

San Miguel Regional

Housing Authority

2008

2nd Trimester

Report

EXECUTIVE DIRECTOR SUMMARY

The past four months of growth and development for SMRHA has included the beginning of homebuyer education classes in the region and presenting the Regional Housing Demand Study to the governments and the public through newspapers, the radio, and public meetings. I have attended a Developer's Toolkit workshop, several Business Alliance meetings to work with employers, the opening of a regional Civil Rights office attended by the governor, a Mountain Resort Consortium meeting, and began planning the second Southwest Region Housing meeting. There have been additional opportunities to help the public understand the deed restriction programs as the compliance check letters reach more owners in the region and local HOA representatives have questions, concerns, and information requests for SMRHA. We continued to collaborate with the governments as new challenges were brought to light by the public. We encountered new problems to resolve and reviewed or revised internal policies to accommodate needed changes.

The many factors that influence housing and which housing can influence have made their way into public awareness via the media, the exception process, compliance checks, and the new housing under construction. SMRHA has been busy responding to questions and concerns about all of the current deed restrictions, what owners need to do to be compliant and qualify for units, and working with the local lenders to get new deed restrictions and options to purchase approved by the lenders.

The completion of the regional housing demand analysis begs the question, what are our regional goals for affordable, employee housing and our vision for achieving them. I believe this can be achieved with a multi-faceted approach. First, a review of all of the Master plans in the region, including the Town of Mountain Village's once it is completed. Second, utilizing the Outside The Box Canyon project and the use of focus groups to define where we are now and access community input to define the vision for the future in affordable, employee housing. The final piece will require working with staff from all of the governments to develop a plan to subsidize future regional projects.

SMRHA's external audit was completed in June and a hard copy of the results was provided to each SMRHA Board member to make available to the elected officials. The manager's letter included some suggestions to improve oversight and account management. All years prior to 2007 should be closed out in Quickbooks and no more than 2 years at any one time needs to be open in the future. The SMRHA Board also elected the Town of Mountain Village Board representative to review accounts and payables monthly, prior to each Board meeting. It was also suggested another party reconcile all bank accounts since the E.D. pays all accounts. A Town of Telluride staff person is currently designated. The audit provided the actual carry-over funds from 2007 and allowed me to revise the budget for 2008. There will be a \$20,000 savings per government as anticipated in 2008 and carry-over for 2009 as well.

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SAN MIGUEL REGIONAL HOUSING AUTHORITY

Management of Programs

The MCC program is being utilized in the region, and SMRHA staff continues to get the word out to lenders, realtors, and the public. Oversight of the deed restrictions from May through August involved devoting time to expiring exception agreements between owners and the SMCHA, working on new exception applications, revising documents and procedures for the Towns of Mountain Village and Telluride, continuing to work with some of the title companies on correct procedures for closing on deed restricted properties, and responding to questions and complaints from the public. The E.D. devoted time to working with staff on the new documents, the occupancy checks, and the exceptions. This entailed rewriting documents/letters, presenting information to the gov't, and working with the public to provide current information and/or to help them with compliance. Policy development and modifying procedures to help guide staff and the public is ongoing.

The Section 8 Voucher Program is administering 54 vouchers and 5 additional vouchers are in the process of becoming active. The state would like all programs to have all clients complete a lawful presence document and provide copies of proper identification. The Section 8 Manager began this process as soon as she was notified of the change.

The E.D. responded to an average of 90 inquiries per week by E-mail, phone, and in-person regarding the organization, the programs, and general inquiries.

Administration

The SMRHA Board meetings continue to be held monthly. Organizational updates continue to be provided through the SMRHA Board meetings and are available to the governments when requested.

Human Resource

There will be a review of Human Resource materials in the final trimester of the year to determine if there needs to be any updates and/or revisions. Full-time staff have been working on their professional development goals throughout the year.

Fiscal

A budget update continues to be presented at the SMRHA Board meetings in the format of approved budget vs actuals, and the percentage expended to date. The Board has also been provided balance sheets for all of the accounts. The accounts are now reconciled monthly by a Town of Telluride employee and accounts plus payables are reviewed by the Town of Mountain Village Board representative monthly. The organization is operating within the proposed budget and has included the final carry-over figures from 2007. The amended 2008 budget is provided at the end of this report with a proposed 2009 budget.

LOCAL HOUSING PROGRAMS

Regional Deed Restriction Administration Overview

The staff continue to be diligently working toward completion of the Town of Mountain Village occupancy check, check-ins on county exceptions and completing new exceptions, finalizing the Town of Telluride EDU occupancy check with the final few non-respondednt owners, and providing prompt customer service for all new business.

The Local Housing Program staff responded to over **125** contacts per week cumulatively during this trimester.

Inquiries regarding deed-restrictions, affordable housing for seasonal employment, the regional housing demand analysis, sales prices, compliance issues, and various other housing related matters were from the public, staff from the gov'ts, realtors, title companies, lenders, and developers. The staff also provided on-going assistance to owners and occupants to help them remain in compliance regarding resale, capital improvement costs, refinancing, leaves of absence, rental procedures, and other special circumstances.

The E.D. worked with staff and legal departments for all three governments during the past four months regarding mitigation units, compliance issues, legal clarifications, exceptions, and possible violations. Local lenders, lenders from out of state, and another resort region have also been working with the E.D. on the newest deed restriction from the Town of Telluride. The E.D. has also begun to work on seeking FNMA approval on the revised Regional Down Payment and Closing Clost program and to explore FHA's refusal to loan to deed restricted properties.

Regional Database and Property File Management Overview

- Organized a system in the new Excel databases to preserve the ability to quick reference ownership history. A template was created to track the history of property transactions.
- Began adding telephone numbers to our databases for more efficient administrative communications.
- Researched property details in SMC records and data obtained from governments, including additional lot development data from TMV, to update our database information.
- Continued retrieving documents from SMC Recorder's office and title companies as needed for file completion.
- Continued to organize the property files by updating and organizing the files and database.
- Created and provided reports from database for requesting parties.
- Continued and expanded the purging of sensitive information from locked owner/applicant files.

