



2010

ANNUAL REPORT

SMRHA



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## EXECUTIVE DIRECTOR SUMMARY

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2010 continued to be a year of change as the response to the continued economic uncertainty and strain, a position was eliminated. After reviewing all contributing factors the best fiscal decision was to operate with a reduced staff for the remainder of 2010 and into 2011, although there continue to be many housing items to address, the volume is not at the same levels as 2006.

The year included continued work on developing relationships and awareness of rural and rural resort housing issues through attendance at meetings hosted by elected officials and HUD/USDA/FHA representatives. The SW Region meetings have continued and we were once again the host for a key meeting attended by staff of our Congressman and both Senators, in addition to Pat Coyle, the Director of Colorado Division of Housing, Jim Isgar State Director of USDA and staff, and the Executive Director of Housing Colorado, Nancy Engelken. We had 11 counties represented and 16 organizations attended. The event sparked some interest and involvement at the federal level for issues we face. The 2<sup>nd</sup> meeting was organized at the annual Housing Colorado conference and attended by those attending the conference. It was primarily focused on planning the April meeting. The Housing Colorado conference this year had a rural track and I was part of both the planning committee for the event and the workshop committee. Two sessions and an all day round-robin were created by KT Gazunis and organized by both of us for the conference. The sessions were well attended with about 30 attendees per session and the round-robin format accommodated 8-10 agencies as they were able to speak with funders 1 on 1 at the conference. Although regional efforts outside the county have had to be tapered off a bit, the Region VIII HUD Director Rick Garcia, has taken an interest in helping to fund a circuit rider position(s) for housing counseling and foreclosure prevention between San Miguel County and Gunnison County.

Gold Run was at the top of most buyer's list and continues to be that way as we approach the new year. The public sessions were well attended and the open houses were popular for both buyers and locals just curious to see the units. The lottery list remains active until all units are sold, which will not occur until some time in 2011. Although we continue to speak with buyers about all DR properties, many are on the lottery list waiting to see if they are assigned a unit since they have not all sold yet, and others have dogs, limiting their interest in Lawson Hill.

Our Section 8 waitlist was placed on hold in June due to at least a 3-4 year wait for a voucher. Although there was an increase in HUD funding, there have been no new vouchers issued in many, many years. When speaking with Rick Garcia some of us suggested the program have limits instead of being a lifetime benefit, particularly since additional money has not been provided to increase vouchers in decades.

In 2010 the \$80,000 grant written on behalf of San Miguel County was finally awarded for our multi-jurisdictional Needs Assessment. The consultant was selected and a contract put in place, with work beginning in November. The Town of Mountain Village grant for \$1,320,000 to complete rehabilitation work on VCA was also completed and submitted to the state. They are still waiting to meet with the State Housing Board for a decision. Additional funding for homebuyer education was received from CHFA and can be utilized to serve other counties. As part of the Colorado Mountain Housing Consortium Board we approved allowing Housing Authorities like SMRHA, to utilize the non-profit as a pass through for grants. This will be a means to pursue some grant money in 2011 for regional services.

The organization completed the year with carry-over funding. The exact amount will be determined when the 2010 independent audit is complete.

*Shirley L. Diaz*

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## SAN MIGUEL REGIONAL HOUSING AUTHORITY

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### **Management of Programs**

The management of programs this year moved into an increased hands-on approach as a position was eliminated and duties needed to be re-shuffled. The deed restriction programs have remained time consuming throughout the year, particularly with the Town of Telluride Gold Run lottery and several Coyote Court lotteries and requests for exceptions. The Telluride Affordable Housing Guidelines were updated for the Gold Run lottery and then also the mitigation tables relating to AMI. The County passed a new covenant that is applicable to all owners in Aldasoro, San Bernardo, Two Rivers, and Lots P & Q. Upper Lawson Hill owners cannot sign the new covenant due to a declaration passed several years ago by the owners. The oversight of the Section 8 program also has received more attention as the Program Manager is now in Norwood 2 days per week.

Monitoring continued with the Town of Mountain Village compliance check throughout the year. The Town of Telluride compliance was initiated and then postponed until 2011 in order to create different cycles. In SMC we only worked on exceptions and issues as they arose. We halted compliance checks, but will resume them in 2011. We work with the county staff exchanging information when an owner pursues the new covenant.

No guidelines were revised though several amendments were drafted and the Telluride Affordable Housing Guidelines (TAHG) were updated. The legal departments were utilized to clarify language regarding deed restriction guidelines in all jurisdictions. We continued to work with the title companies on correct procedures for closing on deed restricted properties due to documents missing from closings and documents not being recorded as required.

