

**BLAINE COUNTY HOUSING AUTHORITY
PUBLIC MEETING
February 10, 2009 at 4:00 PM**

**Hailey City Hall
115 South Main Street
Hailey, Idaho**

Members Present:

Susan J. Passovoy, Chair
Anna Mathieu, Vice-Chair
Linda Thorson, Treasurer
Nathan Fierman
Milt Adam

Others Present:

Robert Blakely
Joan Lamb, Sun Valley P & Z
Heather Dawson, Hailey City Administrator

Staff:

Kathy Grotto, Executive Administrator
Suzanne Grant, Recording Secretary

1. Call to Order/Approval of Agenda

The meeting was called to order by Chair Susan J. Passovoy at 4:08PM. She asked for approval of the Agenda.

Anna Mathieu asked if the Board wished to discuss forming a meeting with lenders, title persons, and attorneys to 'beef-up' the Deed Covenants. Deed Covenant will be discussed in item 3.A.1 and was also added to the agenda as 3.F.

Anna Mathieu asked the Board if they wished to make formal presentations to the City Council Meeting of Bellevue and Sun Valley. At this point, it was decided not to schedule the BCHA presentation with these jurisdictions.

2. Comments from the Public

Susan J. Passovoy asked if the members of the public, present tonight would like a particular agenda item discussed first. No one requested a change to the order of the agenda.

3. Discussion/Action Items

A. 600 Second Street East

1. Before the Commissioners are two provisions requested by the Developer. These provisions apply only to the 600 Second Street East, Ketchum, CHU.
 - 'Section 8, Encumbrances' will provide the Developer with a provision that they can buy the CHU if BCHA is unable to find a buyer. The language of the provision will be added to the loan document as well as BCHA adding an amendment to the standard Deed Covenant already recorded on this CHU. Kathy Grotto read the provision aloud for the record. "In the event the BCHA does not elect or fails to provide a Qualified Buyer to acquire the obligation, promissory note and other loan documentation as provided in paragraph (b) of this Section 8.4, then upon written request to BCHA and the Foreclosing Party, the Foreclosing Party shall grant, bargain, sell transfer and convey to the Declarant the entire obligation owed to the Foreclosing Party, for an amount not to exceed the Foreclosing Party's actual

principal and interest due together with reasonable and customary foreclosure costs. Such purchase by the Declarant shall not cause the termination of this Covenant.”

- ‘Termination Provision’ described by Susan Passovoy is a necessary addition to the Deed Covenant providing a mechanism to terminate the covenant if there is nobody to fulfill the obligations of the BCHA. Kathy Grotto read the proposed text Section 14.1 into the record. “14.1 Runs with the Land: Termination. The covenants, conditions and restrictions of this Deed Covenant shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by the *BCHA*, its legal representatives, successors and assigns until January 1, 2099 after which time, these covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing (Notice of Termination of Covenant) , signed by then Owners of the Property and the City of Ketchum has been recorded certifying that there is no successor in interest to BCHA or any successor in interest. The termination shall be effective upon recordation of the Notice of Termination of Covenant.”

Linda Thorson moved to approve an amendment, of the two provisions, to the existing Restrictive Covenant on the CHU at 600 Second Street East as read into the record. Anna Mathieu seconded the motion and the motion carried.

2. Administrative Fee on “sale” of CHU at 600 Second Street East to Stevenson Ketchum Fund. A flat fee of \$250.00 had been mutually agreed on as the rental administrative fee for the CHU at 600 Second Street East.
BCHA Staff was asked to find out if an Administrative Fee was paid by the developers of CHU rentals at the time the Notice of Intent to Rent was signed by the Developer and BCHA for Chilali, First and First, and Idaho Independent Bank.

B. Application Database Project

1. Nathan Fierman and Kathy Grotto gave a summary report on the updated application mailing. Fields have been added to the application form which will be entered into the Access database. Business rules and logic will sort the information and assign a hierarchy; thus the ready willing and able applicants will be easily identified. The applicants deemed not to be ready willing and able will be contacted to become ready homebuyers. Reports can be generated through excel exports and access query.
2. The volunteers are prepared to begin calling applicants for the updates. BCHA Staff will prepare ground rules, a calling script and packets of 30 applications for each volunteer.

The volunteers want to start calling as soon as the mail merge applications are ready to pick-up. Updating these applications and running the reports is a big project. Nathan Fierman and Linda Thorson suggested another meeting this week to review the calling process with BCHA Staff.

C. CHU Owner Compliance Review and Discussion

This discussion item was moved to Agenda Item 6 the ‘Executive Session’.