Deed Restriction (DR) Programs Overview

Regional Deed Restriction Administration

- Reviewed 25 applications to occupy and/or own and provided applicants with results; reviewed employment affidavits submitted by tenants, and requested outstanding application requirements.
- Reviewed exception requests, created memos for the various Boards and assisted with any agreements.
- Assisted owners of price-capped units with capital improvement costs and limitations.
- Updated master deed restriction documents.

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- Continued contacting DR owners who've recently listed their units for sale to offer to assist them with a smooth resale process and to request an Intent to Sell form if required.
 - Assisted owners regionally, regarding the specific inquiries listed below including how to maintain compliance:
 - Title changes (adding or dropping a co-owner)
 - Leave of Absence (LOA) exception requests
 - Rental procedures; review of leases
 - Sale procedures
 - Maximum resale price calculations (MSP)

Regional Closings- *Due to a gap between when we provide documents and dates of actual closings, the reporting numbers reflect items delivered and/or received during the reporting period.*

- Prepared and delivered all required documents for 6 sale closings.
- Received the finalized documents for 6 closings. 3 of which occurred in the 1st trimester of 2008
- Documents were executed for 8 refinances.
- Received the finalized documents for 4 refinance closings.
- 1 refinance inquiry was not pursued.
- We have worked with the local lenders, title companies, and realtors in order to improve the closing process for seller and buyer.
- Prepared a number of outstanding Acknowledgments of the Deed Restriction for execution & recording, to complete files.

Regional Monitoring & Enforcement

- Continued to update letters, documents, and procedures for occupancy checks to help owners and renters.
- Researched non-respondent owner addresses and phone numbers in order to re-send letters to owners.
- Provided information to government partners upon complaint or notification of possible violations.
- Monitored several exception agreements, assisting the owners with compliance.
- Monitored fee collections for all deed restriction-related sales.
- Public Trustee sale notices were monitored and government partners updated as necessary for protection of DR and public investment:
 - **4** new properties in San Miguel County went into foreclosure in the 2nd trimester. **1 was deed restricted.** This brings the 2008 total to 11-9 new properties and 2 **free market** properties re-noticed from 2007. (3 properties were cured/withdrawn)
 - **There have been 2 DR Units in foreclosure, both in TMV.** One new DR unit this trimester and the other carried over from the 1st trimester. One of the properties has sold and been cured.
 - At **66%** of the way through 2008, the **9** new foreclosures at the end of the 2nd trimester represents **48%** of the **19** total foreclosures in 2007.
- Reviewed and copied Deed Transfers, comparing data to anticipated title changes.

Regional Policy & Guidelines Changes

- Coordinated with legal departments on revisions needed to Deed Restrictions on properties, exception agreements, clarifications of the deed restrictions, Project Developer application and agreement forms, SMRHA staff approved leave of Absence agreements, and notified government staff and legal departments of possible violations.

Deed Restriction Programs

| | COUNTY | | TELLURIDE | | TELLURIDE EDU | | MOUNTAIN VILLAGE | |
|---|------------------------|------------|------------------------|------------|------------------------|------------|------------------------|------------|
| | 2 nd Tri | To Date | 2 nd Tri | To Date | 2 nd Tri | To Date | 2 nd Tri | To Date |
| Approved | 1 | 1 | 5 | 5 | 0 | 1 | 3 | 4 |
| Withdrawn | 1* | 1 | 1 | 1 | | | | |
| Returned | 1 | 1 | | | | | | |
| Denied | 1 | 5 | | | | | | |
| Change of Title | | | | | | | | |
| Total Applications to Purchase/Own | 4 | 8 | 6 | 6 | 0 | 1 | 3 | 4 |
| # of Properties to Purchase/Own | 4 | 6 | 4 | 4 | 0 | 1 | 3 | 4 |
| Applied for Exception | 2 | 3 | | | | | | |
| To Rent/Occupy | 3 | 3 | 7 | 10 | 2 | 2 | 7 | 14 |
| Returned | | | | | | | | / |
| Total Applications Processed | 9 | 14 | 13 | 16 | 2 | 3 | 10 | 18 |

* The applicant decided to "postpone" process until qualified to purchase in November, 2008.

| Exception Applications Handled | COUNTY R-1 | COUNTY Price-capped | TELLURIDE | TELLURIDE EDU | MOUNTAIN VILLAGE |
|---------------------------------------|---------------|------------------------|-----------|------------------|---------------------|
| Residential property ownership | 1 | | | | |
| Definition of Employee | 2 | 1 | | | |
| Property, Employment & Income | | | | | |
| Household Qualification: Income | 1 | | | | |
| 1% fee waiver | | | | | |
| Max. Resale Price Calculation | | | | | |
| Leave of Absence | 1 | | | | |
| Withdrawn | | | 1 | | |
| 2nd Trimester Total | 5 | 1 | 1 | | |
| Total Exceptions YTD | 6 | 1 | 1 | | |

Deed Restriction Programs

| Deed-Restricted Transactions (Improved and Unimproved) | COUNTY R-1 | COUNTY Price-capped | TELLURIDE | TELLURIDE EDU | MOUNTAIN VILLAGE |
|---|---------------|------------------------|-----------|------------------|---------------------|
| 2 nd Trimester 2008 | 3* | 0 | 1 | 0 | 4 |
| Average sale price | \$305,667 | | \$235,800 | | \$569,750 |
| Government ownership transactions | | | | | 2 |
| Average sale price – 50% ownership | | | | | \$201,553 |
| Total # properties sold - YTD | 3 | 0 | 1 | 1 | 7** |
| 2008 Average sale price - YTD | 305,667 | 0 | \$235,800 | \$440,000 | \$515,105** |
| 2007-# of properties sold | 22 | 1 | 7 | | 16 |
| 2007 Average sale price | 340,245 | 316,697 | 163,602 | | 433,154 |
| 2006-# of properties sold | 13 | 1 | 4 | | 11 |
| 2006 Average sale price | \$417,361 | \$177,268 | \$187,367 | | \$336,455 |

*One of these was an unimproved lot

**Does not include the 2 gov't sales.

This count reflects 1 Quit Claim and an average sale price adjustment because money did in fact change hands.

