

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
January 9, 2020

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, Cole Hewitt, Roger Ashton, Mike Beyer, Tim Corrigan, Rachel Van Eck, Kathi Meyer, Roddy Beall and Alison Brodie. Chris Slota participated via conference call. Michael Marchand, Emily Katzman and Luke Carrier were absent.

Others present included: Jason Peasley, YVHA Executive Director; Alyssa Cartmill, YVHA Executive Assistant; and Ward Van Scoyk, YVHA attorney. Sarah Katherman recorded the meeting and prepared the minutes.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

Kathi confirmed that the new board members had been confirmed by City Council and the Board of County Commissioners.

Mike suggested that the Board should revisit the Sierra View lots, which have been listed for sale for about two years, and the DPA program, which is rarely used. Jason offered that these would be discussed at the Strategic Planning session in February. He added that the lack of entry-level supply may be suppressing the utilization of the DPA program.

Kathi reported that City Council had decided that it will not entertain requests for release from deed restrictions until further notice.

EN RE: ELECTION OF OFFICERS

Roger stated that Cole had agreed to take on the position of President, and that Chris had agreed to become Treasurer. Catherine proposed that Cole should also be designated as financial officer. Kathi nominated Mike for the position of Vice-president. Mike agreed.

MOTION

Tim moved to approve the following slate of officers for 2020:

President: Cole Hewitt
Vice-president: Mike Beyer
Secretary/Treasurer: Chris Slota
Financial Officer: Cole Hewitt

Kathi seconded the motion.

The motion carried unanimously.

Cole noted that a super majority was needed for several items on the agenda. In order to ensure that a sufficient number of people are available to vote, Cole proposed moving up items 8, 9 and 10 of the agenda, and proceeding directly to the executive session.

EN RE: EXECUTIVE SESSION

MOTION

Cole moved to enter executive session at 12:25 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) regarding the Purchase and Sale Agreement for 2.31 acres of land and Letter of Intent between YVHA and Overland Property Group (OPG).

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

Those participating in the executive session included: Catherine Carson, Cole Hewitt, Roger Ashton, Mike Beyer, Tim Corrigan, Rachel Van Eck, Kathi Meyer, Roddy Beall, Alison Brodie, Jason Peasley, Alyssa Cartmill and Ward Van Scoyk. Chris Slota participated via conference call. No minutes were taken.

The YVHA Board exited executive session at 1:06 p.m. No decisions were made.

MOTION

Kathi moved to authorize Cole Hewitt to sign the Purchase and Sales Agreement for 2.31 acres of land on S. Lincoln Avenue in Steamboat Springs with the direction provided during executive session. Tim seconded the motion. **The motion carried unanimously.**

Jason noted that the negotiations regarding the master lease would be conducted by Cole and himself.

EN RE: MEMORANDUM OF UNDERSTANDING BETWEEN YVHA AND OPG

Jason reviewed the MOU, noting that Overland Property Group (OPG) is the development partner on both the Reserves and the Alpenglow projects. He explained that the deal being discussed is a 4% LIHTC and state housing tax credit project. The 4% tax credits are less competitive, but entail a significantly larger funding gap than the 9% credit deals. Jason stated that the proposed low-income project would fill in some of the gaps in the target AMI range that have not been addressed by previous YVHA projects. The 100-unit project would be a single four-story building with units available for those making 30%, 70% and 80% of AMI. Jason said that he would be working with OPG to finalize the state tax credit application for submittal by August 1st. The tax credit allocations should be published by year-end. Jason noted that the timing of the allocation would require a \$10,000/month carrying cost on the land, to be split between YVHA and OPG. If YVHA does not receive a tax credit allocation, the project could be abandoned with the loss of only the carrying costs, or extended to in the hope of receiving an allocation the next year. If the deal is done, YVHA would be able to recoup the \$5,000/month carrying costs at closing.

