

YAMPA VALLEY HOUSING AUTHORITY BOARD MEETING

May 8, 2008

Mary Alice Page-Allen, President, called the public meeting of the Yampa Valley Housing Authority (YVHA) Board of Directors to order at 12:00 p.m.

Board members present: Kathi Meyer, Nancy Stahoviak, Tony Seaver, Kristi Brown, Trish Sullivan, Catherine Carson, Scott Myller, Ed MacArthur, and Bob Kauffmann.

Others present: Donna Howell, Executive Director; Curtis Church, Assistant Director/Project Manager, Meg Bentley, City Council; Terry McDermott, Office Manager, Kate Totos, Hillside Village Apartments Manager, and Nancy Engelken, City Housing Coordinator. Dee Bolton recorded the meeting and prepared the minutes.

EN RE: INTRODUCTIONS

Mary Alice introduced and welcomed Terry McDermott, the Yampa Valley Housing Authority's new Office Manager, and Kate Totos, the new Hillside Village Apartments Manager.

EN RE: PUBLIC COMMENT

Mary Alice called for public comment on items not on this day's agenda. No public comment was forthcoming. Mary Alice closed public comment.

EN RE: PROPOSED CHANGES TO THE INCLUSIONARY ZONING AND COMMERCIAL LINKAGE ORDINANCES

Mary Alice said that changes proposed by City staff to the inclusionary zoning and commercial linkage ordinances provided the opportunity for the Housing Authority Board to establish a policy position on these issues.

Donna said that the Strategic Planning Committee had identified the inclusionary zoning and commercial linkage ordinances as topics worthy of Board discussion. The use of payment-in-lieu proceeds was discussed at the Board's April meeting, and the Board developed a position statement that was forwarded to the City Council President in a letter dated April 25, 2008. The letter indicated that "all of the proceeds generated from the payment in lieu fees should be distributed directly to the Yampa Valley Housing Authority; and those proceeds should be designated for affordable housing projects within the Urban Growth Boundary".

Ms. Engelken updated the Board on the status of the review of the Community Housing Guidelines. The changes suggested were that the semi-annual update of the Guidelines be accomplished by September 30th and that the AMI be updated according to the Guidelines. When the guidelines were presented to the City Planning Commission, several questions were raised. To provide additional information, Ms. Engelken was researching other Colorado communities' housing guidelines and the changes that had been made to those guidelines after the guidelines had been adopted, particularly regarding the ways in which payment-in-lieu was determined. Her additional findings will be presented to the Planning Commission at

its May 22nd meeting. She will present a summary of the issues and policy questions raised by the document, by policy makers, and by developers to the City Council on May 20th, and the City Council will conduct a work session to discuss the material in June.

Nancy Stahoviak asked whether the guidelines addressed affordability in regard to square footage cost. Ms. Engelken said that prior to the adoption of the inclusionary zoning ordinance, an Employee-Unit classification was used and the guidelines required that applicants worked in Routt County. She thought that adding a square-footage cost limitation to the guidelines was a good idea. She explained that the affordability chart allowed developers flexibility in pricing units. She noted that the units had to average 900 square feet. Curtis suggested that, to allow maximum flexibility, the guidelines read 'not less than 600 square feet' rather than provide an average square footage and having a square footage requirement rather than a percentage of units would also all maximum flexibility.

Donna suggested that the exit strategy could be revised to allow community housing units to be sold to buyers above the target AMI after a predetermined time frame, but the unit price and restrictions would remain the same. She was concerned that implementing the current strategy which allows the developer to sell the community housing units after 12 months at market rate and to provide a payment in lieu that would be 100% of the difference between the market rate sale price and the initial community housing price, would eliminate the unit from the affordable housing stock. She said that the AMI for qualification could be incrementally moved up but the unit sold at the target AMI level to retain affordable housing stock. She indicated that a similar exit strategy could be put in place for resale of affordable housing units. More discussion on the issue was warranted to balance the cost to developers as well as maintain affordability. Curtis said that by leaving the price the same, more of a target market was created even though the AMI was moved up. Kristi said that if a bridge loan on resale was used, affordability of stock to a greater market would be maintained. Curtis noted that exit strategies would have to be added to the deed restrictions. Kathi suggested that the deed restrictions should also include the option for another entity—i.e. the Housing Authority—to purchase a unit and thereby facilitate resale at an affordable level as well as maintain affordability. Catherine supported Donna's idea to increase the AMI but retain the purchase price. Curtis added that forcing the developer to lower the price was another option. Donna responded that if that occurred, the cost differential would most likely be passed on to the cost of the market rate units.