San Miguel County

County administration of the deed restriction was centered around contacting owners with exceptions and requesting their updates for compliance, reviewing applications and qualifying buyers, aiding unqualified prospective buyers with the exception process, and following up with owners on complaints. An HOA president made a CORA request for all renter contact information in order to facilitate noticing them of changes, problems, etc. All future renters will be notified their contact information will be provided to the HOA president.

DR Administration

- The DR Administration Fee (1%) collected in this trimester is \$15,995 from **2** property sales. One occurred in the 1st trimester of 2008 and the other at the end of 2007.
- **2** applicants required exceptions to the SMC R-1 Deed Restriction - **1** request was heard and granted by the SMCHA and **1** was withdrawn during the SMRHA Board meeting.
- Staff assisted with the finalization of the exception agreement for the buyer.
- **1** owner under an NOV pursued an exception to definition of employee, no decision was made at the first meeting with the BOCC. The item was continued until September 3rd.
- **7** County Notices of Intent to Sell were received and processed.
- Received numerous requests for information from lenders, mortgage brokers, title companies, and owners for possible refinances.
- **8** owners have successfully refinanced their units to lower their interest/payments.
- There was **1** complaint of an illegal lock-off unit in Lawson Hill. SMRHA is researching and will report a positive finding to the Building Dept. for investigation.
- Property files were updated as needed with new documents, including recorded ones, i.e., SMRHA web classified ad information, intents to sell, Leave of Absences, tenant information, and other documents.

Monitoring

- SMRHA worked with **6** owners regarding updates of compliance with sections of their exception agreements.
- Continued effort to establish qualification of tenants in units with approved LOAs.

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- Monitored the Telluride Daily Planet for unauthorized rentals in Deed Restricted properties and contacted owners to assist with compliance.
 - **1** owner was intending to rent the entire unit and live in the region. The owner was informed that units have to be owner occupied. A follow-up letter and compliance check will be sent.
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Town of Telluride

Town of Telluride administration of the deed restriction was time consuming this trimester due to repeated requests from prospective buyers to qualify to purchase units that are either not constructed yet or not deed restricted. The situations required meeting with Town Planning for clarifications and contacting a lender to verify the units are not yet available for purchase. SMRHA staff also reviewed each file in Planning with mitigation requirements in order to identify any missing property files or units from the past.

In August a lender working on 3 loans for Town of Telluride units was informed the loans would not be financed through their institution due to the deed restriction and option to purchase language. SMRHA began working with lenders and the Town to identify the issues specifically. Lenders outside the region and out of state were consulted in addition to local lenders. The final result was a few minor changes made to each of the documents were enough to satisfy the lender. Local lenders have received a copy of the changes and are to confirm they could lend to qualified buyers under this deed restriction. SMRHA will compile a list of lenders, based on their response, in order to help buyers trying to purchase units with the new deed restriction. A total of 4 purchases are set to close by September 15th under the new DR. One purchase closed on Friday, August 29th.

DR Administration

- There were no 1% Transaction Fees collected in the 2nd trimester.
- Received and processed **3** Notices of Intent to Sell.
- Assisted **2** owners of price-capped units with questions regarding limitations on allowed capital improvement costs.
- Calculated Maximum Sale Prices for **4** units (one was for a refinance that never occurred).
- Drafted **4** new Deed Restrictions and Options for approved buyers.
- Worked with developers/agents for **4** PUD required affordable housing units.
- Inspected **3** new Deed Restricted units: **2** EDU and **1** AHU.
- Re-inspected **1** AHU unit to ensure needed repairs were finished.
- Drafted Inspection Results letters for developers/agents of **3** units.
- Calculated Initial Sale Prices for **2** units.
- Met with Town Planner again to discuss pending joint applications, mitigation requirements/unit transfers that are also pending.
- Reviewed all of the Deed Restricted files related to mitigation requirements that are held in the Town Planning office and discussed improved information sharing with Town Planning department after some discrepancies were found.
- Received numerous requests for information from lenders, mortgage brokers, title companies, and owners for possible refinances.

Monitoring

- Received updated lease information for Creekside units.
- Drafted list of remaining outstanding Creekside documents.
- Located contact information for all but **2** outstanding EDU owners.
- Contacted **5** EDU owners who were still non-compliant. They are all still non-compliant.
- **2** EDU owners still remain at large.

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- Of the **30** EDU units, all but **11** are in compliance (1 owner owns 2 units).
 - Owner Occupied – 7
 - Rental – 9
 - Vacant – 2
 - Owners still not in compliance will receive a final letter from the THA or Town legal directing them to respond to SMRHA. All owners in non-compliance will be provided to THA for violation of their deed restriction.

Policies, Guidelines, and Master Documents

- New Deed Restriction templates were received from the Town Attorney's office and proofread/edited.
 - Additional revisions were made to all applications to reflect correct TAHG sections.
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Town of Mountain Village

An SMRHA staff person continues to contact owners, update files, and re-contact owners for information they have indicated they would provide, but have not sent. There were also **5** complaints from owners regarding the occupancy check after a letter was sent from the Town of Mountain Village. The E.D. attempted to contact owners by phone and all of the owners contacted by phone were satisfied with the information they received. Three of the complaintants had undeveloped properties. I assured them we had no information they were undeveloped and that was one of the reasons for the compliance check, and I also used it as an opportunity to review where to find the deed restriction guidelines online and reviewed some of the basics with them in case they decide to build. One owner will not return calls and therefore a letter of explanation is being sent to address her concerns.

The E.D. also met with the new Director of Planning & Community Development to discuss the creation of a new deed restriction for units this fall, the lottery process for Coyote Court and new units, and the potential for SMRHA to qualify occupants in the non-VCA deed restricted apartments. The E.D. and Director will continue to communicate more frequently in order to keep the Town informed of progress and concerns.

