

**AMENDED AGENDA
McCall City Council
Special Meeting
September 27, 2006 at 3:30 pm
McCall City Hall (Lower Level)
216 East Park Street**

3:30 pm

CALL TO ORDER AND ROLL CALL

Council Member Don Bailey, Council Member Bonnie Bertram, Council Member Mike Kraemer, Mayor Bill Robertson, and Council Member Laura Scott

WORK SESSION

AB 06-190 Work Session with the Valley Adams Regional Housing Authority (VARHA) Board

ADJOURNMENT

American with Disabilities Act Notice: The City Council Meeting room is accessible to persons with disabilities. If you need assistance, contact the City Clerk at 634-4874.

MCCALL CITY COUNCIL

216 East Park Street

AGENDA BILL

M^cCall, ID 83638

Number

AB 06-190

Meeting Date

September 27, 2006

AGENDA ITEM INFORMATION			
SUBJECT: Work Session with the Valley Adams Regional Housing Authority (VARHA) Board	Approvals: Department/Committee/Individual	Initials	Remarks (Originator/Support)
	Mayor / Council		
	City Manager		originator
	Community Development		
	Treasurer		
	Clerk		
	Police Department		
	Public Works		
	Golf Operations		
	Parks & Recreation		
COST IMPACT:	Airport		
FUNDING SOURCE:	Library		
	City Attorney		
TIMELINE:	Grant Coordinator		
	Other:		
<p>SUMMARY STATEMENT: Attached are several items received from VARHA regarding their budget for FY07, their request for funding from the City, and the services that they provide.</p> <p>The FY07 budget includes \$75,000 for the City's Housing Authority Administrative Support (10-48-150-380).</p>			
<p>RECOMMENDED ACTION: Provide direction to staff and the VARHA regarding the VARHA budget and contracted services.</p>			
RECORD OF COUNCIL ACTION			
Meeting Date	ACTION		

Valley Adams Regional Housing Authority

PO Box 843· McCall, ID 83638 · 208.315.3711 (ph)

September 1, 2006

Valley County Board of County Commissioners
Adams County Board of County Commissioners
City of Cascade Mayor & City Council
City of Donnelly Mayor & City Council
City of McCall Mayor & City Council
City of New Meadows Mayor & City Council

Dear Commissioners, Mayors and City Council Members:

The Valley Adams Regional Housing Authority Board of Directors respectfully submits this request for FY 2006-07 funding assistance. We are requesting regional, shared funding support for client services, provided throughout the region by VARHA, which cannot be fully funded from transaction fees during the next fiscal year.

Over the past ten months, the newly appointed Board of Directors has reviewed all aspects of the Housing Authority's operations, including its mission, services, staffing duties and staffing levels. Fees on sales of future deed restricted units have been analyzed and projected for the following fiscal year.

Upon the completion of this comprehensive assessment, the Directors, with our staff, finalized a description of the services we believe VARHA is best suited to provide. In our view, these services can most effectively and efficiently be provided through a "central agency" such as VARHA, because, as a practical matter, these services cannot be delivered in a cost effective way by individual government agencies. In addition, we believe that only a consolidated service center can meet the needs of our most important client, those in need of finding housing. The Directors concluded that VARHA is uniquely qualified to provide these services to the region. These services fall into three major categories: 1) producing and maintaining accurate housing data and a current list of qualified buyers and renters; 2) during the land use permitting process for a given project, helping both developers and governmental bodies identify the mix and type of workforce housing units; and 3) qualifying purchasers and renters and aiding buyers with the purchase and/or rental of available units. These functions are presented more fully in the *Description of Services* attached as Exhibit A.

How these services will be delivered has been discussed at great length by the VARHA Board of Directors. The goal of the Directors is that VARHA provide its central services through a strategically managed approach, with policy direction and priority oversight by the Directors, emphasis on professional development, marketing and research capabilities. It is the Directors' expectation that the outcome of this direction will increase the success of the Authority and improve services to those in need of housing and those working to produce housing.

The attached budget (attached as Exhibit B) represents what we Directors believe is needed to deliver the services outlined in the *Description of Services* from October 1, 2006 through September 30, 2007. The primary source of revenue for the Authority is the 3.5% transaction fee from the sale of deed restricted units. Over time, especially as jurisdictions impose inclusionary zoning requirements and development incentives which get units into the pipeline, VARHA's income projections show that the Authority should be able to sustain its basic services from the transaction fees. Operations through September 30, 2007, however, project a budget short-fall requiring expenditure subsidy.

