YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

October 20, 2025

Kathi Meyer, Yampa Valley Housing Authority Board President, called the special meeting of the Yampa Valley Housing Authority to order at 2:00 p.m.

Board members participating included: Leah Wood, Catherine Carson, Angelica Salinas, Jessica Valand, Kathi Meyer, Dakotah McGinlay, Reese Freeman, Jim Beers, Patrick Phillips, and Michael Ann LaMotte. Cole Hewitt, Maddie Ward, Lou Tortora, and Mark Halvorson were absent.

Others present included: Jason Peasley, Executive Director; Elliot Lawrence, Deputy Director; Sarah Newman, Administrative Assistant; Emily Katzman, Grants & Project Manager; Alyssa Cartmill, Regional Property Manager; Sandy Jacobs, Finance Director; Elizabeth Hinchman, Grants Coordinator; Mandy Tomassetti, Accountant; John Fancher, Communications Manager; George Eck, YVHA attorney; Steve Muntean and Bob Schneider. Sarah Katherman prepared the minutes.

EN RE: PUBLIC COMMENT

There was no public comment.

EN RE: BOARD MEMBER COMMENT

Catherine reminded the board that ballots are due on November 4.

EN RE: GLOBAL AGREEMENT BETWEEN YVHA MID-VALLEY CONDOMINIUMS, LLC AND STEAMBOAT 6732 PARTNERS, LLC

George said that discussions with Steamboat 6732 Partners ("Steamboat Partners," fka Lone Tree Trust) have been ongoing for 2 -3 months. He reviewed the structure of the existing agreements between Steamboat Partners and YVHA Mid Valley Condominiums Enterprise, LLC ("YVHA Condos") and Steamboat Partners and YVHA Mid Valley Apartments Enterprise, LLC ("YVHA Apartments") as outlined in his memo dated October 17, 2025. The Apartment Company was formed solely to construct certain horizontal improvements within Phase 2 which are required in order to obtain a Certificate of Occupancy for Phase 1, funded by a $4M loan from Alpine Bank. George said that in addition to the development agreement for Phase 1 there was a side agreement stating that if specific milestones were met, YVHA would proceed with Steamboat Partners as the developer of Phase 2. These milestones have not been met and the future of the apartment project is somewhat in limbo.

Jason said that the proposed global agreement would address the entire project budget and include all expenses for both phases. He said that a preliminary agreement that outlines all elements of the deal had been

signed by both parties and provided to City Council. The final global agreement requires board approval. He said that the agreement would include a $5M, 0% interest loan through a donor, and would lock in the total gross sales amount. The agreement would redefine the business relationship for Phase 1 and change the cash flow waterfall. Jason clarified that the changes would allow Phase 1 to be executed successfully and would allow flexibility regarding the development of Phase 2.

George said that by locking in the total sales amount, all $10M in STR funds approved by City Council on first reading would reduce unit pricing dollar for dollar. George reviewed the key elements of the restructured agreement through which YVHA would cede its 20% profit to the developer and would not recoup the value of the land that was given to YVHA (and thus not a cash expenditure). The existing $4M loan (which has not been drawn on) will be transferred to YVHA Condos and Steamboat Partners will transfer its .01% ownership interest in the apartment company to YVHA, as well as all work associated with Phase 2. The Phase 2 property will be encumbered by a total of $9M.

Catherine asked about TABOR compliance and the eligibility for Prop 123 funds, grants, STR funds, etc. George expressed confidence that the agreement would be TABOR compliant because the no grant funds have been awarded this year when the loan would be taken out. An enterprise entity is allowed to carry a loan but cannot take out a new loan in the same year as it receives grant funds. Regarding interest payments, George stated that the $4M loan will accrue interest starting on January 1, 2026 but the loan will be capitalized. Jason acknowledged that the agreement would put pressure on the Phase 2 development, but would provide the best opportunity for the success of Phase 1. He said that Phase 2 would require a significant subsidy but that the infrastructure completed thus far has added real value to the Phase 2 property.

