

**Gunnison Valley Regional Housing Authority**  
**April 3, 2013 Board Meeting Minutes**  
Crested Butte Town Council town office meeting room, Crested Butte, CO

**MEMBERS PRESENT:**

David K. Owen (President); Town of Crested Butte  
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

**PUBLIC PRESENT:**

Richard Hagan, Candidate for Gunnison City Council  
Bob Gillie, Interim Town Manager for the Town of Crested Butte  
John Hess, Crested Butte Town Planner

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

**MINUTES:** Secretary Schmidt MOVED to approve the Feb. 6 minutes. The motion passed unanimously. Sharon Cave MOVED to approve the March 6 meeting minutes and Secretary Schmidt seconded the motion. Directors agreed to change the bottom of page 2 from 160% AMI to 160% AMI and 200%AMI. Director Fulmer said 200% AMI is more reasonable, particularly in resort communities. The motion passed unanimously.

**PROGRAM MANAGER POSITION:** Director Fulmer said six candidates will be interviewed on Monday, and from there, the top two candidates will be chosen. The interview subcommittee will conduct the interviews.

**TEMPORARY MORTGAGE ASSISTANCE:** Director Fulmer explained the GVRHA will be the pass-through agency to help the Town of Crested Butte keep a deed restriction. The town wants to offer \$380 per month temporary mortgage assistance for the owner of a deed-restricted home in Paradise Park in Crested Butte. If the home goes into foreclosure, the town will lose the deed-restriction. The town will send money to the GVRHA, which will in turn pay a portion of the mortgage. Director Fulmer said helping with mortgage payments is a better use of money than buying a \$150,000 house for one deed restriction. Interim Crested Butte Town Manager Bob Gillie said it is an opportunity for the town to buy time at a low investment, and to avoid the home's foreclosure, until the unit sells. The proposed agreement is now in the owner's hands. Director Fulmer said the GVRHA will open a separate account for these transactions. This transaction is also in agreement with the intergovernmental agreement between the governments to form the GBRHA, Mr. Gillie said. If successful, they may want to do it

again, he added. The agreement is dated April 1 and goes through 2014, though it's doubtful it will take that long to sell the home, Mr. Gillie said. He anticipated four to five months maximum. The agreement says that at any time, either party may get out of the contract, Mr. Gillie said. He added that \$380 per month is a pretty small investment when compared with the cost of buying a home. It was MOVED by ?? and seconded by Grant Benton to approve the GVRHA working with the Town of Crested Butte to help keep the unit out of foreclosure and to open an escrow account for the distribution of funds to the mortgage holder, the US Department of Agriculture. All approved, with Secretary Schmidt and President Owen abstaining. Both Schmidt and Owen sit on the Crested Butte Town Council.

**LEVEL OF GVRHA INVOLVEMENT WITH TOWNS:** Director Fulmer said he has been approached by the city of Gunnison Planning & Zoning Department, which wants his help. He said he's "more than willing" to help the municipalities and the county, but he sees his time being spread too thin if he gets more requests. He suggested a fee-based system. He said he will write proposed guidelines for the May meeting. Kelly McKinnis said the board should discuss it in the near future because, "I don't want any municipality to take it and run with it." President Owen said he doesn't want the partners in the IGA to begin bickering. Director Fulmer explained it's not a fee-based system to make money; "It's just to keep everyone honest." Secretary Schmidt said that because part of Director Fulmer's job is to create housing throughout the county, he will be involved with the jurisdictions. Overall, the board offered support for Director Fulmer, who said he will place the item on the May meeting agenda.

**LEGAL FEES:** Director Fulmer said he will need to go out-of-county to find an attorney and an accountant to help with master deed restrictions and fund accounting. Director Fulmer said local attorneys charge \$200 to \$350 an hour, and if they don't know housing, the GVRHA would be paying for them to learn housing. The legal budget is \$8,250. He said he's "had issues" with the county attorney's office being non-responsive to GVRHA questions. To pull the books away from the county control, the GVRHA will have to go outside the county as well, he said. Ed Seymour suggested hiring a part-time person to do the books. Director Fulmer said he'd rather go through a firm, because most firms won't make mistakes, where a staff person can make mistakes. Director Fulmer said he would like to keep the business local, "but it's not fiscally responsible."

**QUARTERLY FINANCIAL:** Director Fulmer said he would do a first-quarter update in May, after he receives the financial information from the County Finance Department.

**MOUNTAIN VIEW QUARTERLY FINANCIAL:** Housing Specialist Mary Vader reported there were 2 days vacant out of total 2,520 total leasable days at Mountain View during the first quarter of 2012. Total income for the first quarter at Mountain View was \$56,084, Mary Vader said.