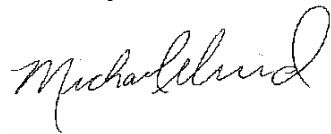
VARHA
PO BOX 843 McCall, ID 83638

The Directors are requesting that the counties and municipalities invest in VARHA this next year to ensure its success, both as a regional agency and as a securely funded operation. In meeting the goals of the region to retain our community through providing affordable workforce housing, the services VARHA provides are an essential and an integral part of that effort. The work of VARHA serves the region and its services must be done in a responsive and exemplary manner. In our view, it the funding and support of VARHA must be a collaborative partnership of the Counties and the cities.

The Directors and the staff are committed to implementing our mission and to providing the central services for you, our stakeholders, and for the entire community in a professional and focused manner. We are approaching our mission with vigor and focus.

VARHA appreciates your thoughtful review of our funding request and we urge you to prioritize affordable housing services in your list of funding expenditures. We look forward to meeting with you and will be glad to answer any questions you may have at that time or prior to your meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael David", written in a cursive style.

Michael David, Executive Director

Greg Lovell, Chairperson

Gary Young, Director

Gretel Kleint, Director

Jack Hellbusch, Director

Murray Dalglish, Director

Steve Millemann, Director

Attachments: Exhibit A

EXHIBIT A

VALLEY ADAMS REGIONAL HOUSING AUTHORITY

DESCRIPTION OF SERVICES

VARHA provides central services to the Counties and to the municipalities. These services are defined by three essential areas:

I. Assisting public entities and private developers with affordable housing product development

VARHA will provide public and private entities reliable and current information for the development of deed restricted housing. This will be done by:

- a. Needs Assessment & Studies
 - i. Update the Needs Assessment on a periodic and on an as needed basis.
 - ii. Conduct and assist in other studies to determine demand and production of affordable housing
- b. Consultation services with public entities regarding the mix and type of units to be included in proposed development projects:
 - i. Consulting with the public entities on a regular basis regarding the mix and types of deed restricted housing needed.
 - ii. Providing an annual research paper on workforce housing techniques, including but not limited to, regulations and public-private partnerships.
 - iii. Being familiar with the planning documents and zoning regulations of each governmental partner, particularly with respect to affordable housing, and working with county and municipal staff to determine the type and location of affordable housing needed within the planning area.
 - iv. At the request of a city or county elected official or designated land use planning director and the developer of a proposed project, VARHA staff will conduct a preliminary planning meeting with the developer and/or the public entity regarding affordable housing needs and mix, unit types and sizes applicable to the project under review or prior to application submission.
 - v. VARHA staff will assist city and county officials, when requested, with deed restriction instruments, including adoption of deed restrictions and plat notes, to ensure that deed restrictions are properly recorded.

II. Acting as Clearing House for Delivery of Affordable Housing Product

VARHA will serve as the central agency for all jurisdictions within Valley and Adams Counties for matching affordable deed restricted housing sellers and landlords with qualified buyers and renters throughout the Counties. This primary function of VARHA is provided through:

- a. Maintaining an effective and efficient recordkeeping system which can quickly and easily let potential renters and buyers know what deed restricted housing opportunities are available; and, which can be used to advise developers as to potential markets.
- b. Communicating with workforce housing applicants regarding qualification criteria and eligibility status.
- c. Providing education opportunities to first time buyers, information regarding qualification, credit counseling and other services to housing applicants.
- d. Being skilled in credit counseling and assisting in the application process for mortgages and down payment assistance.
- e. Being active in the marketing of affordable housing produced by the jurisdictions to the community.
- f. Developing and maintaining qualified worker criteria, including updating and simplifying medium income range categories.

III. Generating and Maintaining Community Housing Guidelines and Monitoring Compliance

VARHA will work to make sure the supply of affordable housing made available through programs of the Counties and the municipalities, or any other programs, remains available and affordable as required by such programs.

- a. VARHA will monitor housing occupancy and compliance with deed restrictions at least one time per year, and on a complaint basis.
- b. VARHA will be a resource for those residing in deed restricted housing to support success of the affordable housing programs.
- c. VARHA will regularly evaluate its deed restriction(s) to ensure their effectiveness to meet current needs.
- d. VARHA, in cooperation with public and private entities, will develop one or more new deed restrictions that will contribute to the effort to create and sustain affordable housing in the Counties.