DR Administration

- Continued researching and updating the Town of Mountain Village property files with required documents and several updates of owner and/or address information.
- Continued to utilize SMC Recorder's office to retrieve documents for file completion for property files.
- Continued inputting TMV database information updates.
- Created files for units built recently.
- As part of compliance monitoring, reviewed **7** applications to occupy and provided applicants with results or requested further documentation if incomplete; reviewed **3** employment affidavits submitted by tenants, and requested outstanding application requirements.
- Prepared **4** outstanding EHR Acknowledgments for execution and recording by owners, to complete files regarding closings in years past.
- Contacted 2 DR owners who've recently offered their units for sale or rent to offer to assist them with a smooth resale or tenant qualification process.
- Assisted owners regarding inquiries about how to maintain compliance:
 - Title changes (adding or dropping a co-owner) – **1**
 - Owner-occupancy inquiries – **5**
 - Rental procedures and review of leases – **9**

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- Redelivered the closing documents for a sale postponed in the 1st trimester.
 - Processed occupant and owner forms for **3** closings and assisted title companies with the documents.

Monitoring/Occupancy Check

- Continued to contact owners and tenants about non-responses or documents needed for completion of Certificates of Compliance (COC) and Employee Housing Applications. Approximately, an additional **120** calls/emails have been made/sent regarding the compliance check.
- A third and final letter signed by TMV was sent in late July to non-responding owners of **18** properties; **7** owner submittals were received (a 39% response rate in the first month), plus phone calls from **2** owners and **1** tenant (who also submitted an application).
- **6** additional initial compliance letters were sent to owners who had not received earlier letters because of out-of-date file information.
- Of the **112** owners whose letters have now been delivered, **89** owners have responded (**15** of them since April), for an **80%** response rate.
- **21** of these **89** owners have demonstrated compliance (**17** since those counted in the last report), with SMRHA assistance in updating their files in almost all cases. **18** are in compliance as qualified Employee owner-occupants, and **4** by renting to qualified Employees. SMRHA staff is still waiting on some documents from owners/occupants.
- **10** owners have indicated that their properties are actually unimproved; after requesting TMV files to allow SMRHA to document such status, the database was updated.
- According to CoCs received: Approximately **65%** of the units are owner-occupied, **24%** are rented/occupied by employees of owner, **1%** are vacant, and **10%** are unimproved. (There are 2 complaints of owners occupying units on a short term basis-vacationing in the unit and an additional complaint of short term rentals without qualifying applicants. SMRHA is pursuing verification of the complaints before turning any complaint over to the Town as violations)
- Provided information to TMV staff and legal regarding **7** complaints or notifications of possible violations, 2 of which are second complaints: 1 owner has applied for requalifying as an owner-occupant and may not be violation; verification of the violation is being pursued with 1 unit and another owner has been sent a compliance letter after confirming that the property is no longer unimproved; 2 complaints are in the hands of TMV with all relevant information; and compliance verification letters are being prepared for the last two.
- Received and processed compliance responses from TMV EHR owners, and in some cases their tenants, and began making one last contact by phone to each of those who've not completed their required submittals.
- Staff updated ownership and address data based on several owners' responses and on record searches, including sale/transfer of **3** EHR properties this trimester.
- SMRHA has knowledge of **11** properties that are currently listed for sale (and **1** is in foreclosure).
- Owners continue to not respond to letters or voicemails. Once all avenues have been exhausted, SMRHA will turn over all names of owners who've not demonstrated compliance to TMV for action.

Policies, Guidelines, and Master Documents

- The E.D. met with the Director of Planning and Community Development to discuss the compliance check, lotteries, new deed restrictions, inspections, and to review documents.
- A Coyote Court requalify document is being created for the owners, per the guidelines, and due to a recent complaint.
- Revised TMV Employee Housing Restriction (EHR) application and Certificate of Compliance (CoC).

Down Payment & Closing Costs Assistance Program

There were several inquiries about this program. Program information and applications were provided to the interested parties. There was 1 DP&CC loan application received in the 2nd Trimester of 2008 and the loan was approved.

| Year Approved | Total Loans Approved | Loans Paid Off this quarter | Payoff Amounts Rec'd | | Outstanding Principal | Total Loans Paid Off |
|---------------|----------------------|-----------------------------|----------------------|------------|-----------------------|----------------------|
| | | | Principal | Int/Apprec | | |
| 2001 loans* | 10 | | | | | 10 |
| 2002 loans | 3 | | | | \$5,000.00 | 2 |
| 2003 loans | 9 | | | | \$14,350.00 | 7 |
| 2004 loans | 6 | | | | \$30,000.00 | 3 |
| 2005 loans | 6 | | | | \$40,000.00 | 2 |
| 2008 loans | 1 | | | | \$10,000 | |
| Total | 35 | | | | \$99,350.00 | 24 |

*DP&CC loans in 2001 were unique in that, if all interest payments were made on time for a period of 5 years, the principal of the loan would be forgiven. DP&CC loans after 2001, on the other hand, could be paid off at 5% per year, if paid within 3 years, or at a rate tied to appreciation of the property.

The DPCC has been revised for 2008 and 2009. The SMRHA Board adopted the new program guidelines in August and they are included at the end of the report. New loan documents are being created and the E.D. is also going to seek FHA and FannieMae approval for the program as an approved second. This has been an issue in the past with some of the lenders as community seconds are not always welcome. All new applications will be under these guidelines.

Mortgage Credit Certificate Program

There are 2 new Certificates for the MCC program. One is for a property in Ophir, \$200,000 and the other in the Town of Telluride, \$252,000. A third one is in the works for a Norwood property, but the details will not be available until our final report.

To Date: \$1,140,847.00 has been utilized.

In an effort to have more buyers utilize the program, the E.D. spoke about the program during a Plum TV and radio interview in July, sent a reminder Email out to all the local lenders, and we also notify attendees during our homebuyer education classes. The E.D. continues to work on media and public attention for the program.

All lottery applicants will be made aware of the program. All applicants are made aware of the program when they come in to apply to qualify to purchase any deed restricted unit.

Housing Demand Assessment

The final report was delivered in June. There were a number of articles in the paper about the study throughout the region. The report findings were discussed with each government at a Council or Commissioner meeting. Some of the elected officials expressed a desire to revisit the report and the E.D. will make herself available for attendance at any meeting.

The report has been available on the SMRHA web-site since June and has been requested by a number of organizations working on regional or local plans; including The Telluride Foundation, The New Community Coalition, and Telluride Ski and Golf.

SECTION 8

Overview of Section 8 Program Administration

The general administration of the program involves providing information to the public about the program on a continual basis in person, by mail and faxing.

