

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
October 11, 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, Luke Carrier, Cole Hewitt, Mike Beyer, Sheila Henderson, Chris Slota, Trish Sullivan, Doug Monger, Roger Ashton and Rachel Hassell. Kathi Meyer, Mark Scully and Dick Banks attended via phone.

Others present included: Jason Peasley, Yampa Valley Housing Authority Executive Director; and Alyssa Cartmill; Matt Mendisco, Hayden Town Manager. Sarah Katherman prepared the minutes from a recording.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

Luke stated that he had attended the recent Board of Realtor's meeting to inform them of the updated DPA program. Mike commended the updates from the work teams. Roger reported on the state housing conference in Vail. He suggested that attending this annual conference would be beneficial for any Board member.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the September 13, 2018 minutes
- b. Review and approval of balance write-offs for August 2018
- c. Review and approval of the check register for August 2018
- d. Review and approval of the leave report for August 2018
- e. Review and approval of financial statements for August 2018

Doug noted that the reference to Kim Bonner in the September 13th minutes should be Kim Weber.

MOTION

Doug moved to approve the consent agenda, as amended. Chris seconded. **The motion carried unanimously.**

EN RE: STAFF REPORTS

Jason noticed that the balance of his time has shifted to development, now that the Alpenglow Village project is underway. Regarding the conference, Jason said that he and Alyssa had spent a lot of time there meeting with attorneys and potential investors in the tax credits that will fund the new project. He noted that there was significant interest in the project among investors, which could help to raise the price. Roger said that investors from across the country attended the conference. In response to a question from Dick regarding the future availability of tax credits, Jason offered that YVHA may have exhausted its allocation of 9% tax credits for a while. He said that the next area of focus will be on 4% federal LIHTCs and state credits.

Jason reviewed the major items on the Board agendas for the next couple of months, including a training for the Board on partnership agreements. He noted that CHFA tends to be leery of outside developers coming into Colorado for the first time. Jason said that the current team of YVHA and OPG, combined with demonstrated community support, has made a very good impression on CHFA.

Catherine noted the importance of completing the renovations at Hillside units quickly. Mike said that he would follow up with Kent, and agreed that the six-month timeline was excessive.

EN RE: PUBLIC HEARING – 2019 DRAFT BUDGET

Roger said that the final budget would be approved next month. Jason reviewed that a copy of the budget has been available for review by the public, and that the public hearing was advertised in the newspaper. He said that there have been no major changes in the draft budget over the past month, with the exception of health care costs. He said the increase will be more like 20% than the previously estimated 8%. Matt stated that the Town of Hayden purchases health insurance for its employees through the Colorado Employer Benefit Trust (CEBT), which provides employee benefits to approximately 33,000 members and more than 300 participating groups. He suggested that a better deal may be available to YVHA through this organization. There was a discussion of ideas for reducing the insurance cost to YVHA. The Board directed Jason to look into other options.

Doug asked about budgeting for legal costs associated with the new development, even if they are reimbursable through the Alpenglow project. Jason said that Ward Van Scoyk was paid directly out of the Reserves project, but that he would follow-up to make certain it is covered. He said that funds are included in the due diligence line item of the budget to cover a variety of expenses related to the Alpenglow project. Mike asked for clarification regarding the maintenance manager salary. Jason explained that when YVHA re-hired Kent, his salary was more than that of the previous person in the position.

EN RE: EMPLOYEE BENEFITS BENCHMARKING

Roger noted that this item had been referred to the Executive Team, which had asked staff to compile a comparison chart with benefits offered by other comparable organizations. Jason asked where YVHA wants to be in the range of benefits. Roger said that the Executive Team had discussed a target slightly above average among comparable organizations but did not define what that means or how to get there. There was a discussion of what organizations were comparable, and whether a bonus structure was appropriate in a quasi-governmental agency. Doug reviewed the step system used by the County for employee compensation. The current system used by YVHA was modeled on the County's system. Catherine suggested that the discussion should focus on overall compensation (salary + benefits). Roger offered that the step program was set to comparable organizations benchmarks. He offered that the current discussion should be limited to the benefits. Mark offered that rather than setting the target at "above average" YVHA should define its peer group as the highest level organizations and/or communities and peg the benefit package at an average of that group. Jason noted that the current benefits package is well below average, as demonstrated in the meeting materials.

