

## YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

July 12, 2018

Sheila Henderson, 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: Catherine Carson, Luke Carrier, Cole Hewitt, Kathi Meyer, Doug Monger, Mike Beyer, Rachel Hassell, Sheila Henderson and Chris Slota. Trish Sullivan, Roger Ashton, Mark Scully and Dick Banks were absent.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; Alyssa Cartmill, YVHA Executive Assistant; David O'Neal, Melissa Sherburne and Michel Marchand of Brynn Grey Partners; and Frances Hohl from the *Steamboat Pilot & Today*. Sarah Katherman recorded the meeting and prepared the minutes.

### EN RE: PUBLIC COMMENT

There was no public comment.

### EN RE: BOARD MEMBER COMMENT

There were no Board member comments.

### EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the June 14, 2018 minutes
- b. Review and approval of balance write-offs for May 2018
- c. Review and approval of the check register for May 2018
- d. Review and approval of the leave report for May 2018
- e. Review and approval of financial statements for May 2018

### MOTION

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

### EN RE: STAFF REPORTS

Jason reported that City Council, acting as the Steamboat Springs Redevelopment Authority, provided direction to City staff to remit the property tax that it received as a result of ballot measure 5A back to YVHA. He said that this would amount to around \$43,000 in additional revenue in the 2018. Kathi noted that any new mill levy passed in the future would be subject to this policy. Doug added, however, that future Councils are not bound by this decision. Jason said that the decision would be memorialized via an MOU between the City and the YVHA.

Jason said that a land purchase contract had been delivered to the Sheraton. Representatives of the Sheraton will get back to YVHA following their internal review.

Jason reported that the waiting list at Hillside Village is around 30 families. The waitlist for the Reserves remains at around 200.

Catherine asked about the visit by CHFA to the proposed site of Alpenglow Village. Jason said that he just received some follow-up questions from CHFA primarily regarding the rents in the middle-income portion of the

project and how the floodplain issues on the site would be handled. He said that there would be a conference call with CHFA representatives later today. Jason said that no deal-killers were apparent at the site visit.

Jason proposed reordering the agenda to allow the representatives from Brynn Grey to make their presentation.

#### **EN RE: LETTER OF INTENT REGARDING LAND DONATION FROM BRYNN GREY**

Jason said that he and Mark Scully had been negotiating with Brynn Grey on the proposed donation of land. He said that YVHA has been focusing on retaining flexibility regarding the type of project that would be developed on the parcel, ensuring that YVHA is able to choose its own partner on the project, and determine the timing and scale of the project. He said that Brynn Grey wants to ensure that the architecture of the project is consistent with that in the rest of the neighborhood. This could be accomplished through an architectural review process. Jason said that another issue to be decided is how the HOA will be structured to ensure that the fees are not overly high for the affordable housing project embedded in the market-rate neighborhood. One HOA will cover the entire neighborhood. Jason stated that Brynn Grey is proposing to donate a little over two acres of development-ready land, which could accommodate up to 50 units.

Mr. David O'Neal presented a site plan of the Gateway neighborhood and indicated the location of the parcel proposed for donation to YVHA. He pointed out features of the proposed neighborhood development and said that he is trying to secure a grocery store for the area. Eighty percent of the neighborhood will be deed-restricted for locals. Mr. O'Neal offered that the YVHA site occupies a key spot in the neighborhood. He presented a conceptual layout for the YVHA project on the site. Melissa Sherburne noted the central location of the parcel, its proximity to open space, parks and a daycare center. Mr. O'Neal described the design team and described several of the neighborhoods they have built in other communities. He acknowledged that YVHA would need to keep the cost of the project down, and that both YVHA and Brynn Grey want to ensure that the architecture is consistent with the surrounding neighborhood.

Catherine asked if the project would have to be an apartment building or condominiums. Jason said that the most likely zoning would allow for a range of residential options. Mr. O'Neal emphasized that Brynn Grey wants its relationship with YVHA to be true partnership, but added that YVHA could develop the land as it chooses. In response to a question regarding walkability and opportunities for residents to access outdoor kids' play areas, Ms. Sherburne indicated the parks, greens and open space parcels within a few minutes' walk of the site.