Ms. Engelken said that a nationwide study published in February analyzed the impact of inclusionary zoning on the cost passed on. The conclusion was that generally a 5% additional cost was passed on, but it primarily applied to units at or above 5,000 square feet. Also the study found that inclusionary zoning needed higher density and compact development. Ms. Engelken will e-mail the study to Donna for distribution to Board members.

Ms. Engelken elaborated on the bulleted Policy Questions on the handout provided to the Board members this day. Mary Alice suggested that the guidelines encourage partnerships. In regard to employer-purchased units and exit strategy options, Ms. Engelken said that Colorado law regarding rent control had to be followed. The way in which an investor recovered an investment at resale was an issue being researched by the City Attorney. However, a deed-restricted unit would always remain deed-restricted. She did not recommend offering more than one set of deed restrictions since administration of several became difficult to track. She noted that allowing a co-signor on a promissory note would

reduce the cost if foreclosure were necessary; that a 3% market cap allowed for the building of equity, and the seller can be reimbursed for specified improvements. She further indicated that affordability at resale over time was a serious concern; that the agency spending the payment-in-lieu needed to be clarified, and that the final four bullet points were items for further discussion by the City. She was still researching the options to offer regarding payment-in-lieu. An additional bullet point for Council to discuss was whether to update the Payment-in-lieu annually or bi-annually.

Kathi felt that the time scheduled to discuss this agenda item was inadequate. Mary Alice said that additional comment could be made when the guidelines were reviewed by City Planning and the Council. Based on this day's discussion, Donna, Nancy Stahoviak, Ed, Curtis, and Catherine will develop a Housing Authority list of preliminary responses to the Guidelines to be submitted to the City Council.

Board members thanked Ms. Engelken for her presentation. Ms. Engleken will e-mail her final report to Donna for distribution to Board members.

EN RE: CONSENT AGENDA

The Board reviewed the list of items on the consent agenda. No item was removed from the consent agenda for discussion.

MOTION—APPROVAL OF THE CONSENT AGENDA

Nancy moved to approve the following consent agenda items:

1. The minutes of the Yampa Valley Housing Authority's regular Board of Directors meeting of April 15, 2008;
2. The adoption of the Statement of Policy of the Yampa Valley Housing Authority Concerning Equal Employment Opportunity and Discrimination in the Workplace;
3. The adoption of the Statement of Policy of the Yampa Valley Housing Authority Prohibiting and Concerning Sexual Harassment in the Workplace;
4. The adoption of the Statement of Policy of the Yampa Valley Housing Authority Concerning a Drug-Free Workplace;
5. The adoption of the Statement of Policy of the Yampa Valley Housing Authority Concerning Violence in the Workplace;
6. The adoption of the Statement of Policy of the Yampa Valley Housing Authority Privacy Policy Under the Health Insurance Portability and Accountability Act of 1996;
7. The adoption of the Statement of Policy of the Yampa Valley Housing Authority Security Policy Under the Health Insurance Portability and Accountability Act of 1996;
8. The adoption of the Yampa Valley Housing Authority Personnel Policies and Procedures Handbook including Appendices A through P and setting an effective date of July 1, 2008, and
9. The designation of the Assistant Director/Project Manager as the Yampa Valley Housing Authority Security Official.

Kristi seconded; the motion carried unanimously.

EN RE: HOUSING AUTHORITY GRANT APPLICATION

Mary Alice reviewed a resolution to authorize the Housing Authority to apply for a grant.

Kathi asked about the public hearing requirement in relation to the award of the grant. Donna said that the Board could authorize the submission of the grant application at today's meeting. She further indicated that Requests for Proposals to update the housing needs assessment were due and would be reviewed on May 16, 2008, and a public hearing would be held on May 20, 2008. Donna said that the market demand analysis that was commissioned by the Housing Authority and paid for through contributions would be listed in the budget as local contributions. Support letters from the City and the County had been received.

Nancy Stahoviak said that the sequence of events was an issue: If the resolution was adopted this day and changes or opposition to the grant were expressed at the public hearing, the grant application would already have been approved and submitted. Donna indicated that the grant could be revised, if necessary, and would be submitted after the public hearing on May 20, 2008.

MOTION—RESOLUTION

Nancy moved to table consideration of Resolution 2008-005, Resolution Authorizing the Staff of Yampa Valley Housing Authority to Submit an Application to the State of Colorado, Division of Housing (CDOH) for a Grant to develop the 2008 Housing Needs Assessment for Routt County, until it is presented at the public hearing to be held on May 20, 2008. Kathi seconded; the motion carried unanimously.

EN RE: SPECIAL PUBLIC HEARING

Mary Alice said that a date for the special meeting to discuss the CDOH grant application for a 2008 Housing Needs Assessment, to review the Elk River Village Project, and to adopt the above-tabled resolution needed to be set by the Board.

