

Gunnison Valley Regional Housing Authority
March 6, 2013 Board Meeting Minutes
GVRHA Offices, 202 E. Georgia, Gunnison, CO

MEMBERS PRESENT:

David K. Owen (President); Town of Crested Butte
Paula Swenson (Treasurer); Gunnison County
Jim Schmidt (Secretary); Town of Crested Butte appeared at 3:23
Kelly McKinnis; Gunnison County
Grant Benton; Town of Mt. Crested Butte
Tom Steuer; Town of Mt. Crested Butte
Ed Seymour; City of Gunnison
Sharon Cave; City of Gunnison

STAFF PRESENT:

Karl Fulmer, GVRHA Executive Director
Mary B. Vader, GVRHA Housing Specialist, acting as recording secretary

CALL TO ORDER: President Owen called the meeting to order at 3:01 p.m.

HOUSING PROGRAM MANAGER OPENING: Director Fulmer reported the position has been advertised, and the Housing Authority has gotten only a few applicants. As a result, he extended the time period for applicants to apply to March 13. Director Fulmer said there are three to four current applicants who are interview candidates.

JOINT MEETING GVRHA AND HOUSING FOUNDATION: Also a member of the Gunnison County Housing Foundation board, McKinnis said the Foundation would like to schedule a joint meeting with the GVRHA. She said now would be a good time to meet to decide how the two entities can benefit one another because the Foundation is going to receive some money relatively soon. It was decided the joint meeting will be at 2 p.m., April 3, prior to the regular Housing Authority meeting at the Crested Butte Town Hall. Director Fulmer said he would ensure a room is available. President Owen said he would book the small meeting room. **MOVED** by Cave, seconded by Treasurer Swenson to approve the April 3 meeting at 2 p.m. Motion carried unanimously.

GVRHA WEBSITE: Director Fulmer said the GVRHA now has a fully functional website, and it looks good. It cost \$880, and that is reasonable, Director Fulmer said. Kelly McKinnis said "very reasonable." Having a website will boost the marketing of rental and ownership homes. He said the Housing Authority has heard that two Rock Creek residents want to sell their homes. Director Fulmer said the Housing Authority is still looking for a streetscape photo of Gunnison to put on the website. Seymour suggested calling the city clerk.

MOUNTAIN VIEW MOLD UPDATE: The mold remediation is going to contract this week, Director Fulmer reported. The contract amount is \$12,800, he added. The work will be performed in late March to early

April. The city reported the GVRHA does not need a building permit, but the building inspector will make some visits during the work, Director Fulmer said.

TENANT SELECTION PLAN "TSP": Director Fulmer reported that a vacancy at Mountain View in January detailed an excessive amount of time the TSP allowed potential residents to choose whether or not they wanted to lease a vacant apartment. Proposed language would limit the time applicants are allowed to decide in order to commit to or refuse an upcoming vacancy. **MOVED** by Treasurer Swenson and seconded by Cave to approve the new wording. Motion passed unanimously.

STALLION PARK: Director Fulmer reported that President Owen provided two recent comparable sales of units at Stallion Park. Two non-deed-restricted units sold for \$108,000 and \$115,000. Director Fulmer took that information to County Manager Matthew Birnie, who decided that the county will not sell the Apache unit it owns now. Birnie told Director Fulmer the county will wait for the market to improve before attempting to sell and hopefully recoup the roughly \$125,000 the county has spent on the unit. Director Fulmer reported the GVRHA is beginning to increase the rent on the five county-owned units managed by the GVRHA. Currently, rent for four of the units is \$750, and one is at \$850, Director Fulmer said. Renters will be paying an amount of rent based on income, he said. Treasurer Swenson said that \$1,000 to \$1,200 per month is fair market; an applicant at 60 percent AMI could afford \$750. Director Fulmer said he's not going to "go hog wild." Instead, he said he'll increase rents gradually. Treasurer Swenson said the original plan was to give two units to the Housing Authority, and the county would own the other two, but that hasn't happened yet.

POLICY WORK ITEMS:

MASTER DEED RESTRICTION: Director Fulmer said he made only two significant changes: On Page 5, change from 180 days to a 365-day sales period for second-home owners to sell a second property if such property is located in Gunnison, Delta, Hinsdale, Montrose, or Saguache counties. If such property doesn't sell within the 365-day period, they must sell the deed-restricted property. The second change is on Page 6; change from 95 percent to 90 percent of the bid price for non-qualified transferees. It's not a price floor, Director Fulmer explained; instead, if the owner receives a bid to buy the property at 90 percent or above the market value, the owner has to accept it. President Owen said he and McKinnis would remove the word "market" in the phrase "market value." Director Fulmer agreed.

