

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING
August 14, 2008

Mary Alice Page-Allen, President, called the public meeting of the Yampa Valley Housing Authority (YVHA) Board of Directors to order at 12:05 p.m.

Board members present: Kathi Meyer, Tony Seaver, John Spezia, Catherine Carson, Kristi Brown, Trish Sullivan, and Nancy Stahoviak.

Others present: Donna Howell, Executive Director; Curtis Church, Assistant Director, Sherry Perez, Fish Creek Mobile Home Park Homeowner, and Nancy Engelken, City Housing Coordinator. Dee Bolton recorded the meeting and prepared the minutes.

EN RE: COMMUNITY HOUSING GUIDELINES POLICY STATEMENTS

Nancy Stahoviak said that the Strategic Planning Committee had met the previous day and reviewed the document presented to the Steamboat Springs City Council that outlined recommended changes and issues pertaining to the Community Housing Guidelines and inclusionary zoning ordinance. The committee decided that the two most critical issues to discuss were deed restrictions and an exit strategy; other issues could be discussed at a later date. She suggested that YVHA policy statements and guidelines be generated that could be used when YVHA met with the Planning Commission or City Council. Under the section to be entitled 'Deed Restrictions' she suggested that the importance of maintaining deed restrictions to ensure affordability of housing and its quantity be stated. She also suggested the YVHA statement should emphasize that deed restrictions were a method to maintain the affordability of housing over time in our community. The Board by consensus accepted the general policy statements.

Nancy Stahoviak noted that since a variety of models of deed restrictions and resale formulas exist, the next proposed policy statement should address the need for a standard deed restriction that includes a pre-established list of options that will be used by the City, YVHA, and developers. The standard deed restriction would have the same format and list of options, should be understood by everyone and could be monitored uniformly. It was proposed that HA staff work with Nancy Engelken prior to a recommendation being presented to the City. Nancy Engelken agreed that a cooperative effort was essential. Donna noted that Sylvia had compiled considerable information on various models of deed restrictions and has prepared a summary; Mary Alice suggested that the research gathered could be shared with Nancy Engelken and then collated for presentation to the City Council and Planning Commission.

Comments regarding the first four bullet points on the handout:

- Good to have a standard menu of options that have been agreed upon.
- Room to periodically evaluate, re-evaluate, and incorporate new ideas and options should be built into the process.
- The big picture list of issues will be presented to City Planning Commission on Monday, August 18th and includes the background and issues already presented.

--Many communities that had provided a wide range of deed restrictions have redefined and tightened their options. A lengthy history of successful and unsuccessful strategies existed and would be included in the presentation to City Planning Commission.

Donna discussed the concept of an exit strategy. She noted that including both initial and resale scenarios had been discussed, but suggested separating the two when developing policy statements was preferable. Key points are to maintain the quantity of affordable units over time and keep the initial unit price within the same pool of eligible households based on an expanded range of AMIs.

Curtis said the Community Housing Guidelines' exit strategy was a different financial model from a conventional mortgage. A construction loan is a short term loan that is paid off by sales of units, and the Community Housing Guidelines addresses development, not deed restrictions, for an individual resale. To increase the AMI range in a resale would benefit an individual homeowner, but would not maintain the housing for the initially targeted AMI. Initial developer sales are a different situation than resale.

Comments regarding an exit strategy policy statement:

--Over time, a migration to upper-end and a loss of the lower end housing needs to be prevented. The time periods for invoking the exit strategy might be different for the original developer versus a resale.

--Since developers cannot find buyers for a number of affordable units, should the HA get involved in each individual sale by changing the model?

--Keeping the AMI cap affordable needs to be clarified. If an affordable housing fund is established, strategies could be developed to assist resale to an appropriate targeted market since the income cap made it affordable when no appreciation cap was in place.

--Over time, wages increase at a lower rate than housing prices so a gap would be created that would have to be subsidized.

--The guidelines need to ensure that it is less profitable for the developer not to sell. If a sale is not forthcoming within a year, for example, then the AMI could be extended upward, but the selling price should be kept the same. Resale is an entirely different scenario.

--Since the HA has no cash to buy an unsold unit from a developer, could those units be used as rentals in the interim?

--The question was raised about whether to hold an original developer to the original price while expanding the population of buyers; the second question was whether to apply the same strategy to resale situations.

--Are second chance opportunities being allowed? --That is a lending question.

--After the database has been established, could an initial planning agreement with a developer stipulate conditions related to the use of the exit strategy? Specific square footages or number of bedrooms might be required of a developer rather than a certain number of units. The developer would work closely with YVHA and the City to meet those needs in exchange for applying the exit strategy provision if units were not sold.

--A developer must submit a community housing plan that includes the marketing strategies to be employed. The developer supposedly will offer units based on the community demand study. Thus, that mechanism is already in place.

--Square footage is a critical criterion to consider.