We have 54 Vouchers, but are approved to exceed the 54 by 5 vouchers for an undetermined period of time. If all Vouchers are being administered, new qualified applicants will be placed on the waitlist. The ability to utilize the 5 additional vouchers once a family leaves the program will be determined by the state.

The Waitlist is currently open and has 14 families on it.

- Colorado Division of Housing (CDoH) completed their annual administrative review.
- On August 22th, 54 Vouchers were being administered.
- 4 families left or were terminated from the program for violations.
- 6 families were added this trimester, 1 family ported into the county.
- 1 family holding a voucher (Valid for 2 months) waiting on his unit to be ready for move in, 3 households are in the process of qualifying.
- Reviewed all NAHRO (National Association of Housing and Redevelopment Officials) Newsletters and emails for changes in HUD rules. Monitored the CDOH Web Page for changes in HUD rules and forms at the end of each week. Implemented changes and rules as needed.
- Sent out 8 Application Packets.
- Received and processed 7 Applications.
- Dealt with 1 check issue (Lost or incorrect).
- Maintained all tenant files.
- Verified eligibility of applicants.
- Handled 24 walk-ins which included conducting interviews with potential tenants for applications, changes in households, general questions. This involves explaining how the program works, the wait time on the waitlist, and questioning about family members and income. Collecting information to complete interim recertifications.
- Completed 11 annuals which requires complete recertification of the family, including third party income verification, and ensuring the family still qualifies for the program.
- Completed 11 interim recertifications due to notification of changes in household size and/or income, completed third party income verification if income changed.
- Explained Section 8 rules and regulations to prospective landlords.
- Conducted 18 Inspections and 1 Re-inspection.
- Handled an average of 56 contacts per week by phone and E-mail.

Reports

- Generate and transmit monthly reports to CDoH:
 - » Lease Status Report
 - » Generate HAP Request on behalf of all landlords in the region under the program for monthly billing

Agency Relationships

- Responded to all contacts from the public and tenants or landlords in a timely manner.
- Reviewed all client files for employment in the Town of Mountain Village on behalf of Habitat for Humanity.

Family Self Sufficiency

- The state is providing a training in September on how to implement a Family Self-Sufficiency program. The E.D. will be attending the training.

Section 8 Clients

This chart reflects all clients that were on the program on Jan 1, 2008 and all new ones added through April 2008. Adults only.

| Breakout of Section 8 Clients- 71 Adults YTD | | | | |
|---|------------|-----------------|-------------|-------|
| Working | Disability | Social Security | Not Working | Other |
| 52.1% | 9.8% | 15.5% | 11.3% | 11.3% |

| Housing Needs of Families in San Miguel County based on Placements first trimester 2008- 62 Families, 131 Individuals YTD | | | | | |
|--|-------------|------------------|---------|--------|--------|
| Family Type | Overall YTD | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm |
| Income <= 30% of AMI | 93.5% | 21% | 37% | 14.5% | 21% |
| Income >30% but <=50% of AMI | 6.5% | 0% | 1.6% | 1.6% | 3.3% |
| Income >50% but <80% of AMI | 0% | 0% | 0% | 0% | 0% |
| Elderly | 11.3% | | | | |
| Families with Disabilities | 24.2% | | | | |
| Race/Ethnicity White | *90.7% | | | | |
| Race/Ethnicity Hispanic | *3.1% | | | | |
| Race/Ethnicity African American | *3.1% | | | | |
| Race/Ethnicity Other | *3.1% | | | | |
| *percentages are based on individuals not family | | | | | |
| Locations | Telluride | Placerville | Norwood | Ophir | Other |
| | 40.3% | 1.6% | 51.7% | 3.2% | 3.2% |
| Break-up of Telluride | Telluride | Mountain Village | | | |
| | 29% | 11.3% | | | |

EDUCATION AND OUTREACH

Education and Outreach Overview

The 2nd Homebuyer Education class was held in August. We opened the class to 15 people from the public and we filled the class. The Town of Telluride's PR staff person, Stephanie Warner, helped to get the media involved. The E.D. and Stephanie did a ½ hr on KOTO during the Monday Spanish segment with parts of the interview translated by Oscar. He has also volunteered to translate for a class if we get Spanish only speakers. The book we provide does come in Spanish. She also facilitated a Plum TV interview with the E.D. that ran for a week prior to the class and promoted the MCC program as well. A local lender and title company presented during the 2 day class providing the most current information on the roles they play in the buying process and what the mortgage market looks like today. The feedback from the attendees was very positive and they suggested a list of deed restricted properties/developments be provided for attendees to help them research properties based on the type of deed restriction in place, i.e., price-capped vs free market deed restricted.

One attendee requested one on one counseling following the class and a couple that could not attend has already met with the E.D. and begun the process of working on their financial fitness. Another homebuyer education class will be offered in Norwood in October and then the final class for this year will be in Mountain Village in December. We expect the final class to precede the 48A lottery.

Other education and outreach has included responding to phone calls, Emails, and walk-ins about the Town of Telluride's lottery process. The inquiries have increased with the construction of the first of 4 buildings for Lot 48A.

Staff also attended public meetings for the Lift 7 subarea plan and the affordable housing project on the east end, Gold Run. The occupancy checks have resulted in educating many owners of deed restricted property about their deed restriction, as well as a good number of employees in the rental market. To help with owner education, the SMRHA is going to make sure each new owner is not just provided with a copy of their deed restriction, but understands the compliance criteria. There are an average of 30 inquiries per week for general education and outreach.

The SMRHA professional development has included the continued work on an online class for Internet Specialist, a Fair Housing Training, a Developer's Toolkit workshop, and a Mountain Resort Consortium Meeting.

Web Page Information:

New and changed pages were uploaded to the server and tested for problems, broken links, problems with code or graphics, etc. The web page files are continuously maintained on the server, including any file clean up when needed. We also continue to work with the public by phone, Email & in-person regarding the web-site and its features. Research continued for self-help tools, ways to improve usability of the site and study of PHP code. The public was assisted with download/upload problems on the classified pages. The "About the Region" page is still under construction.

