

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

July 9, 2020

Cole Hewitt, Yampa Valley Housing Authority Board President, called the virtual meeting of the Yampa Valley Housing Authority to order at 12:00 p.m.

Board members participating included: Catherine Carson, Cole Hewitt, Mike Beyer, Kathi Meyer, Michael Ann Marchand, Emily Katzman, Luke Carrier, Alison Brodie, Roger Ashton, Chris Slota, Rachel Van Eck, Roddy Beall and Tim Corrigan.

Others participating included: Jason Peasley, YVHA Executive Director; Alyssa Cartmill, YVHA Regional Property Manager; Kevin Delehanty, YVHA Executive Assistant; and Ward Van Scoyk, YVHA attorney. Sarah Katherman prepared the minutes.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

There was no board comment.

EN RE: PUBLIC HEARING – STATE AFFORDABLE HOUSING TAX CREDIT APPLICATION

Cole read the following:

Overland Property Group and Yampa Valley Housing Authority will submit an application to the Colorado Housing and Finance Authority (CHFA). The purpose of this application is to request an estimated \$1,000,000 in annual State Low Income Housing Tax Credits (LIHTC) for an estimated total State LIHTC of \$6,000,000. The present value of these credits is estimated to be \$4,320,000.

Overland Property Group and Yampa Valley Housing Authority will also submit an application to the Colorado Division of Housing (DOH) to request \$645,000.

This funding will be used to develop 75 rental units at 400 Anglers Dr, Steamboat Springs, Colorado. The total cost of this development is estimated to be \$25,452,698.

The request of funding is to benefit persons with low and moderate incomes by increasing the availability of affordable housing in Routt County. It is not the intent to cause displacement from any existing housing; however, if persons are displaced from their existing residences reasonable housing alternatives shall be offered.

All interested persons are encouraged to make public comments now.

Jason said that a recording of this portion of the meeting would be included with the application.

There was no public comment.

Chris asked what would happen to the project if the LIHTCs were not received. Jason said that the project would not work without the state tax credits. He suggested that the project would be tabled and YVHA would submit an application for the tax credits next year. He added that the Department of Housing grant is important, but not as

significant a piece of the capital. Jason offered that additional funding would be sought to fill the funding gap if the grant is not awarded.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the June 2020 minutes
- b. Review and approval of balance write-offs for May 2020
- c. Review and approval of the check register for May 2020
- d. Review and approval of the leave report for May 2020
- e. Review and approval of pre-audit financial statements for May 2020

Cole noted that the June minutes had not be included in the meeting packet.

MOTION

Catherine moved to approve items b – e of the consent agenda, as presented. Mike seconded. **The motion carried unanimously.**

The minutes from June will be included in the August consent agenda.

EN RE: STAFF REPORTS

Jason said that the YVHA staff has been assisting with the construction team at Alpenglow toward receiving a T.C.O. for Building B. The building should be ready for tenants to move in within days.

Jason reported that they are working on competing budgeted capital improvements at Fish Creek and Hillside. The Reserves is steady, with a significant wait list.

Jason reported that the Development Team has been working on the Sunlight Crossings project, to be discussed later. He said that staff has also been working with Matt Gillam and Adam Morgan on the application for 4% tax credits with CHFA, due in early August. They are collecting letters of support.

Jason stated that comments had been submitted on draft USFS leasing manual, intended to facilitate the creation of housing for USFS employees and the community. He said that under the draft guidelines in-kind contributions to the project can be used to offset the cost of land for a project.

Jason said that staff has returned to working at the office while maintaining social distancing. He said that rent collections have been stable, but that the Property Management Team had extended the suspension of late fees and evictions at YVHA properties through the end of July.

EN RE: YVHA PERSONNEL POLICIES AND PROCEDURES HANDBOOK

Catherine discussed the changes to the handbook and stated the amendments broaden sick leave coverage and ensure that all federal requirements are met. She stated that any covid-19 related sick time will be coded differently to allow YVHA to be reimbursed. She added that employees would also be allowed to use their regular sick leave to care for others with covid-19 and YVHA would fill in the 1/3 pay not covered by the federal program. Catherine also noted that the opening statement about the nature of paid sick leave had been deleted.