2013 GVRHA DRAFT GUIDELINES: Director Fulmer first thanked President Owen, Benton and McKinnis for their work on the subcommittee to review the changes. The changes are self-explanatory, he said, and they're highlighted in red so they're easier to see. The Housing Authority board went through the document page by page:

- Page 3. Secretary Schmidt said Number 4 states housing should be close to employment locations, and it should also include "public transportation." Other board members agreed.
- Pages 4-5. Director Fulmer said the subcommittee changed existing income categories – five and six. The subcommittee believed 150 percent AMI and 160 percent AMI were too close together, so they changed it to 160 percent AMI and 200 percent AMI respectively.

- Page 7. The original document had said emergency workers' placement at the top of the rental sign-up list was done by a subcommittee of the GVRHA. The changes say the Executive Director, the Housing Authority, or the Housing Authority Board will make the decisions regarding placement. Also, Income category seven was eliminated from Paragraph eight.
- Page 8. Director Fulmer said the Crested Butte Town Planner John Hess proposed changing the LLC and Trust language to limit to individuals or households. Also, he added language to employment information requirements. This language adds flexibility to require more or less, depending on the situation, Director Fulmer said.
- Page 9. On business licenses, the proposed language changes Gunnison County to "the state or applicable municipality." The board discussed this item and came up with the consensus that the business would be in "the applicable municipality," "Gunnison County," or "the Housing Authority."
- Page 10. Language was changed to "tenant and/or landlord" from "client," because no one is a client of the Housing Authority, Director Fulmer explained. Section 3 (1) the Compliance Officer is changed to GVRHA staff.
- Page 12. The changes in the newspaper/publishing language are mainly clarifications, Director Fulmer said. Income category changes flow with previous changes.
- Page 15. The subcommittee added IRS form 941 as proper documentation of self-employment income. Also required is a copy of a current applicable business license for a business with an address in Gunnison County.
- Page 17. Section 3 was redundant and unnecessary, so it was deleted, Director Fulmer said. Secretary Schmidt called attention to the third bullet, which should be changed to 365 days from 180 days to be consistent with concurrent changes to the Master Deed Restriction.
- Page 22. Clarifying language has been added to the end of the third paragraph, Director Fulmer said. The capital improvement cap will limit the value of the resale. That's why it would continue to be marketed as a one-bedroom unit, if the capital improvements added a bedroom, he added.
- Page 25. Director Fulmer said we don't have an on-staff sales manager, so the Housing Authority will be paying the Transaction Broker \$500. That's in the deed restriction too, Director Fulmer said.
- Page 26. Secretary Schmidt said he's looking out for the person who doesn't have a lot of money when he suggested a buyer go directly to the Owner selling the unit. That way, fees would be eliminated, Secretary Schmidt said. Director Fulmer said the Housing Authority could waive the 2 percent fee, or part of it, but the \$500 transaction fee would remain. Director Fulmer said the subcommittee would revisit the language of Section 3, Fees for Listing. The Housing Authority isn't making a lot of money off the transactions, but enough to cover the costs, he said. And the Housing Authority needs to hire an attorney to make standardized documents. McKinnis suggested using Real Estate Commission forms from the state. Director Fulmer agreed with McKinnis.
- Page 26. President Owen said the "agent fee" should be "transaction fee" on Section 3. Board member McKinnis said the sales fee is 2% and the transaction fee is \$500. She said it

should be spelled out in the guidelines. Director Fulmer said he will work on the language on the listing.