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
|--------------------|-----|------|------|------|-----|------|------|-------|
| Main Page | | | | | | | | |
| Page Visits | 368 | 389 | 403 | 343 | 362 | 391 | 431 | 345 |
| Page Views | 597 | 565 | 587 | 490 | 514 | 602 | 634 | 520 |
| | | | | | | | | |
| Programs | | | | | | | | |
| Page Visits | 128 | 137 | 126 | 118 | 110 | 153 | 176 | 119 |
| Page Views | 322 | 281 | 284 | 229 | 226 | 318 | 298 | 249 |
| | | | | | | | | |
| Section 8 | | | | | | | | |
| Page Visits | 12 | 6 | 15 | 10 | 10 | 16 | 11 | 8 |
| Page Views | 28 | 12 | 24 | 16 | 17 | 30 | 14 | 11 |
| | | | | | | | | |
| Shandoka | | | | | | | | |
| Page Visits | 73 | 97 | 93 | 94 | 109 | 110 | 172 | 114 |
| Page Views | 240 | 281 | 266 | 270 | 287 | 271 | 495 | 292 |
| | | | | | | | | |
| VCA | | | | | | | | |
| Page Visits | 71 | 85 | 82 | 73 | 74 | 78 | 107 | 111 |
| Page Views | 243 | 245 | 256 | 208 | 250 | 204 | 342 | 315 |
| | | | | | | | | |
| Contact | | | | | | | | |
| Page Visits | 63 | 64 | 67 | 68 | 79 | 78 | 79 | 82 |
| Page Views | 82 | 86 | 85 | 83 | 95 | 95 | 98 | Error |
| | | | | | | | | |
| DR Prop Inv | | | | | | | | |
| Page Visits | 39 | 28 | 32 | 20 | 21 | 30 | 24 | 18 |
| Page Views | 45 | 30 | 34 | 21 | 27 | 33 | 26 | 22 |
| | | | | | | | | |
| Bookshelf | | | | | | | | |
| Page Visits | 18 | 35 | 28 | 20 | 25 | 51 | 61 | 43 |
| Page Views | 25 | 67 | 46 | 24 | 43 | 92 | 110 | 62 |
| | | | | | | | | |
| Classifieds | | | | | | | | |
| Page Visits | 131 | 173 | 164 | 156 | 143 | 169 | 157 | 121 |
| Page Views | 901 | 1091 | 1175 | 1091 | 941 | 1080 | 1220 | 861 |

A person is counted as a visitor once per day from their computer; even if they visit the site multiple times in a day. Page views are the amount of pages that were looked at by the visitors

Classified Page:

| Buyers/Sellers Use of Free Classified Ads On SMRHA Web Site | | | | |
|--|---------------------------------|-----------------------------|---------------------------------|-----------------------------|
| | 1st Trimester | | 2nd Trimester | |
| Type of Classified Ad | # | Average Asking Price | # | Average Asking Price |
| County DR for sale | 1 | \$420,000 (Duplex) | 5 | \$450,600 (House/Condo) |
| Mountain Village DR for sale | 2 | \$322,000 (Condo) | 2 | \$366,000 (Condo/Lot) |
| Telluride DR for sale | | | | |
| Free-Market for sale | | | 5 | \$496,000 (Condo/House) |
| Looking to buy DR | | -- | | -- |
| Looking to rent | 2 | -- | 2 | -- |
| Totals | 5 | -- | 14 | -- |
| 34 Registerd Users | | | | |

Budget Summary

The Executive Director managed the 7 accounts: the General Fund, which is the primary operating account for SMRHA, the three San Miguel County R-1 accounts, which includes a checking account for RETA, application, and sales tax fees, a Loan Default Account and a ColoTrust account for Loan Default also, the Section 8 account which is for depositing the monthly administration fees, which then get transferred into the General account and the final 2 accounts are DP&CC checking and a DP&CC ColoTrust account. The reconciling of accounts, as reported earlier, is now being done by a Town of Telluride staff person and reviewed by the SMRHA Board Treasurer, David Mocko.

The following pages represent the year to date totals following the independent audit results. Balance statements are provided to the SMRHA Board members at each meeting for all accounts and may be requested by each government at any time. A copy of the audit has been provided to each government representative on the SMRHA Board for distribution.

The program is operating within the budget and we anticipate a carry-over amount for 2009. A proposed budget has been reviewed by the SMRHA Board for presentation to the governments for 2009 funding. A Memo will accompany the budget outlining some of the expenditures and the E.D. will attend all meetings to address funding SMRHA for 2009. The E.D. has continued to pursue options that will reduce budget costs where available. This year with the help and cooperation of the Town of Telluride Director of Administrative services, we were able to end a postage machine lease contract that was too costly for our mail needs. At the Town's request, SMRHA was connected to their server in order for Shandoka staff to access the Town intranet and work more efficiently. We have reduced our costs to just paying for the Email service in order to provide continuity to the public. These 2 cost reductions represent about \$1500 in savings. A reduction in the lease for the copier was also negotiated and a savings of \$500 was realized this year. The Town of Telluride continues to share costs related to the office operations and rent, which is a significant savings in SMRHA's operating costs.