MOTION

Roger moved to approve the amended YVHA Personnel Policies and Procedures Handbook, as presented. Chris seconded the motion. **The motion carried unanimously.**

EN RE: EXECUTIVE SESSION

MOTION

Cole moved to enter into executive session in compliance with C.R.S. 24-6-402 (4) (a) (regarding the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; except that no executive session shall be held for the purpose of concealing the fact that a member of the local public body has a personal interest in such purchase, acquisition, lease, transfer, or sale) and C.R.S. 24-6-402 (4) (e) (determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators) specific to an update on development negotiations.

Catherine seconded the motion. **The motion carried unanimously.**

Those participating in the executive session included: Catherine Carson, Cole Hewitt, Mike Beyer, Kathi Meyer, Michael Ann Marchand, Emily Katzman, Luke Carrier, Alison Brodie, Roger Ashton, Chris Slota, Rachel Van Eck, Roddy Beall, Tim Corrigan, Ward Van Scoyk, Jason Peasley, Alyssa Cartmill and Kevin Delehanty. No minutes were taken.

The YVHA Board exited executive session at 12:40 p.m. No decisions were made.

EN RE: LETTER OF INTENT BETWEEN GORMAN & CO. AND YVHA

Catherine asked if the rents would be recalibrated to current HUD maximum levels for 80% of AMI when apartments turn over. She also asked about the priority given to those moving to Routt County. Jason clarified that the priority would be given to those moving here for a job. There was a discussion of whether recalibration to current HUD maximum rents was implied in the language of the LOI.

Mike asked about the 15 days to seek priority tenants mentioned in Section 3.a. Jason stated that as property managers, YVHA would maintain two wait lists: one including those who qualify under the rental preferences and another for those who do not meet any of the preferred criteria. Citing the importance of property management to the attractiveness of this deal, Mike asked if YVHA could be assured that it would be the property manager. Jason said that Gorman's support of YVHA as property manager is stated in Section 5 of the LOI.

Mike asked what would happen if a tenant in an 80% AMI unit started making too much money to continue to qualify. Jason said that they could transition into one of non-deed restricted positions. He reviewed that at Hillside, if a tenant fails to re-certify, YVHA just ends up paying more because less is covered by USDA. It is not a hard eviction. He added that at Alpenglow tenants are only required to certify at the point of leasing. Cole noted that as property manager YVHA would be able to control the policies.

Mike asked about the first right of refusal at 15 years. Jason clarified that the financing has a 15-year term, so the project will have to be refinanced at that point. A new partnership could be formed to exercise the purchase option.

Mike asked if there were any outstanding variances that must be approved for the project to move forward. Jason said that all requirements, access permits and entitlements have been completed and they are ready to pull a building permit.

Kimball, representing Gorman & Co. joined the meeting. She confirmed that restricted rents would be recalibrated with every new tenant. Following discussion, Ward recommended amending the LOI to make this clear. Luke noted that over time some tenants at 80% AMI could end up paying more than others. Cole offered that

this disparity happens in all types of apartment buildings, and as cases come up they can be addressed on an individual basis. Kimball added that the property manager could equalize rents over the 45 restricted units.

In response to a question from Kathi, Kimball stated that she anticipates final underwriting to close in mid-September. She said that the goal is to break ground this fall, then suspend construction for the winter and resume in the spring. Kimball said they are working with a group of investors that Gorman has worked with before. She said that they expect the negotiations to be complete next week.

MOTION

Roger moved to approve the Letter of Intent between Gorman & Co. and YVHA with the recommended change to Section 3.b regarding recalibrating rents. Ward and Jason will work with Kimball on the final language. Chris seconded the motion.

Under discussion Catherine clarified that the requested amendment would state that as units turn over rents for the restricted units would be recalibrated to the current HUD maximum for 80% AMI with each new tenant.

Regarding a guarantee of property management, Kimball stated that it is Gorman's intent to designate YVHA as property manager, and Gorman would serve as asset manager to provide a back-stop if there are any concerns regarding YVHA's credentials. She stated that this could not be guaranteed in the LOI because it must go through underwriting. She stated, however, that Gorman would advocate for YVHA with the lenders.

EN RE: ADJOURNMENT

The regular meeting of the Housing Authority was adjourned at 1:30 p.m.

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

Sarah Katherman, Minute Taker

Cole Hewitt, President