MOTION—DATE SET

Scott moved to set May 20, 2008 as the date for a special meeting for a public hearing to discuss the CDOH grant application for a 2008 Housing Needs Assessment, to review the Elk River Village Project, and to adopt the above-tabled resolution, and noted that the meeting would be held in the Commissioners' Hearing Room of the Courthouse Annex from 12:00 p.m. to 1:30 p.m.

Bob seconded.

Under discussion, Nancy noted that the grant application requested \$60,000, but the RFPs were not due until the following week. Donna replied that the average for the assessments throughout the State had been between \$50,000 and \$60,000 so the higher amount was requested.

The motion carried unanimously.

EN RE: 2008-2009 STAFF WORK PLAN

Donna reviewed the draft outline of the HA Staff Work Plan, which identified important tasks to accomplish. She noted that periodic updates on the items listed would be incorporated into the Director's monthly reports to the Board, and the timelines of the work-in-progress list would be amended as needed.

Nancy thought that a fund to be held by the Yampa Valley Community Foundation would be preferable to the establishment of a separate Housing Authority 501(c)(3). Donna said that certain restrictions applied to processing funds from organizations through the Yampa Valley Community Foundation. She planned to research the question further prior to presenting the options for an Affordable Housing Fund to the Board.

In regard to the Development of Partnerships, Emerald Mountain Neighborhood, she would provide additional information during executive session.

Under Policies and Procedures, Nancy said that a purchasing policy should be added. Donna will add that to the list.

Trish suggested that expanding health benefits should be added to the list. Donna will do so. Kathi offered that that item should be expanded to benefits in general.

Bob suggested that a list of accomplishments be added.

EN RE: EXECUTIVE SESSION

MOTION—EXECUTIVE SESSION

At 1:14 p.m., Trish moved to enter executive session with Board members and the Executive Director, pursuant to C. R. S. Section 24-6-104 (4)(a), to discuss purchase, acquisition, or lease of property. Kristi seconded; the motion carried unanimously.

The executive session adjourned at 1:40 p.m. No minutes or formal actions were taken during the executive session, and no items other than those specified were discussed in executive session.

EN RE: COMMITTEE AND STAFF REPORTS

Finance: Donna reported that the 2008 monthly financial reports would be presented for review and approval at the June meeting. She commended Curtis for an exceptional job on Caselle programming and noted that he had reconciled the Housing Authority's accounts for 2007 through March, 2008.

Strategic Planning: Nancy stated that at its last meeting the Committee had reviewed the Multi-jurisdictional Housing Plan. Adjustments were made to the Action Plan that would be reviewed by Donna and presented at the next Board meeting. The Committee would review a staff-prepared draft of the 2008-2009 Business Plan at its May 29th meeting. At its June meeting, the Committee will discuss the role of the Housing Authority in the Steamboat 700

Group development. Scheduling a presentation by Meg Bentley will be discussed for a future meeting.

Public Relations: Trish said that the Committee had had a good conversation today with Brent Boyer, Editor of the Pilot. She reported that the advertisement would include logos of contributors: the larger the contribution, the larger the logo was being discussed.

Compensation and Benefits: Mary Alice said that meetings of this Committee were on a to-be-announced basis.

Fish Creek Mobile Home Park: See Curtis's report.

Hillside Village Apartments: Meeting this day at 4:00 p.m.

New Project Review: No comment.

EXECUTIVE DIRECTOR

See Report. In response to a question, Donna confirmed that she was seeking another \$1,800 for the market demand analysis; \$140,000 had been collected to date, and \$14,800 has been pledged. Our bank account at Wells Fargo has been established and the transfer of funds will be accomplished over the next several weeks.

ASSISTANT DIRECTOR/PROJECT MANAGER

See Report.

Kathi asked about the deadline for insurance. Curtis reported that the requirements of the IGA had been satisfied in this regard.

Kathi asked for a rail crossing update. Curtis said that \$25,000 for the administrative fees for the upgrade was the last that he had heard. The City did not want to pay the cost; the railroad said that the City should be responsible for the cost. The issue remained unresolved.

HILLSIDE VILLAGE

See Curtis's Report.

ATTORNEY

No report was presented.

Mary Alice said that anyone who wished to attend the Carpenters' Ball should contact Donna. The Housing Authority would cover the cost of the Board members' ticket.

EN RE: NEXT MEETING DATES

A special meeting will be held on May 20, 2008, at 12:00 p.m. in the Commissioners' Hearing Room of the Courthouse Annex. The next regular meeting of the Yampa Valley

Housing Authority Board of Directors will be held on Thursday, June 12, 2008, in the Commissioners' Hearing Room of the Courthouse Annex, at 12:00 p.m.

EN RE: ADJOURNMENT

At 1:56 p.m., Nancy moved to adjourn the meeting. Kristi 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