--Since the Guidelines will have a marketing element, the exit strategy and the ability to increase the AMI will be based on the demand analysis. The ability to amend the Community Housing Plan (CHP) has to go through the public process.

--The City, the County, and the YVHA should use the data from the housing analysis and the needs assessment when developing affordable housing guidelines and policy statements.

--Developers are seeking not only an increase in AMI and its relationship to the free market, but also to have incentives that would accompany either a relaxing of the deed restriction or some other change because the deed-restricted price and the free market price are not significantly different.

--Could a developer be given a price point below the limit of the AMI?

--If a buyer had a choice, that buyer would use the free market.

--If an exit strategy were allowed, the developer's selling price has to be reasonable.

--An option to increasing the AMI would be to lower the selling price by a prescribed percentage for a certain time period or to transition by offering the unit as a rental.

--The AMI option prices should be considered as ceiling prices.

By consensus, the Board agreed

--that in the exit strategy, if a developer could not sell the housing to the target AMI agreed upon based on the CHP over a specified time, he would be allowed to raise the AMI to expand the market but would have to retain the original AMI price.

--that initial sale and resale exit strategies would be separate.

--that the first open bullet under exit strategy would read, "Prior to allowing the expansion of the AMI, if a developer cannot sell a unit within the initial time period, the developer is required to reduce the unit's price by a given percent for a stipulated period of time or consider rental of the unit."

--that the City, the County, and the YVHA should use the data from the housing market demand analysis and the needs assessment when developing affordable housing guidelines.

--that the YVHA policy statements developed this day regarding deed restrictions and an exit strategy for initial sales were ready to be presented to the City Planning Commission at the upcoming Monday Planning Commission work session.

--that Donna will prepare for the Monday work session a written summary of this day's preliminary discussion. Nancy Engelken, and Kathi Meyer will present and speak to those ideas so that information regarding YVHA's initial position is available from the outset.

EN RE: PUBLIC COMMENT

Nancy Stahoviak reported that during the public comment portion of the joint City Council/County Commissioners' meeting held the previous week, a Fish Creek Mobile Home Park resident had expressed concern about the form and wording of the new lease agreement, about the way in which the Park was being operated, and about electrical wiring in the Park. She wanted to inform the YVHA Board of the statements made and stated that the Fish Creek Mobile Home Park Committee would continue to address those concerns. Donna added that a public meeting with the residents was scheduled for Wednesday, August 27, 2008, at 7:00 p.m., to address the issues raised by the resident.

Sherry Perez was introduced. Sherry stated that she needed financial assistance to purchase materials to rectify moisture issues caused by a water line break: Insulation, electrical boxes, and wiring needed to be replaced; pillars needed realignment; the home needed to be re-leveled, and a television and a computer had been destroyed. Her husband, a carpenter, would do the work without charge. Her insurance company had denied all of her claims because they had not been filed in a timely manner. Sherry had photographs and a video to document the situation.

Curtis estimated that the cost of repairs and reimbursement to Sherry would be approximately \$2,500.

Donna advised the Board that she was working with Sherry and YVHA's insurance company. After the insurance coverage amount had been ascertained, the issue would be discussed with the Fish Creek Mobile Home Park Committee. The Committee would present a report to the Board. She suggested that if it was deemed appropriate, our insurance company could negotiate with Sherry's insurance company.

Nancy Stahoviak said that the insurance company should make a determination as to their coverage; the Fish Creek Mobile Home Park Committee should make a determination after reviewing the information; then the Board could call a special meeting to decide whether to reimburse Sherry's expenses or consider the issue at the September Board meeting. Regardless, the repairs need to be made before winter, and the Board should determine YVHA's responsibility after a review of the situation and the total cost has been established.

The Board supported Nancy's suggested process regarding reimbursement for expenses recommended by the Fish Creek Mobile Home Park Subcommittee.

EN RE: CONSENT AGENDA

The Board reviewed the consent agenda.

MOTION—APPROVAL OF MINUTES

Nancy moved to approve the consent agenda. Catherine seconded; the motion carried unanimously.

EN RE: YEAR-TO-DATE FINANCIAL STATEMENTS

Curtis reviewed the financial statements presented to the Board for informational purposes only since changes were still being made because conversion problems were still being experienced.

EN RE: LONG-TERM EMPLOYEES' PAID LEAVE

Donna said that employees who were hired prior to February 1, 2008, had a different paid leave benefit package than the current policies allowed. She reviewed a resolution that would provide and maintain the former levels if the qualified employees elected to choose this

one-time option. Mary Alice noted that the employees affected were Kent Horner, Curtis Church, and Donna Howell. Nancy stated that the former policy was extremely generous; the adopted current policies were consistent with other organizations and entities in the community.

MOTION

Tony moved to adopt and authorize the President to sign Resolution 2008-006, A Resolution Authorizing the Yampa Valley Housing Authority (YVHA) to Provide and Maintain Former Levels of Paid Time Off for Employees Hired Before February 1, 2008. Kristi seconded; the motion carried unanimously.