Jason said that OPG would assume all the upfront costs of site due diligence, engineering and architecture. YVHA may need to initiate the entitlement process before the deal is finalized to ensure that everything is in place for a May 1, 2021 construction start. He said that YVHA would receive 16.8% of the aggregate development fee, which could provide more than \$3,000,000 in revenue to YVHA. He reviewed the timing of the development fee, adding that YVHA would also receive 40% of the net revenue after payout or at the disposition of the property. Jason said that YVHA would have a right of first refusal on buying out OPG, but would retain the option of continuing under the same 60/40 split. Even if YVHA is no longer involved, the income restrictions on the property would remain in place for 40 years, but could be renewed.

Catherine noted that the MOU contains a provision to pursue Section 8.11 vouchers. She commended the inclusion of this provision and said that Section 8.11 vouchers would allow YVHA to partner with a variety of local agencies and non-profits serving the disabled community. Jason said that YVHA is going to engage a consultant to assist with the voucher application.

In response to a question from Catherine, Ward stated that the Developer Conveyance section of the MOU does not obligate YVHA to take over the project if OPG is removed from the project. Regarding the terms of YVHA Withdrawal, he clarified even if YVHA would exit with cause, the exit would still require the approval of the investment partner. Jason added that if, for whatever reason that does not involve outright fraud or negligence, YVHA exits the project, its contribution to the project would be refunded.

Ward asked when the YVHA contribution goes into the project. Jason said that the YVHA funds would go in at the closing of the equity financing. He said that YVHA money is usually the last funding to be contributed to a project. Kathi recommended that this should be clarified in the MOU.

Kathi noted that the MOU provides for the option of the issuance of private activity bonds. Jason said that one of the differences between the 9% and the 4% LIHTCs is that with the 4% credits, one is required to issue private activity bonds to supplant the construction loan. He said that YVHA could be the issuer of the bonds, and there are fees to the issuer that could benefit YVHA. He said that this provision can be removed if there is no interest in issuing the bonds. Kathi stated that issuing bonds would be a major departure from past YVHA activities. Jason said that the provision does not obligate YVHA to be the issuer.

Kathi said that another new element in this MOU is the offer to apply to the City for the waiver of fees and requirements. She said that City Council would be discussing the disposition of the Community Housing Fund at its February work session, and offered that YVHA should be prepared to discuss this specific project at the work session. She stated that the City is not allowed to waive water and sewer tap fees per the terms of the bonds that funded the infrastructure, but money from the Community Housing Fund could potentially be used to pay those fees for the project. There was a discussion of the non-disclosure agreement, and the possibility of providing City Council with the MOU and whatever additional details can be discussed. Cole noted that the MOU is non-binding.

MOTION

Mike moved to approve the MOU, with the addition of a clarification of the timing of the YVHA equity contribution. Tim seconded the motion.

Under discussion Catherine suggested adding the timing of the YVHA contribution to the MOU. This amendment was accepted, as indicated above.

The motion carried unanimously.

EN RE: CONSENT AGENDA

The following items were presented on the consent agenda:

- a. Review and approval of the December 12, 2019 minutes
- b. Review and approval of balance write-offs for November 2019
- c. Review and approval of the check register for November 2019
- d. Review and approval of the leave report for November 2019
- e. Review and approval of financial statements for November 2019

MOTION

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

EN RE: STAFF REPORTS

Jason said that he and Cole had recently discussed the need for more candid communication with the Board regarding future potential projects he is working on. He said that due to the sensitivity of potential real estate deals, many things he is working on cannot be discussed in a public forum. Cole agreed that it would be helpful to have more information about the growth of the business and projects as they develop. Jason suggested that one alternative would be to hold a regular executive session every quarter or so. Following discussion, it was agreed that because the topics often concern real estate, scheduling a regular executive session would not be a breach of organizational transparency.

EN RE: RESOLUTION 2020-001 – SUNSHINE LAW

Jason reviewed the annual resolution stating the posting places for YVHA meetings.

MOTION

Tim moved to approve and authorize the Board president's signature on the Sunshine Law Resolution, as amended. Kathi seconded the motion. **The motion carried unanimously.**

EN RE: ADJOURNMENT

The regular meeting of the Housing Authority was adjourned at 2:00 p.m.

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



Sarah Katherman, Minute Taker



Cole Hewitt, President