- Page 27. Secretary Schmidt said there might be a nonqualified consigner who hasn't been working who might have to get a job. Director Fulmer said the language is intended to serve for a parent – someone who did not have survivorship rights to the property. McKinnis said a spouse would have survivorship rights to the property.
- Page 29-30. Capital Improvements Policy. Director Fulmer said there was a discussion with Crested Butte Town Planner John Hess, and that's reflected in the first paragraph. Treasurer Swenson said the Housing Authority is attempting to make all deed restrictions the same and, thus, this requirement is logical. Director Fulmer reported the subcommittee chose to reduce the capital improvement cap from 10 percent to 5 percent. Secretary Schmidt said a \$5,000 improvement wouldn't do much on a \$100,000 home. He said the message to people is that if they make a capital improvement, they're not going to get a return on their investment. McKinnis said that in the free market, there is no guarantee of a return on investment. Director Fulmer said the deed restricted unit's initial price should be at least 30 percent below market sales price, and at that, an owner will have more flexibility to recoup the money. Secretary Schmidt said where he lives, in Poverty Gulch, the cap is at 10 percent every year. His neighbor spent \$30,000 adding a bedroom to an \$85,000 home, and at 10 percent, it will take 30 years to get back the investment. Treasurer Swenson **MOVED** to change the cap to 10 percent. McKinnis said she likes the idea of 5 percent the first few years and then increasing it to 10 percent. Treasurer Swenson **AMENDED HER MOTION** to 5 percent cap the first three years and increasing it to 10 percent total. This would be for capital improvements, not carpet, Treasurer Swenson said. Cave **SECONDED** the motion. Treasurer Swenson said this is money the owner can add on when listing the home for sale. This is a guarantee that the free market owners don't get. Secretary Schmidt said the unit should not exceed what is affordable at 80% AMI, and let this dictate how much someone recoups from capital improvements. Director Fulmer said the maximum resale price is left out of the guidelines. The deed restriction will dictate the maximum sales price, he said. Director Fulmer said if capital improvements are calculated at 3 percent annually, the resale price could become unaffordable. President Owen said that's why the subcommittee dropped the cap to 5 percent. **MOTION PASSED**. Secretary Schmidt voted against this change.
- Page 31. Minimum Standards. Secretary Schmidt asked if the Housing Authority would demand the seller bring it up to minimum standards. Director Fulmer said the assumption is that if it's not in the shape that requires full value, the sales price would reflect that. Secretary Schmidt said if the maximum value is \$130,000 and the quality brings the value down to \$120,000, would that be the new base. Treasurer Swenson said it's just like the free market; if the owner doesn't keep the place nice, he or she won't reap the benefits. McKinnis suggested making the owner bring it up to the minimum standard, and Director Fulmer said he would revisit the language for the minimum standards. Secretary Schmidt said if someone is delinquent on their homeowners' dues, the Housing Authority should be

- able to take out past dues from the proceeds of the sale. Treasurer Swenson said if a homeowner is delinquent, the proceeds from the sale will pay off the past due amount.
- Page 35. Definitions. Director Fulmer said he deleted “accredited;” he added “residential dwelling unit;” he changed “handicapped” to “disabled;” added a new definition of “disability;” and added “domestic partners” to the definition of “family”. Secretary Schmidt said the definition of emergency worker should include Mountain Rescue Team members. The emergency workers get priority. Director Fulmer said the definition is left somewhat open-ended to allow for such a position’s inclusion.
 - For the definition for “Gross Income,” President Owen deleted “the total”.
 - For the definition for “Ownership Exclusion Zone,” Director Fulmer explained it should be restricted somewhat. He explained that a resident at Stallion Park was using his rental as a vacation getaway. He is now living there full-time. President Owen said originally the Ownership Exclusion Zone included all adjacent counties, but the commute was too long. A person can still work in Gunnison County and live in Delta, Montrose, Saguache and Hinsdale counties, he said. All other counties are excluded. Ed Seymour asked how to apply this to someone not working; for example, if they own property on the Front Range and they’re trying to use this as a vacation home. Director Fulmer replied there is an asset limitation. Secretary Schmidt added that the Housing Authority won’t remove them while they’re in a deed-restricted unit if they inherit money or win the lottery while they’re living in a deed-restricted unit.
 - Director Fulmer said they removed the Special Review Committee.
 - Director Fulmer said they clarified the definition of “Tenancy in Common.”
 - President Owen said to add “permitted” in the definition of “Capital Improvements.”

UPCOMING MEETING: Director Fulmer said the next meeting will be April 3 in Crested Butte. The meeting will be at 2 p.m. and the first hour will be a joint meeting with the Gunnison Valley Housing Foundation.


ADJOURN: President Owen adjourned the meeting at 4:52 p.m.

Minutes Prepared By:



Mary Vader, Housing Specialist

Approved April 3, 2013



David K. Owen, Board President