**SECTION 8 HOUSING CHOICE VOUCHER UPDATE:** Housing Specialist Mary Vader reported of the total 42 vouchers available to the GVRHA, 39 were leased up, one was issued but not leased, and two had ported out (moved) to other jurisdictions. Those voucher participants who port out are still counted toward the GVRHA total, but the GVRHA does not get administrative fees for those.

**MASTER DEED RESTRICTION:** Director Fulmer said the draft Master Deed Restriction is at the county attorney's office for review. He said he was told by one of the county attorneys, "You know more about this than we do!" Director Fulmer said he will have the outside attorney review the document, if he hires someone from outside.

**POWERPOINT PRESENTATION:** Director Fulmer gave a brief slideshow to answer the question: Housing Affordability – What does this mean? Director Fulmer said the traditional definition of affordable homeownership is 30 percent of gross income to PITI (Principal, Interest, Taxes, Insurance). He wants to drop a few points off the 30 so that people can transition to a higher category. In the late 1990s and early 2000s, people were able to get loans with zero to 3 percent down payment. When the value of the homes went down, people chose to walk away rather than continue to pay a mortgage, Director Fulmer said. Now, that is in-existent, said Kelly McKinnis. Calculating sales prices for resort housing, we should limit the percentage of gross income to PITI to 23-25 percent, Director Fulmer said. Down Payments should go to between 5 and 10 percent, and the interest rate at 2-300 basis points above the 30-year rate. Director Fulmer said he deliberately set the prices low so people could buy homes in the category above them. "It's better to have them buy in a category above than struggle," he said. Regarding Maximum Sales Prices, Director Fulmer displayed a table that listed the number of people with the size of the unit. The guidelines subcommittee will look at these figures in the coming weeks. On Maximum Sales Price, Director Fulmer used a rate of 7 percent, with 5 percent down and 23 percent of gross income going to pay for the mortgage. He said he prefers to keep the sales prices low, rather than having a higher sales price and people struggling at the higher-income level.

**REVIEW OF DRAFT SECTION V: Sales Prices & Rental Rates:** Regarding Table IV, Director Fulmer explained he blended 1-2 person household, divided by 23 percent and then he subtracted 10 percent off that number. That leads to a person spending 23 percent of his gross income toward housing. He said he took 90 percent of that to calculate the sales price. Director Fulmer said he would massage the language to make it easier to understand. Secretary Schmidt asked if anything can be built for these prices, and Karl said Categories 2 can be built, and categories 3 and 4 are far more likely. Category 1 units are very small and it's very unlikely these will be built. To build those, you'd need a front-end subsidy, Secretary Schmidt said. Many of these guidelines are for the private sector, Director Fulmer said, adding that when they choose to build units, 10 percent must be Category 3. Secretary Schmidt said if you're at 50% AMI, you may be renting – you can't live there. Kelly McKinnis said some units in Gunnison are free market units priced below that. Director Fulmer said 23% will give the renter and buyer more "wiggle room." Also, he said, utilities will be dealt with on a case-by-case basis. The subcommittee will have to consider the utilities and HOA dues for condos. There should be no distinction between detached and attached, he said. Regarding rental rates, HUD uses 30 percent of gross income toward rent in the Section 8 Housing Choice Voucher program, Director Fulmer said. The income categories are a departure from federal numbers, he said. Director Fulmer said the farther north in Gunnison County, the more that housing involves roommates. Because of that, Director Fulmer said he used the household number of adults, rather than household size in Table IV. A two-person household is equal to the six-person HUD AMI category, he said. The point is to not gouge the person,

but it's to keep people in the rental units, Director Fulmer said. The Subcommittee decided to meet Tuesday, April 16, from noon to 2 p.m., with the GVRHA providing lunch.

**EXECUTIVE SESSION:** At 4:45 p.m., Secretary Schmidt MOVED to go into executive session to discuss property acquisition. The motion was seconded by Tom Steuer, and the motion passed. Director Fulmer placed an operating recording device in the middle of the table. The GVRHA board came out of executive session at 5:10 p.m.

**ADJOURN:** The board adjourned at 5:11 p.m.

After adjournment, it was announced that the next meeting will be May 1, 3 p.m., in the GVRHA offices in Gunnison.

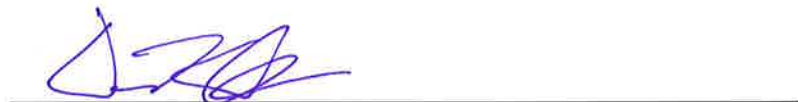
**Minutes Prepared By:**



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Mary Vader, Housing Specialist

Approved April 3, 2013



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David K. Owen, Board President