Steve noted that YVHA is holding $4M in reserves. He asked if the organization would be willing to commit these funds to Phase 2 of the Cottonwoods. Sandy said that the actual amount available is more like $3M after other obligations. Jason said that how to allocate the fund balance would be the topic of a strategic discussion by the board, noting that YVHA must balance the needs of new development, the preservation of existing properties, and other ongoing programs.

Patrick asked how the value of the Phase 2 property had changed as a result of the infrastructure improvements. Jason said that Alpine Bank is conducting a new appraisal. He said that the estimated appraisal of the whole parcel with entitlements was $17.5M, $6M of which was assigned to Phase 1. He said that the remaining $11.5M for Phase 2 is greater than the $9M encumbrance. Jason described how some of the required critical infrastructure would not be built at this time because it would interfere with the construction of Phase 2. He said that YVHA would be required to place a letter of credit with the City as surety for the completion of this infrastructure.

Dakotah expressed concern with all of the concessions that YVHA was making in the proposed agreement with Steamboat Partners and with the pressure that the encumbrances put on Phase 2. George explained that there is some concern that without the concessions Steamboat Partners might simply default on Phase 1 of the project. Jason added that the concessions will allow YVHA to deliver affordable units to the community, which is the goal. Catherine offered that under the agreement the ROI on taxpayer funds (STR funds and the mill levy) in terms of the delivery of units is still excellent, with $220,000 subsidy per unit. George said that although YVHA is foregoing the book value of the land and its 20% in profit, it will still get approximately $650,000 in development fees for Phase 1. Jess expressed concern with borrowing from Phase 2 to fund the completion of the Phase 1, but stated her support for the agreement. She said that it will be important for YVHA to figure out how/what/why things went wrong with the original deal. Jim and Catherine agreed that a thorough analysis was needed before year end.

Steve noted that tomorrow's City Council meeting would be the last one before the election. He stressed the importance of YVHA providing all the available information with the City, and questioned whether the agreement could be executed prior to the meeting. He asked if it would be feasible to extend the approval of the $10M in STR funds to the November 17 City Council meeting. George said the preliminary agreement had already been signed and provided to the City. He said that he hoped the global agreement, if approved today, could be countersigned within 24 hours. Jason stated that the concern with extending the approval of the STR funds is the delay that would cause in publishing the pricing of the units. He said that the signed preliminary agreement includes the maximum sale price and the details of how the STR funds would be handled.

Catherine stated that the recommendations submitted by Cole in an email sent to the board this morning should be added to the agreement. In response to a question from Catherine, George stated that the preliminary agreement and all other pertinent materials had been sent to City Council this morning and would be addenda to the meeting materials packet.

MOTION

Catherine moved to approve and authorize ---- (Kathi? Jason?) to sign the Global Agreement between YVHA Mid Valley Condominiums, LLC and Steamboat 6732 Partners, LLC with the amendments suggested by Cole in his letter to staff dated October 20, 2025 with the condition that the amendments be approved by the Executive Team. The amendments include immaterial wordsmithing for clarity; a clean-up of Exhibit 1 regarding the expenditures on site work and insurance; and a clarification that any interest payments that come due to Alpine Bank on the $4M infrastructure loan after December 31, 2025 would be paid by YVHA.

Jim seconded the motion.

The motion carried unanimously, 10 – 0.

EN RE: REVIEW AND APPROVAL OF PURCHASE AND SALE AGREEMENT FOR BEAR RIVER VILLAGE PROPERTY

Jason said that the proposed purchase and sale agreement would put the property, located at the intersection of US Hwy 40 and Lagoon Court, under contract to allow YVHA time to conduct thorough due diligence on the property and the project. He said that the project is approved and is shovel ready, which would allow it fill a slot in the YVHA development pipeline. He added that the possibility of using STR funding to subsidize this project would be discussed with City Council. Jason added that staff is looking into grant funding to support the conversion of these market rate units to affordable units under Prop 123 and the CHFA land banking program. He said that the execution of the purchase and sale agreement is a required to apply for the grants. Emily reviewed the grant opportunities, noting that the current round of grants is earmarked for rural areas and would be less competitive than future rounds. George reviewed the details of the agreement, which would entail a cash risk to YVHA of $500. Jason noted that Crossbeam Capital is a very willing seller. He said that agreement would allow for a long due diligence period. He reviewed the project, as currently approved.