D. Annual Stakeholders Report

Kathy Grotto sent the ‘Second Draft’ of the 2007 – 2008 FY Annual Stakeholders Report to the Commissioners. This year’s report follows the same format used in past years. Several Commissioners had suggested re-formatting and re-organizing the report. Kathy Grotto incorporated many of the topics and details provided by them. More edits were discussed. Linda Thorson moved to approve the 2007 – 2008 FY Annual Stakeholders Report subject to the final edits. Nathan Fierman seconded the motion and the motion passed unanimously.

Susan Passovoy asked for the Report to be sent with a cover letter directly addressed to the individual City Council and Planning & Zoning members. The letter should acknowledge the progress/accomplishments of BCHA since October 1st as well as apologize for its tardiness. Let them know BCHA realizes it is important to produce this report in a timely manner.

The Commissioners discussed whether or not Kathy Grotto should be granted the same signing authority held by past Executive Directors. A Resolution will be created to discuss and possibly vote on at next month's meeting. Some correspondence to the jurisdictions will be co-signed with a Commissioner showing inclusiveness.

E. Discuss Draft Lease for Office Space

Linda Thorson reviewed the new office lease and returned the lease with desired changes. The three changes requested are: 1) No change to the monthly rent in 2009; 2) Leaser must give Lessee a 60 notice before increasing monthly rent; and 3) Remove lessee's responsibility to pay for repairs clause (building and fixtures are very old). The owner of the office building plans to tear it down in April of 2010. BCHA Staff is looking forward to the move and having a presence on Main Street, Hailey.

Linda Thorson moved to approve the Office Lease as amended and permission for Kathy Grotto to sign lease. Anna Mathieu seconded the motion and the motion passed unanimously.

F. Discuss "Upgrades" to present Income Deed Covenant

Susan Passovoy read suggested financing terms to be added to the Income Deed Covenant (DC) as well as the 600 Second Street East DC. It says: "No re-finance or secondary financing of the property may occur without the approval of the Blaine County Housing Authority, which approval will not be unreasonably withheld based on the loan to value ratio provided that the value in such ratio does not exceed the maximum price for which the property may be sold pursuant to this Covenant."

Concerns about how this provision, if placed in the Income Deed Covenant, would play out in various situations were discussed. Only lenders, appraisers and owners who ignored the Deed Covenant approved loan amounts greater than the price calculator would allow. Anna Mathieu suggested further discussion occur before finalizing changes to the Deed Covenant. Until the final DC changes are voted into place, the provision as quoted above will be signed at the closing.

In review, Susan Passovoy restated the two elements of the amendment the Commissioners discussed to strengthen the Deed Covenant. The first addresses no other re-financing without the approval of BCHA with a statement supporting the financing of a CH as to its value determined by the pricing calculator. The second is to amend the request for notice from the lender to a requirement for notice from the lender. Nathan Fierman moved to approve these two elements of the amendment. Linda Thorson seconded the motion and the motion carried.

Anna Mathieu, Linda Thorson and Kathy Grotto had met together to discuss compliance issues. They would like to have a 'Round Table' to include representation from title companies, lawyers and mortgage lenders in suggesting ways to strengthen the DC. Susan Passovoy and Anna Mathieu will assemble and attend this meeting.

Susan Passovoy asked BCHA Staff to explore the possibility of bringing affordable homes into the BCHA program. She noticed an ad for a \$200,000 home in Hailey, for sale by owner, and wondered if properties such as these could be purchased by BCHA or ARCH. Susan stated she would send the ad to staff.

4. Consent Agenda

A. Approval of December 11, 2008 BCHA Board Meeting Minutes

Anna Mathieu requested the phrase "and beyond" be removed from page one; paragraph 3.A. Milt Adam should be removed from the list of Commissioners attending the meeting.

B. Approval of January 6, 2009 BCHA Board Meeting Minutes

Anna Mathieu asked for an explanation of agenda item 2. second paragraph number (2). It was suggested that the wording of (2) should be rewritten to read "the requirement of 40% workforce (WF) housing up from the previously required 20-25% WF housing the base percentage could be increased under certain conditions." An apostrophe in the next paragraph should be deleted. Agenda item 6. should state: "An Executive Session was not required at this meeting."

Linda Thorson moved to approve the December 11, 2008 and the January 6, 2009 Board Meeting Minutes as amended. Anna Mathieu seconded the motion and the motion carried.