Catherine asked about the HOA and how it could change in the future when Brynn Grey is no longer the owner of the lots. Jason said that the City is requiring that prior to annexation a formal agreement regarding the land donation will be executed. Mr. O'Neal stated that an agreement regarding the percentage structure of the HOA fees could be locked-in through the agreement such that it would run with the land. He emphasized the importance of ensuring that the affordable units are indistinguishable from the other units in the neighborhood. He said that under the agreement the income restricted units would be exempt from the water and transportation firming fund fees. Catherine suggested that this be included in the LOI.

Luke asked whether the units would be rentals or for-purchase units. Jason said that this has yet to be decided and will depend on what other projects are done between now and when this land is developed. He said that YVHA wants to retain the flexibility to build a project that fits into the YVHA development plan.

Doug asked about the voting representation on the HOA board. Mr. O'Neal offered that one seat on the board would be reserved for a resident of the YVHA property, and added that a mechanism for fractional representation would have to be established. Jason clarified that there would be separate HOA for this multi-unit development within the larger HOA that would cover the whole neighborhood.

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Mike asked about the deed restrictions that would apply to the YVHA development. Jason said that this has not yet been decided and would depend on the type of project that is built. Mr. O'Neal said that the deed restriction being discussed for the eighty percent of the market-rate units in the Gateway neighborhood would require owners to work 30 hours/week in Routt County with a few exceptions. This issue will be discussed with City Council prior to annexation.

Jason said that YVHA had engaged its own architect to ensure that 50 units could be accommodated on the parcel. He said that 50 would be the highest number of units, but that YVHA would not be locked into building that many.

#### **MOTION**

Catherine moved to accept the land donation letter of intent with Brynn Grey, with the addition of language stating that the donated property would be exempt from the firming fees otherwise being required by City Council as a condition of annexation. Cole seconded the motion. **The motion carried unanimously.**

#### **EN RE: AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE A LAND SALE CONTRACT FOR THE SIERRA VIEW LOTS**

Jason said that an offer to purchase Lots 17 and 18 of the Sierra View Subdivision had been made through Angela Ashby, who is serving as a transactional broker on the sale. He said that the offer was extremely low, but that YVHA had submitted a counter offer. He said the purpose of the requested authorization is to allow him to execute the sale. He said he would present any proposed sale contract to the Development Team prior to agreeing to an offer. Doug expressed concern with authorizing a sale without knowing the terms of the contract. Kathi suggested that approval of the sale could be delegated to the Executive Committee or the Development Team. The contract would be subject to ratification by the Board. Jason said that his concern would be the ability to obtain approval in a timely manner. He noted that the timeline is very tight. Doug suggested that a special meeting could be called if an offer is received that is worth discussing. He noted that a meeting via phone conference could be held, provided that one person is present in the posted location.

#### **MOTION**

Cole moved to delegate this item to the Development Team. Doug seconded the motion. **The motion carried unanimously.**

#### **EN RE: LETTER OF INTENT WITH THE OVERLAND PROPERTY GROUP**

Jason reviewed the proposed letter of intent and compared its details to the Reserves project. He said that the application for the 9% LITHCs had been submitted to CHFA. He said that a site plan for 72-unit complex had been developed. The overall project is anticipated to cost a total of \$22,000,000, leveraging a YVHA contribution of \$525,000, which is less per unit than the Reserves. This will be the first project to utilize proceeds from the 5A mill levy. YVHA will apply for \$650,000 in grant funding through the Colorado Division of Housing. YVHA will retain a 40% ownership stake in the project, and will receive 16.8% of the developer fee (approximately \$340,000). Jason said that YVHA will have the opportunity to act as the on-site property manager for the project, with another entity, which OPG is a part of, handling the back-end financials. The right of first refusal to purchase the property will be the same as with the Reserves, except that the buy-out fee will not be pre-negotiated, but rather based on an appraisal of the project at 15 years. Jason reviewed the buy-out options that would be available when the investor exits. YVHA will shepherd the project through the planning process, and secure the local entitlements and permits for the project. Jason said that if the LIHTCs are awarded, construction could begin in 2019 with units becoming available in 2020.