Cole said that some of the priorities identified by staff have easily defined costs: doubling the retirement fund contribution will cost \$7500 a year, adding a dental plan will cost \$2000, the vision plan will cost \$381, long-term disability coverage will cost \$1500 and short-term disability will cost \$1000. The total additional cost of adding three of the six staff priorities would cost a total of \$13,000 per year to the organization. Catherine said that it might even be less by going through CEBT for insurance, as suggested by Matt. Doug stated his support for adding \$13,000 - \$15,000 to the budget to cover these additional benefits, and pursue the possibility of better health insurance. Cole stated that the additional shortfall could be made up by roughly by the interest on the Colorado Trust account and added to the proposed transfer from the Development Fund to the General Fund. He said that he does not think this type of transfer will be needed long-term as cash flow from additional projects materializes. Jason said that staff would prefer to have better health insurance instead of disability insurance, which was not listed as a priority. There was general consensus to add the proposed funds to the budget and refer this item to the Executive Team to determine how it will be allocated.

EN RE: ALPENGLOW VILLAGE PROJECT UPDATE

Jason reviewed that YVHA had been awarded \$13.5 million in LIHTCs by CHFA. He said that the goal is to break ground in the spring for delivery of units in second half of 2020. He stated that this will require, among other things, getting through the Planning and Building processes in six months. Jason will be leading the team, which will include the architects, engineers, contractors, consultants, etc. OPG will be working on the securing the tax credit investor, as well the construction and permanent lender. Equity and debt partners will be selected around the first of the year. YVHA will also be working on getting grants for the project through the Colorado Division of Housing. He said that how these funds, as well as YVHA funds will flow into the partnership will be based on the preferences of the investor in order to maximize their return, and consequently the pricing of the tax credits. Jason noted that due the reduction in the corporate tax rate, the value of the tax credits has gone down compared to when the Reserves project was begun. He discussed the drivers of tax credit pricing. Jason also reviewed the elements of closing on the deal, as summarized in the meeting materials. As mentioned earlier, there will be a training with Ward Van Scoyk in January to educate the Board about the partnership documents and prepare it for the review of the final documents and the closing. He asked Board members to tell him if they have specific questions regarding the documents or components of the partnership so that these issues can be addressed in the training. In response to a question regarding the management of the project, Jason said that YVHA will probably have to subcontract some elements of compliance in order to meet the requirements of the investor and OPG. He noted that compliance is one of the main areas of risk being assumed by OPG. YVHA will receive 16.8% of the development fee, followed by portion of the cash flow from operations. Jason said that as these projects come on line, and if they are as successful as the Reserves has proven to be, there will be financial benefits to the organization.

Doug asked if it would be appropriate to ask the City to use \$100,000 of the City and County funds that are earmarked for development to reduce the YVHA contribution from 5A funds to \$425,000. Kathi suggested that she and Doug should discuss this at a later date.

In response to a question from Luke, Jason clarified that the Union Pacific payment included in the budget is the fee for crossing the railroad tracks to access Fish Creek Mobile Home Park.

EN RE: ADJOURNMENT

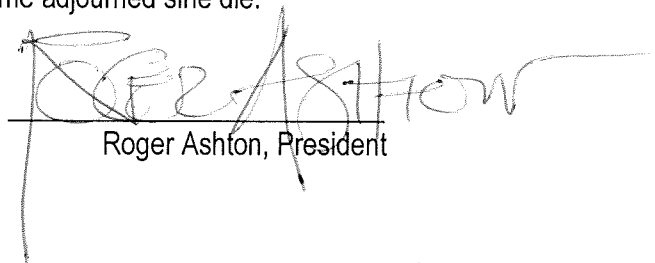
MOTION

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

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



Sarah Katherman, Minute Taker



Roger Ashton, President