C. Approval of BCHA January 2009 Financial Report

Linda Thorson distributed her Financial Report. Preliminary financial reports were given at the December 2008, January 2009 and also at tonight's meeting, because the meetings were held early each month. Then reconciliation must be completed again when the final financial reports are generated. If the monthly meetings occur in the third week of the month, the Treasurers reconciliation could be completed once just before the meeting. The meetings will return to the third week of the month.

Administrative fee income received for December 2008 and January 2009 is \$20,733.00. Also, BCHA has already paid \$950.00 security deposit and \$1050.00 for the last month's rent. This allows BCHA to not pay the rent for March 2009. BCHA Staff will walk through the office with the owner; then send a letter requesting the security deposit after we move out of the present office.

An outside consultant reviewed the Draft FY 2007 – 2008 Audit. Two suggestions were made: 1) reduce the amount of funds from four to two; and 2) a Management Analysis Report has not been produced in past years and will not be written for this year (as suggested by the Auditor).

Linda Thorson produced this resolution, "Whereas, Blaine County Housing Authority has repaid Ketchum interest due up through September 30, 2008, and whereas there has been a restricted fund called the Ketchum Interest Fund in the amount of \$4,685.00, be it resolved that that fund is hereby unrestricted and those monies can be returned to the general operating fund." Nathan Fierman moved to approve this resolution. Anna Mathieu seconded the motion and following discussion the motion was voted by roll call: Linda Thorson voted yes; Nathan Fierman voted yes; Susan Passovoy voted yes; Milt Adam voted yes; and Anna Mathieu voted yes.

D. Approval of Executive Administrator's Report

Kathy Grotto had several items within the report she wished to discuss with the Board. Chase Hamilton, the BCHA prospective new Board member, has not yet been interviewed by Blaine County Commissioner Larry Schoen. Kathy Grotto invited the Board to recommend ways to advertise for a Bellevue Board representative.

Kathy Grotto asked if anyone had connections to get a moving van for the office move. Anna Mathieu suggested the ReMax van.

As an Exhibit to the E.A. Report, Nancy Smith submitted an Activity Report. Kathy Grotto wished to talk about the Old Cutters Development. Old Cutters had final plat before the Hailey City Council. The Council continued the hearing for two weeks because they were not comfortable approving the townhouse plat when the developer is in breach of annexation agreement. Kathy Grotto has been working on the Notice of Intent to Sell documents for the Income DR and WMDR CHUs. The Developer told BCHA Staff they would not sign the Income DR Notice; because, they only need to sell one CH unit for every five open-market sales. Therefore, the Income DR unit will not come to the BCHA until twenty-five open sales are made. The developer plans on renting the Income DR unit until the twenty-five sales are made. BCHA will ask the City and developer amend the Community Housing plan to state the rented CH will need to be in good condition at the time it comes to the BCHA as a 'for sale' WMDR CHU. It will be important to record the DC along with the Plat. The developer had requested Hailey City Council to allow all of the CHUs to be WMDR and not Income DR. If the Hailey City Council would allow this; the developer would build all of the CHUs - now! The Hailey City Council has refused to grant this change.

A second topic discussed at Hailey's City Council meeting was the Sweetwater Development. Both Jim Laski and Jack Magids (Attorneys for Sweetwater) presented a new marketing plan with reduced pricing and new financing options. Forty units remain WMDR, the River Street property stays with the City of Hailey and a waiver of the in-lieu fees is requested. BCHA will be involved only if the BCHA WMDR is adopted and used on the Sweetwater Development. The initial Deed Restriction written for Sweetwater only allowed for a 5% decrease in sales price. BCHA and the City of Hailey would prefer to use the standard WMDR as directed by the Hailey Contract for Services.

Anna Mathieu asked for more information on the Cimmaron CHU. Kathy Grotto advised there may be a problem with obtaining residential loans on this unit due to expansion of commercial uses within the building. Anna Mathieu suggested assisting as much as possible on this issue.

5. Announcements- Calendar of Upcoming Meetings

The next meeting was tentatively scheduled Wednesday, March 25th at 5PM in the Sun Valley City Hall. Looking forward, the April Meeting could be scheduled for Wednesday, April 15th. These dates will be confirmed by email with the Commissioners.

**6. Executive Session; Idaho Code 67-2345 to discuss pending litigation, land acquisition
or personnel issues**

Anna Mathieu moved to go into Executive Session at 6:08PM. Linda Thorson seconded and the motion carried unanimously.

7. Adjournment

There being no further business to discuss, Chair Susan J. Passovoy, adjourned the Board of Commissioners' meeting at 7:00PM.

Respectfully submitted,
Suzanne Grant
Recording Secretary

Approved,


Susan J. Passovoy
BCHA, Chair