EXHIBIT B

Valley Adams Regional Housing Authority

FY 2006/2007 Proposed Operating Budget

	2006 Budget	2005 Budget
Expenses		
Personnel - Executive Director		
Salary	\$90,000	\$0
Insurance	\$3,600	\$0
Retirement Benefit	3.00% \$2,700	\$0
Taxes (employer portion)	7.50% \$6,750	\$0
Sub-Total	<u>\$103,050</u>	<u>\$0</u>
Personnel - Administration		
Salary (part-time hourly)	\$20,000	\$0
Taxes	15.00% \$3,000	\$0
Sub-Total	<u>\$23,000</u>	<u>\$0</u>
Consultant Fees	<u>\$0</u>	<u>\$120,000</u>
	\$0	\$120,000
General Administrative		
Operating Supplies	\$3,600	By Consultant
Office Rent	\$9,000	\$0
Insurance (Commissioners' Liability)	\$2,000	\$500
P.O. Box Rental	\$75	\$75
Telephone, Tax, and Internet	\$2,400	\$2,400
Website Development & Software	\$3,500	\$1,275
Recording Secretary	\$1,200	\$1,200
Legal (and other Professional) Fees	\$12,000	\$15,000
Public Education	\$2,400	\$0
Studies	\$0	\$0
Bookkeeping and Audit	\$2,400	\$1,800
Advertising and Legal Notices	\$1,200	\$0
Training	\$500	\$0
Travel, Mileage, etc.	\$1,200	By Consultant
Sub-Total	<u>\$41,475</u>	<u>\$22,250</u>
Capital Outlay		
Computer Equipment	\$1,500	\$2,750
Office Furniture	\$2,500	\$0
Sub-Total	<u>\$4,000</u>	<u>\$2,750</u>
Total Expense	<u>\$171,525</u>	<u>\$145,000</u>
Contingency		
Contingency (10% of budget)	\$17,153	
Sub-Total	<u>\$17,153</u>	
Total Operational Expenses	\$188,678	\$145,000

CONTRACT FOR SERVICES

THIS AGREEMENT made and entered into this _____ day of _____, 20____, by and between the CITY/COUNTY OF _____, IDAHO, (hereinafter referred to as “_____”) and the VALLEY/ADAMS REGIONAL HOUSING AUTHORITY, an Idaho housing authority (hereinafter referred to as “VARHA”).

WITNESSETH:

WHEREAS, the VARHA was established by the Valley County Board of Commissioners, with the financial assistance and support of Valley County and currently operates under a Joint Powers Agreement between Valley and Adams Counties and the Cities of McCall, Cascade, Donnelly, and New Meadows, to address the housing needs of employees and residents throughout the two Counties, and the named Cities;

WHEREAS, the VARHA has the ability and charge to acquire funding, build, administer, and operate affordable community housing and community housing programs, and advocate for affordable housing issues throughout the two Counties and the named Cities;

WHEREAS, *City/County of XXXX* has in place a number of zoning ordinances and other incentives for the development of community housing within the *City/County of XXXX* limits;

WHEREAS, the VARHA is, or will be, responsible for the on-going administration of a number of deed-restricted affordable housing units in the *City/County of XXXX*;

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. SERVICES: The VARHA, as independent contractor, hereby contracts with *City/County of XXXX* to provide guidance, oversight, review and general assistance in the creation of quality affordable housing that meets the needs of the *City/County of*

XXXX community. Included in the list of services that the VARHA will provide for City/County of XXXX are:

- a. Advisement and information on model ordinances for consideration by the City/County of XXXX Planning and Zoning Commission for the amendment and creation of new City/County of XXXX zoning ordinances that address provisions for affordable housing;
 - b. Assistance with long-range comprehensive planning for affordable housing throughout City/County of XXXX;
 - c. Review of and recommendations on any and all private development proposals within City/County of XXXX that include the provision of affordable housing, as required by the appropriate zoning ordinance(s) and City/County of XXXX policies;
 - d. Budgeting and spending of any and all affordable housing in-lieu fees collected by City/County of XXXX, according to the budgeting and spending policies adopted by City/County of XXXX;
 - e. Providing credit counseling and homebuyer education to prepare citizens for the purchase of deed-restricted homes;
 - f. Marketing and sales of all deed-restricted for-sale affordable housing in City/County of XXXX, according to the procedures and rules City/County of XXXX and the Community Housing Guidelines of the VARHA;
 - g. Monitoring and inventorying of any and all deed-restricted rental and for-sale affordable housing in City/County of XXXX, ensuring compliance with said deed-restrictions and appropriate zoning ordinances;
 - h. Participating the in the development of VARHA-owned affordable housing and partnering with other developers in the creation of affordable housing;
 - i. Any other reasonably related advisement or review requested by the City/County of XXXX City Council (County Commissioners), Mayor and Planning and Zoning Commission.
2. HOUSING LIAISON/COMMISSIONER: The Mayor (Commissioners) of City/County of XXXX, as per the procedures outlined in the Joint Powers Agreement, shall appoint a

Housing Authority Commissioner, who shall also act as a Community Housing Liaison (“Liaison”) from the [City/County of XXXX](#) and who will be the primary contact between the VARHA and [City/County of XXXX](#). The Liaison shall keep the [City/County of XXXX](#) informed of all VARHA meetings and actions taken therein, and the Liaison shall represent [City/County of XXXX](#) on all matters related to VARHA Community Housing policy.

