the proposal and had determined that its impact on the budget was low. The Finance Team unanimously recommended approval.

**MOTION**

Mike moved to adopt Resolution 2018-004 to defray expenditures in excess of amounts budgeted. Chris seconded the motion. **The motion carried unanimously.**

**EN RE: LIHTC PRESENTATION – WILLA WILLIFORD**

Jason introduced Willa Williford, a consultant who has been working with the Development Team. He offered that although not all board members need to be experts in LIHTCs, it is important that everyone have a general understanding of this essential funding tool and how it works.

Willa reviewed her experience in various parts of the affordable housing industry. She discussed the importance of LIHTCs in creating affordable housing, noting that next year the program would be begin including housing for people at 80% of AMI. She presented an overview of how LIHTCs function for the all parties in the development project deals and reviewed the details of the Reserves project. She remarked on what an excellent deal the Reserves was. She also discussed the variability in the pricing of LIHTCs. The slides outlining her presentation were included in the meeting materials. Willa and Matt Gillam of Overland Property Group discussed the concerns, variables and strategies for unwinding the investment deals when the benefits to the investor cease. Willa said that the process depends on the details of the partnership agreement and the particular equity partner involved.

In response to a question from Luke, Willa reviewed how LIHTCs priced over \$1.00 can still function to benefit an investor by providing credits toward the requirements of the Community Reinvestment Act. Willa added that LIHTC projects are protected and regulated in many ways, and almost never default, so small ROIs not uncommon. Matt noted how well the LIHTC program works. Jason noted that when the value of the tax credits decreases the importance of the soft funding contributed by local entities increases. Matt said that although the pricing of tax credits has dropped somewhat, the market may have stabilized to allow for greater predictability.

**EN RE: PROJECT PRESENTATION – MIXED INCOME PROJECT WITH OPG**

Jason reviewed that immediately after the ballot measure passed in November, YVHA issued an RFP for development partners for low-income, seasonal and entry-level projects. Three proposals were received, and negotiations proceeded with two: Overland Property Group (OPG) and SW Development Group. The SW Development Group project is still in negotiations. Jason said that the June 1<sup>st</sup> deadline for submitting an application for 9% LIHTCs with CHFA is driving the rush on the OPG project. Jason said that the presentation to CHFA would be made in August, and a decision will be made in the fall. He said that prior to moving forward, he will need an indication from the Board regarding its willingness to commit to a contribution to the project. He said he is working on the Letter of Intent (LOI), which would be included on the agenda for the June YVHA Board meeting. Jason reported that they had received great feedback from CHFA at the pre-application meeting.

Matt announced that the Reserves project had received the 2018 Eagle award for innovation in affordable housing in Colorado. He noted that the award is voted on by developers, management companies, consultants, and other members of the tax credit industry.

Matt unveiled the site of the new proposed project and reviewed the revised break-down of apartment types, and the number of units per income range. The project will have a total of 72 apartments, including 24 targeted at the 60% to 120% AMI range. He noted that at the pre-application meeting with CHFA, they were advised not to chase points to make their project look better, but rather to target what the community needs. Matt stated that there is a huge demand in Steamboat for units for the 60% - 120% of AMI range. He said that although these units are considered market rate by CFHA and no program is in place to support them, voluntary restrictions would limit these units to those in the 60% - 120% of AMI range. He stated that this is an innovative program tailored to the particular needs of the community. Jason explained that the LIHTC program would be utilized to gain efficiencies that will allow the creation of the 24 units targeted at this income bracket. Matt stated that the units targeted at different income levels will be identical. Units cannot be segregated in the development by income bracket. Matt noted the mix of unit types per income bracket was chosen to meet revenue requirements, while addressing the maximum need in the community. He explained capture rates (the percentage of the estimated demand need to fill the project) and noted that the demand is so high in this area that the capture rates will be very low.

Matt stated that the next step in the process is the completion of the market analysis, which is underway. He noted the importance of this element in the process. He stated that CHFA does not allow inflow demand to be included in the demand statistics. He stated that the primary market area is set by CHFA. Matt discussed the process for setting the rents of the 60% - 120% units. He said that the pro-forma must be flexible enough to allow for future adjustments in the market. There was a discussion of the value of mixed income neighborhoods. Willa noted that while the middle-income units can be a little trickier to manage, they can be used to cover unexpected fluctuations in the cost of the project.

Matt reviewed the site plan. He discussed the benefits of the location and stated that 72 is the maximum number of units that the property can handle and still meet parking requirements. He stated that the Reserves project has more parking than is needed, and that the new project would have 1.2 parking spots per unit. There was a discussion of the proposed parking plan. Matt presented a preliminary rendering of the project, which will look very different from the Reserves on the exterior. He stated, however, that the project would duplicate the interior layouts and structural elements to take advantage of all that was learned in building the Reserves.

Matt outlined the partnership proposal that will follow that same general format at that used for the Reserves. He said that the YVHA cash contribution would be \$525,000, to be returned within four years of stabilization. He stated that the development fee and the overall pro-forma may change somewhat depending on project costs and other variables, noting the importance of maintaining flexibility. He stated that his goal is to form a true partnership. He said that although the particulars of the proposed development agreement are currently confidential, all of the documents would be public once they are submitted to the state. He estimated that the per unit cost would be near to or lower than that at the Reserves. Matt stated that the maximum LIHTC request from CHFA is \$1.35M. He said that they expect to request approximately \$1.25M.

Willa asked about applying the property tax exemption to the 60% - 120% units, noting that she did not think it was a legal concern. Matt said that he would consult with his attorney on the issue.

Doug asked if variances would be needed for the project. Jason said that a maximum building width variance and a ground floor ceiling height variance would be needed. Both of these variances were obtained for the Reserves project. Regarding the flood plain, Jason said that the buildings would be elevated to ensure they are above the floodplain. Matt added that the project is outside the required setback from the powerlines.

Matt reviewed the schedule of events that would occur over the next year in anticipation of breaking ground in the spring of 2019. He stated that the same team of consultants, contractors, etc. would be used on this project

as were used on the Reserves. He said that the biggest risk in accomplishing the project is the possibility of not being awarded the LIHTCs.

There was general consensus by the Board regarding the proposed \$525,000 cash contribution to the project. A formal vote of 2/3 of the Board will be needed to approve this commitment. Jason suggested that the executive session to discuss the development partnership agreement and the LOI should be tabled to the June meeting.


**EN RE: ADJOURNMENT**

**MOTION**

Cole moved to adjourn the regular meeting of the Housing Authority at 3:00 p.m. Doug seconded; the motion carried unanimously.

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

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Sarah Katherman, Minute Taker

  
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Roger Ashton, President