Jason noted that one of the great aspects of the site is that a US 40 underpass is planned very nearby, providing safe pedestrian access to the grocery stores, bus stops and other facilities. Catherine asked about property taxes on the middle-income units. Jason said that these units may be subject to property taxes. He said that this is being investigated by the OPG attorney. He added that the pro-forma includes the possibility that a portion of the project will be subject to property taxes. If they are not, the resulting benefit would be split 40/60 with OPG. In response to a question from Mike, Jason explained that the tax credit investor may have an asset management fee that will come out of cash flow.

Jason stated that the major risk in this project is that YVHA will not be awarded the LIHTCs. He offered that the proposal is a good one, the demand for the units is extreme and the project targets a wide range of income levels, but the one element that cannot be controlled is that YVHA was granted LIHTCs in 2015. The presentation to the CHFA Board will be made in September, and the awards will be announced shortly thereafter. Jason noted that if the LIHTCs are awarded, there will be a lot of work to get done in a very short period of time to allow for construction in 2019. Jason said that there is no pre-development risk and no money will be obligated until the project closes, probably in the second quarter of 2019. He offered that YVHA's only exposure is the time spent on project planning.

Doug asked about the Davis Bacon wages responsibility. Jason said that the money from the state will be used for the purchase of the land, which will limit the Davis Bacon reporting requirements.

Luke asked about the status of the Alpiner project. Jason said that feasibility and due diligence regarding the project are underway. He stated that the application for the 4% LIHTCs is likely to be submitted in 2019.

#### **MOTION**

Chris moved to approve the development partnership letter of intent with Overland Property Group, as presented. Mike seconded the motion. **The motion carried unanimously.**

#### **EN RE: TEAM MEETING RECAP**

##### Executive Team

Jason said that Executive Team creates the agenda for the Board meetings. He said that the other topic of discussion was the City and County contributions to YVHA, given the passage of 5A. He suggested that a floor might be set at \$50,000 to be reached as a function of increased property management fees. The current contribution is \$65,000. He said that this would be discussed with City Council and the Board of County Commissioners during the annual update process in August and September.

##### Finance Team

Cole said that the Finance Team also discussed the contributions from the City and County. He added that only one proposal had been received in response to the RFP for an auditor. The proposal from McMann will be reviewed this week and will be included on the August Board agenda. Cole said that the audit is likely to run \$15,000 - \$25,000.

##### Existing Assets Team

Mike reported that the occupancy verification at Fish Creek Mobile Home Park is now 99% complete. The sewer project is 100% complete. Mike noted that some leaks were identified, however. He said that these are owner-specific issues. Notices of these problems will be issued. The cluster mailbox project is in process, but there is some dispute regarding how they will be paid for. Jason reported that eviction process for #110 has begun.

##### Development Team

Sheila reported that the Development Team had been working on all of the matters previously discussed.

Policy Team

Catherine reported that each policy area will be systematically reviewed, beginning with personnel policies. She said that the team is also working on a process for drafting policy statements and procedures. She said these would be presented to the full Board for approval. Jason said that staff could then use these pre-approved statements as representations of the Board's opinion on a variety of topics. Minority opinions can be included.

**EN RE: OTHER BUSINESS**

In response to a previous question from Catherine, Alyssa said that six applicants for 9% LIHTCs are re-applicants. She reviewed the locations of the proposed projects.

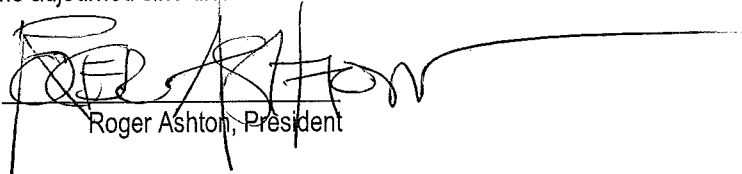
**EN RE: ADJOURNMENT**

**MOTION**

Cole moved to adjourn the regular meeting of the Housing Authority at 1:30 p.m. Mike 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