3. TERM: The term of this Agreement shall commence on _____, 2006, and shall automatically renew for one year terms unless terminated pursuant to Paragraph 6, herein, or otherwise agreed by the parties.

4. PAYMENTS: In consideration for providing the professional services as herein provided, [City/County of XXXX](#) agrees to allow the VARHA to be compensated in the following manner:
 - a. 10% of all affordable housing in-lieu fees collected in [City/County of XXXX](#) will be provided to the VARHA for operating overhead. **10% of all affordable housing in-lieu fees collected in City/County of XXXX will remain with the City/County of XXXX in an account solely to be used by the City/County of XXXX to create housing opportunities for City/County of XXXX employees.** The remaining 80% of the in-lieu fees collected will be deposited into the VARHA’s “[City/County of XXXX](#) Housing Reserve” account, and will be spent according to the policies of the [City/County of XXXX](#).
 - b. The VARHA will collect and retain for operating overhead an administrative fee of ranging from 2% to 4% of the sales price of all deed-restricted for-sale housing in [City/County of XXXX](#). This fee will be 3.5% on all newly developed housing and 1% per year of ownership (but not less than 2% nor more than 4%) on housing re-sold by individual owners of community housing. This administrative fee is further described in the *Community Housing Guidelines* and is paid by the seller of the property to the VARHA to compensate the VARHA for its activities under Paragraph 1, above.

5. **REPORTING:** The VARHA shall provide quarterly reports on the activities of the VARHA to the [City/County of XXXX](#) via the Housing Authority Liaison/Commissioner. These quarterly reports shall be delivered no later than 30 days after the close of each quarter in the fiscal year. Additionally, the VARHA shall deliver to [City/County of XXXX](#) quarterly unaudited financial statements (including status of any collected fees and Housing Reserve Accounts held or administered on behalf of the [City/County of XXXX](#)), no later than 30 days after the close of each quarter in the fiscal year. Further, the VARHA shall deliver to [City/County of XXXX](#) an annual audited financial statement and an annual report, no later than 90 days after the close of the fiscal year. A summary of the reporting schedule is as follows:

REPORT	DEADLINE FOR DELIVERY
1 st Quarter Report and Unaudited Financial Statement	January 31
2 nd Quarter Report and Unaudited Financial Statement	April 30
3 rd Quarter Report and Unaudited Financial Statement	July 31
4 th Quarter Report and Unaudited Financial Statement	October 31
Annual audited Financial Statement	December 31
Annual Report	December 31

6. **TERMINATION:** Notwithstanding any contrary provision of this Agreement, either party to this Agreement can terminate the Agreement by 30 days written notice to the other party. In the event of such termination, VARHA will return to [City/County of XXXX](#) all uncommitted funds from the “[City/County of XXXX](#) Housing Reserve Account” to [City/County of XXXX](#), and will provide an updated audit of all “[City/County of XXXX](#) Housing Reserve Account” account funds.
7. **SERVICE:** VARHA covenants and agrees that it shall provide, at its sole expense, all costs of administrative services, labor, materials, supplies, business overhead and financial expenses, insurance, fidelity bonds, all necessary equipment and facilities necessary to provide the services as set for the in this Agreement.

8. NOTICES: All notices to be served pursuant to this Agreement or which are served with regard to this Agreement shall be sent by certified mail to the parties hereto.
9. EQUAL EMPLOYMENT OPPORTUNITY: VARHA covenants and agrees that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.
10. DEFAULT: The parties hereto covenant and agree that in the event VARHA fails, refuses or is unable to provide the services as set for the hereinabove the same shall constitute a default under the terms of this Agreement, and that [City/County of XXXX](#) may elect to terminate this Agreement upon ninety (90) days written notice to VARHA. Furthermore, this Agreement shall be terminable upon five (5) days written notice for cause if VARHA is adjudicated bankrupt, or subject to the appointment of a receiver, or has any of its property attached, or becomes insolvent, or is unable to pay its debts as the same become due.
11. NONASSIGNMENT: This Agreement, in whole or in part, may not be assigned or transferred by VARHA to any other party except with the prior written consent of [City/County of XXXX](#).
12. ENTIRE AGREEMENT: This agreement contains the entire Agreement between the parties hereto and shall not be modified or changed in any manner, except by prior written agreement executed by the parties, hereto. If any term or provision of this Agreement or application thereof shall be declared invalid or unenforceable by a Court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect.
13. SUCCESSION: This Agreement shall be binding upon all successors in interest of either party hereto.

14. LAW OF IDAHO: This Agreement shall be construed in accordance with the laws of the State of Idaho

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first written above.

VALLEY/ADAMS REGIONAL HOUSING
AUTHORITY

CITY OF _____

By _____
Chairperson

By _____
City/County of XXXX Mayor

ATTEST:

By _____
City/County of XXXX _ City Clerk