Budget vs Actual Jan-August

| | Jan 1 - Aug 29, 08 | Budget | \$ Over Budget | % of Budget |
|--|-----------------------|-------------------|-------------------|----------------|
| Ordinary Revenue/Expense | | | | |
| Revenue | | | | |
| 2008 SMRHA BUDGET REVENUE | | | | |
| Housing Demand Assessment Bal | 0.00 | 2,485.51 | -2,485.51 | 0.0% |
| App.Exception Form-R1 | 2,100.00 | 1,500.00 | 600.00 | 140.0% |
| San Miguel County | 60,420.00 | 80,559.00 | -20,139.00 | 75.0% |
| Town of Telluride | 40,280.00 | 80,559.00 | -40,279.00 | 50.0% |
| Town of Mt Village | 60,420.00 | 80,559.00 | -20,139.00 | 75.0% |
| State CO Sec 8 Admin | 10,000.00 | 20,000.00 | -10,000.00 | 50.0% |
| Interest Revenue | 82.77 | 0.00 | 82.77 | 100.0% |
| Carry-Over from 2007 | 106,103.00 | 88,000.00 | 18,103.00 | 120.57% |
| 2008 SMRHA BUDGET REVENUE - Other | 0.00 | 0.00 | 0.00 | 0.0% |
| Total 2008 SMRHA BUDGETREVENUE | 279,405.77 | 353,662.51 | -74,256.74 | 79.0% |
| Miscellaneous Revenue | 2,659.54 | 0.00 | 2,659.54 | 100.0% |
| Total Revenue | 282,065.31 | 353,662.51 | -71,597.20 | 79.76% |
| Expense | | | | |
| DPCC costs | 21.00 | 0.00 | 21.00 | 100.0% |
| Reconciliation Discrepancies | 0.00 | 0.00 | 0.00 | 0.0% |
| 2008 SMRHA BUDGET EXPENSES | | | | |
| Payroll Expenses | | | | |
| Executive Director | 43,153.82 | 66,000.00 | -22,846.18 | 65.39% |
| Assist.Dir.Finance | 0.00 | 0.00 | 0.00 | 0.0% |
| Section 8 Manager | 29,920.00 | 45,800.00 | -15,880.00 | 65.33% |
| Housing Prog.Manager | 22,440.00 | 35,000.00 | -12,560.00 | 64.11% |
| Local Housing Prog Mgr | 28,560.00 | 44,000.00 | -15,440.00 | 64.91% |
| PERA | 14,651.78 | 25,000.00 | -10,348.22 | 58.61% |
| Medicare | 1,871.33 | 3,300.00 | -1,428.67 | 56.71% |
| Health Insurance | 12,558.04 | 28,800.00 | -16,241.96 | 43.6% |
| SUTA | 331.72 | 990.00 | -658.28 | 33.51% |
| Worker's Comp | 848.00 | 1,200.00 | -352.00 | 70.67% |
| Payroll Expenses - Other | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Payroll Expenses | 154,334.69 | 250,090.00 | -95,755.31 | 61.71% |
| Operating Expenses | | | | |
| Internet/Web site Fees | 98.95 | 360.00 | -261.05 | 27.49% |
| Internet Host | 0.00 | 40.00 | -40.00 | 0.0% |
| General/ D & O Insurance | 2,572.00 | 3,048.00 | -476.00 | 84.38% |
| Annual Report | 0.00 | 0.00 | 0.00 | 0.0% |
| Office Telephone | 1,362.61 | 3,060.00 | -1,697.39 | 44.53% |
| Office Supplies | 1,316.31 | 3,300.00 | -1,983.69 | 39.89% |
| Postage/Meter rental | 582.68 | 1,200.00 | -617.32 | 48.56% |

| | Jan 1 - Aug 29, 08 | Budget | \$ Over Budget | % of Budget |
|---------------------------------|-------------------------------|-------------------|---------------------------|------------------------|
| Bank Charges | 0.00 | 600.00 | -600.00 | 0.0% |
| Mileage & Travel | 864.89 | 2,100.00 | -1,235.11 | 41.19% |
| Advertising-Education | 1,788.41 | 3,000.00 | -1,211.59 | 59.61% |
| Advertising-Recruiting | 0.00 | 300.00 | -300.00 | 0.0% |
| Dues & Memberships | 0.00 | 600.00 | -600.00 | 0.0% |
| Equip.Maint & Repair | 0.00 | 501.00 | -501.00 | 0.0% |
| Application & Grant Fees | 0.00 | 1,500.00 | -1,500.00 | 0.0% |
| Misc.Office /Office Water | 155.22 | 1,020.00 | -864.78 | 15.22% |
| Staff Ed/Training | 3,743.94 | 4,500.00 | -756.06 | 83.2% |
| Housing Demand Assessment | 22,147.30 | 22,500.00 | -352.70 | 98.43% |
| New Projects/Prog.Devel | 0.00 | 0.00 | 0.00 | 0.0% |
| D & O Insurance | 0.00 | 2,248.00 | -2,248.00 | 0.0% |
| Financial Audit | 5,100.00 | 5,010.00 | 90.00 | 101.8% |
| Section 8 CBI records | 116.45 | 300.00 | -183.55 | 38.82% |
| Section 8; Mileage/Travel | 238.50 | 675.00 | -436.50 | 35.33% |
| Legal Services | 183.00 | 5,000.00 | -4,817.00 | 3.66% |
| Board Cont.Ed & Training | 0.00 | 450.00 | -450.00 | 0.0% |
| Copier Lease & Maintenance | 961.81 | 3,112.00 | -2,150.19 | 30.91% |
| Office Equipment | -115.92 | 1,050.00 | -1,165.92 | -11.04% |
| Computer Hardware | 82.19 | 2,400.00 | -2,317.81 | 3.43% |
| Computer Software | 950.73 | 1,500.00 | -549.27 | 63.38% |
| Office Rent | 7,769.00 | 12,516.00 | -4,747.00 | 62.07% |
| Misc.Expenses | 152.76 | 2,001.00 | -1,848.24 | 7.63% |
| Reimbursed Expenses | 0.00 | 0.00 | 0.00 | 0.0% |
| Operating Expenses - Other | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Operating Expenses | 50,070.83 | 83,891.00 | -33,820.17 | 59.69% |
| Total Expense | 204,426.52 | 333,981.00 | -129,554.48 | 61.21% |
| Net Ordinary Revenue | 77,638.79 | 19,681.51 | 57,957.28 | 394.48% |
| Other Revenue/Expense | | | | |
| Other Expense | | | | |
| SMC Down Payment Assistance | -10,000.00 | 0.00 | -10,000.00 | 100.0% |
| Depreciation | 0.00 | 0.00 | 0.00 | 0.0% |
| Reimbursed expenses | 10,000.00 | 0.00 | 10,000.00 | 100.0% |
| Total Other Expense | 0.00 | 0.00 | 0.00 | 0.0% |
| Net Other Revenue | 0.00 | 0.00 | 0.00 | 0.0% |
| Net Revenue | 77,638.79 | 19,681.51 | 57,957.28 | 394.48% |

SAN MIGUEL REGIONAL DOWN PAYMENT and CLOSING COST ASSISTANCE PROGRAM

Made possible by grants received from:
Town of Telluride, San Miguel County, and the Town of Mountain Village

Program Intent

The San Miguel Regional Down Payment and Closing Cost Assistance Program (DPCC) offers financial assistance through low interest loans to residents of San Miguel County toward the down payment or closing costs for the purchase of a home or the construction of a home. The program is designed to help buyers who have no other mechanism available to qualify for a loan and have no other resources for DPCC assistance. This program is not exclusively for first time home buyers; however previous homeowners may be required to demonstrate need. The repayment of the loan varies by loan term.