In response to a question from Catherine, Jason said that minor changes could be made under the existing entitlements. Catherine expressed concern with the lack of outdoor spaces to provide a health equity component and with the large number of small studio apartments included in the design. She also expressed concern that the process was being rushed. Jess said that she has a lot of questions about the project, but offered that $500 is worth the risk to complete the due diligence before deciding if the purchase is a good choice for YVHA.

Kathi expressed her opposition to entering into the purchase and sale agreement. She cited the lack of a detailed cost pro forma and lack of due diligence on the seller/potential partner. She said that it would be a bad decision and bad PR to put the property under contract and then back out. Kathi offered that YVHA needs to focus on the Cottonwoods Phase 2 and the USFS project.

Emily noted that if the land banking grant application to support the purchase is successful, YVHA would have ten years to construct affordable housing on the site. She said that grant would be for the amount of the appraised value of the land.

Leah asked if YVHA has the staff capacity to execute on this project. Jason said that he believes it does. He said that the community needs units and YVHA owes it to the community to evaluate this project closely. Dakotah noted that the City had just filled a position to add to its capacity for housing.

Jason said that the agreement would include a full disclosure to the seller that thorough due diligence was needed. He said that the right approach is to get the property under contract first.

Steve asked if YVHA has the organization structure to handle the added complexity of another project. Catherine said she could not support the design, citing the 20 hotel-room sized studio unit. Jason said that the project, as approved could be amended if substantially the same. Alternatively, a new design could be developed for the site, but that would take time and money. Angelica said she could support the agreement and stated that this type of project fills a need in the community. She added that backing out of the purchase if the project is determined not to be suitable for YVAH would not be a problem.

MOTION

Jess moved to approve the purchase and sale agreement for the Bear River Village property, located at the intersection of US Hwy 40 and Lagoon Court, as presented. Patrick seconded the motion.

Under discussion Kathi stated that a 2/3 approval vote of the full board would be needed to approve the motion. Jess, citing the YVHA by-laws, stated that the $500 potential expenditure does not meet the criteria to require a 2/3 vote. She stated that the actual purchase of the property would require a separate vote by the board. The agreement being voted on is only to put the property under contract.

The motion carried 7 – 3, with Kathi, Catherine, and Reese dissenting.

EN RE: DRAFT BUDGET UPDATE FOR 2026

Sandy reviewed the proposal to add a family medical leave program that matches the Colorado benefit for a small additional expense. She said that a decision regarding this must be made before November 1 for the program to start January 1, 2026. She said that the alternative would be to postpone the decision until November and delay the start date to February 1. The board opted to postpone the decision until the November meeting.

Sandy noted that the Development Team had added a 10% contingency to the budget for the Whitehaven infrastructure project to a total of $3.9M. She said that this would require an increase in lot rents of $166/month. La La noted that this is a worst case scenario amount, and that grant funds or other ways to reduce the project cost could be bring the rent increase down. Sandy noted that the rent increases must be posted by November 1st, before the public hearing and discussion of the budget at the November board meeting. There was consensus on the board for the $166 rent increase to be posted. La La said that materials regarding the rental assistance program would be distributed in addition to the notices of the rent increase, and YVHA would host a community meeting to discuss the issue.

EN RE: EXECUTIVE SESSION

MOTION

Catherine moved to enter executive session in compliance with C.R.S. 24-6-402 (4) (b) for the purpose of a conference with attorney to receive legal advice on the Mid Valley Lottery. Kathi seconded the motion. **The motion carried unanimously.**

The board entered executive session at 3:55 p.m. No minutes were taken, and no decisions were made. The board exited executive session at 4:15 p.m.

EN RE: ADJOURNMENT

The special meeting of the YVHA Board of Directors was adjourned at 4:15 p.m.

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

Sarah Katherman, Minute Taker

Kathi Meyer, President