EN RE: 2007 AUDIT

Donna said that a request to extend the deadline for completion of YVHA's 2007 audit had been approved. The new deadline was September 30, 2008. The Hillside Village Audit required by the USDA has to be completed before becoming part of the YVHA audit. The Finance Committee chose the option suggested by Chris Catterson to have Curtis recreate the general ledger. Kathi noted that some of the assets were still in RALF's name.

EN RE: CARHOF GRANT APPLICATION

Donna said that the Executive Committee had authorized her to submit the CARHOF grant application. Before the Board was a resolution to ratify the authorization and the signatures of the Vice-President and Secretary/Treasurer

MOTION

Nancy moved to adopt and authorize the President to sign Resolution 2008-007, A Resolution Authorizing the Yampa Valley Housing Authority (YVHA) to Submit a Grant Application to the Colorado Association of Realtors Housing Opportunity Fund for a Grant Request of \$14,100 to Purchase Computer Hardware and Software to Implement and Maintain a Comprehensive Affordable Database. Kristi seconded; the motion carried unanimously.

Donna commended Sylvia for compiling the application in a very short time frame.

EN RE: UTILITY EASEMENT AGREEMENT AMENDMENT

Donna said that a Utility Easement Agreement between the Fish Creek Mobile Home Park LLP and the City of Steamboat Springs had been approved prior to YVHA's purchase of the Park. The water line was extended to accommodate Trilliam House, which would be billed separately, so an amendment to the agreement was necessary. The YVHA's attorney had recommended approval of the Amendment.

MOTION

Tony moved to approve and authorize the President to sign the Amendment to Utility Easement Agreement, contingent on the City's adoption of an ordinance that approved the Amendment. Kathi seconded; the motion carried unanimously.

EN RE: COLORADO DEPARTMENT OF LOCAL AFFAIRS GRANT

Donna said that a Department of Local Affairs (DOLA) grant for the 2008 Routt County Housing Needs Assessment had been awarded in the amount of \$52,400. Official notification of the grant award had yet to be received but was forthcoming. She also indicated that she would be receiving a contract from the Colorado Division of Housing for the CDBG grant to cover the cost of the 2008 Routt County Housing Needs Assessment. Donna indicated that she was requesting board approval of the contract the grant and the board's authorization for the president to sign the contract.

MOTION

Nancy moved to approve and authorize the President to sign the contract between YVHA and the Department of Local Affairs for the Colorado Division of Housing Needs Assessment grant, once the contract had been received. Kristi seconded; the motion carried unanimously.

EN RE: BBC RESEARCH AND CONSULTING CONTRACT

Donna said that an RFP process to hire a consultant for the 2008 Routt County Housing Needs Assessment project had been completed; three bids had been received, and a contract for the successful bidder is recommended for Board approval. The contract was standard and included all of the necessary components required by CDOH, and was included as part of the RFP.

MOTION

Catherine moved to approve and authorize the President to sign the Agreement Regarding Provision of Professional Services between the Yampa Valley Housing Authority and BBC Research and Consulting, in the amount of \$52,400, to conduct the 2008 Routt County Housing Needs Assessment. Kristi seconded; the motion carried unanimously.

EN RE: EXECUTIVE SESSION

No executive session was called for this day.

EN RE: COMMITTEE AND STAFF REPORTS

Finance: Cancel the August meeting.

Strategic Planning: Nancy said that the majority of July's meeting was spent preparing the policy statements reviewed earlier this day. She requested that the Board permit the Committee to develop with Donna an RFP to hire a facilitator for the annual all-day retreat scheduled for Friday, October 31, 2008, at 8:00 a.m., in the new Commissioners' Hearing Room. Since a 2008/2009 Annual Plan had already been developed, the Committee thought that the thrust of the retreat should be an in-depth discussion of items that required extensive consideration. Suggested topics could be e-mailed to Nancy. Consensus to proceed with the RFP was granted.

Public Relations: Trish said that a meeting was held this morning. The Committee is currently under budget. Kristi will draft an information flyer to espouse the benefits of purchasing deed restricted housing units.

Compensation and Benefits: No change to the agenda information.

Fish Creek Mobile Home Park: See Report. A meeting with Fish Creek residents has been scheduled for August 27, 2008, at 7:00 p.m.

Hillside Village Apartments: See Report.

New Projects Committee: Chair out of town. September meeting might be changed.

Executive Director: See Report.

Assistant Director/Project Manager: See Report.

Hillside Village: See Report.

Attorney: No report was presented.

EN RE: NEXT MEETING

The next regular meeting of the Yampa Valley Housing Authority Board of Directors will be held on Thursday, September 11, 2008, in the Commissioners' Hearing Room of the Historic Courthouse, at 12:00 p.m.

EN RE: ADJOURNMENT

At 2:15 p.m., Kristi moved to adjourn the meeting. Kathi seconded; the motion carried unanimously.

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

Dee Bolton, Minute Taker

Mary Alice Page-Allen, President