Down Payment and Closing Cost Loan

Eligible Borrowers: Borrowers must be employed within San Miguel County and may not own other real estate at time of closing. There are different terms for first time homebuyers than for previous homeowners.

Income Threshold: Cannot exceed 150% of the most recently published ToT modified Area Median Income (AMI) in their affordable housing guidelines. Income is established by all monies earned from employment, business interests, investments, monetary gifts, and any other sources of money not identified, but that can be accessed by the applicant.

| Modified AMI for 2007 | 2 Person household | 3 person household |
|------------------------------|---------------------------|---------------------------|
| Not to exceed 150% | \$93,121 | \$99,003 |

Loan Amount: First time homebuyers can request 5% of the purchase price or \$25,000, subject to other reasonable accommodation for special circumstances. Anyone having ownership interest in a property within the past 3 years may request up to \$10,000 for DPCC assistance.

Max. Purchase Price: \$417,000, adjusted annually to Fannie Mae’s max. purchase price

Compatible Mortgages: The San Miguel Regional DPCC Program funds may be used in conjunction with any first mortgage product except first mortgages containing a negative amortization feature or a prepayment penalty.

Loan to Value: Maximum Combined Loan Value is 105% of purchase price, unless an exception is granted

Debt Ratio: Recommended back ratio of up to 50%

- Minimum Investment:** Borrower must have a minimum direct transaction investment of 3% of the purchase price or \$10,000 whichever is less from a source acceptable to the primary lender. In no case may the Seller or premium pricing of the mortgage interest rate satisfy this minimum requirement.
- Assets:** Borrower may not have verified assets in excess of 2 times the household income excluding retirement funds.
- Repayment:** Principal and interest payments are not required. Payments for less than the full amount of principal, accrued interest and public recording fees are not accepted. The loan will become immediately due upon sale, transfer, refinance, when the home is no longer the primary residence or upon death of the buyer. Subsequent subordination requests are not permitted.
- Eligible Purchase:** The eligible purchase must be in San Miguel County for a primary residence, or a construction loan, that will roll into a mortgage loan, for construction of a primary residence in San Miguel County. The funds may used for down payment, closing costs and pre-paid items related to the primary loan.
- Homebuyer Training:** Required on all loans, as evidenced by a Fannie Mae, Freddie Mac, HUD, or CHFA-approved provider.
- Term:** Maximum term is 10 years.
- Loan Fees:** \$350 Application fee shall be charged only at the time of loan closing and reflected on the HUD1 Settlement Statement.
- Collateral:** Subordinate lien priority on subject real property.
- Interest Rate:** Loans repaid in full within the initial 36 months will include loan principal plus 3% simple interest. Repayments that occur thereafter will include loan principal plus a pro rata share of recognized appreciation (if any) based upon the percentage of the DPCC Program loan to the original purchase price. (If DPCC loan represents 5% of original purchase price, the borrower would repay the original principal balance plus 5% of the equity gain at the time of the loan repayment.) At time of payoff request, the appreciation of the home is established by appraisal, sales price and satisfactory Comparative Market Analysis.
- Construction of Home:** The initial price calculation for the home in order to determine the appreciation will be based on a maximum per square footage cost of \$310.00, including land costs, unless documentation is provided to SMRHA for staff review and SMRHA Board approval to exceed this calculation. (This figure may be adjusted annually) If the construction and land costs are lower than \$310.00 per square foot, the lower figure will be used as an initial price.
- Rate Caps:** Borrowers purchasing deed restricted, price-capped units would repay the principal plus a simple interest amount equal to their appreciation cap. For example, a 3% cap would mean if the principal was \$10,000, then the borrower would repay the \$10,000, plus \$300.

Exception Policy: All aspects of the San Miguel Regional Down Payment and Closing Cost Assistance Program eligibility and underwriting criteria are subject to Staff-level authority. Loan term, pricing, and policy exceptions must be approved by the San Miguel Regional Housing Authority Board.

This program is not for the purchase of vacant land, it is not limited to first time homebuyers, and it is not transferable. Borrowers are not eligible for a loan if there is a prior outstanding DP&CC loan which has not been repaid.

Origination procedures:

Application: Mortgage loan officer submits Loan File Checklist to SMRHA, complete with all documentation shown on the form. A loan commitment is usually issued within 48 hours, or less. Any remaining documentation requirements will be detailed.

Processing: SMRHA will order title commitment and evidence of hazard insurance. Final loan documents are delivered electronically to loan officer for presentation to borrower. All outstanding items must be cleared prior to funding.

Closing: SMRHA will deliver closing instructions and loan proceeds direct to title. A check will also be provided at least 24 hours prior to the scheduled closing date, so the loan officer must advise of any schedule changes as soon as possible.

Fees Collected: The Application Fee of \$350 is collected at closing, in addition to the public recording fee for the deed of trust, and will appear on the HUD1 Settlement Statement. All settlement figures should appear on a single statement. SMRHA will review and approve the final statement prior to funding. Title insurance is not required for the DPCC loans.

Requirements: LOAN OFFICER'S ARE REQUIRED TO PRESENT ALL San Miguel Regional DPCC LOAN DOCUMENTS AT, OR PRIOR TO, CLOSING. Both the borrower and loan officer must execute the Lender Certification form, acknowledging disclosure of all loan terms and contact information.

Settlement: Borrower may NOT receive any proceeds at the time of settlement regardless of total contribution. Title will be instructed to show any excess proceeds as a principal reduction to the first mortgage loan. No changes to the San Miguel Regional DPCC loan documents or loan amount shown on the HUD1 are permitted as a result of excess proceeds.

Post Closing: The original deed will be recorded by the title with all other original San Miguel Regional DPCC documents returned to SMRHA via mail if local or overnight courier if out of the region.

The program is subject to fund availability and the guidelines are subject to change. The SMRHA Board reviews the program annually.