We continued our education and outreach to the public through the homebuyer education classes, and increased the use of the DPCC program with the Gold Run lottery. Continued involvement on rural and rural resort housing issues has increased our recognition at both the state and federal levels with agencies and legislators.

The Section 8 Voucher Program is administering 55 vouchers and 50 were active at the end of the year. The waitlist was closed in 2010 with 32 applicants on the list and a wait of 3-4 years. When we see some attrition on the list we will re-open the list, but our typical wait is still nearly 2 years.

### **Administration**

The new Town of Telluride Manager, Greg Clifton, joined the Board this year. The SMRHA Board meetings are held monthly with organizational updates. The Board is now the deciding body on 2 county covenants and a recommending Board for the County R-1 Deed Restriction. The new county covenant requires the Board to make exception decisions and the E.D. and the Assistant County Attorney provided a work session for them as part of deed restriction administration. The Rio Vista II covenant was also reviewed with the Board prior to an exception. SMRHA Board meeting minutes and agendas are available to the governments when requested.

### **Human Resource**

There was a minor language change to the Policies and Procedures manual in 2010. There were several trainings completed by staff throughout the year including 2 excel trainings online, lending webinars, and a HUD training.

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## **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. There is a copy of the Jan.-Dec. Budget vs Actual attached at the end of the report. The Board is provided balance sheets for all of the accounts monthly. The accounts continue to be reconciled and are reviewed by the Town of Telluride Board representative monthly. The organization is operating within the approved decreased budget. There will be carryover into 2011 and the final amount will be determined by the independent audit.

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## **LOCAL HOUSING PROGRAMS**

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### **Regional Deed Restriction Administration Overview**

The E.D. and the staff continue to work with the public and the jurisdictions on housing matters daily. Inquiries regarding deed-restrictions, affordable housing for seasonal employment, sales prices, compliance issues, Telluride and Mountain Village lotteries, and various other housing related matters were from the public, staff from the gov'ts, realtors, title companies, lenders, appraisers, and developers. The staff and the E.D. also provided on-going assistance to owners and occupants to help them remain in compliance regarding owner-occupancy, resale, capital improvement costs, refinancing, leaves of absence, rental procedures, and other special circumstances. Some inquiries were from rental apartment clientele as we provide back-up for the Shandoka Office Manager.

SMRHA worked with staff and legal departments for all three governments during the past year regarding guideline amendments and housekeeping, mitigation units, compliance issues, legal clarifications, exceptions, and possible violations. Local lenders continue to work with SMRHA to provide updates and receive documents relating to sales to update their underwriting departments. The lending market continues to change daily for buyers. The Regional Down Payment and Closing Cost program has been utilized as an approved community second and is now being administered by Funding Partners in Fort Collins, Colorado.

The staff responded to over 325 contacts per week regarding the organization, participation in events, outreach both locally and regionally, the deed restrictions, and programs during 2010. There was a greater local increase in inquiries during the months the Telluride lottery was a priority from July through October.

### **Regional Database and Property File Management Overview**

- Researched property details in SMC records and continued retrieving documents from SMC Recorder's office and title companies as needed for file completion.
- Continued to organize the property files by updating, reorganizing, and purging sensitive information.
- Continued to update the property databases, creating quick-reference Excel database property transaction histories prior to overwriting the database with new information.
- The property transaction histories were continually updated in conjunction with file organization to include every owner since the deed restriction originated on a given unit.
- Created and provided reports from database for requesting parties.

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## Deed Restriction (DR) Programs Overview

### *Regional Deed Restriction Administration*

- Created and updated master deed restriction documents.
- Assisted prospective applicants, reviewed **127** applications to occupy regionally and provided applicants with results
- Reviewed other submittals such as employment verifications or lawful presence affidavits, and requested outstanding information as necessary.
- There were **25** Intents to Sell submitted in 2010
- There were **19** Maximum Sale Prices calculated, covering all 3 jurisdictions
- There were **47** exception requests, regionally, received in 2010.
- Assisted **27** owners of price-capped units with capital improvement costs and limitations.
- Collected current information on lending to help DR owners with concerns about the ability to refinance to a more affordable rate.
- Assisted developers and their agents/attorneys with Initial Sale Price (ISP) inquiries.
- Continued contacting 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 and to request an Intent to Rent or Sell form if required.
- Assisted owners regionally, regarding the specific inquiries listed below, including how to maintain compliance regarding:
  - Title changes (adding or dropping a co-owner)
  - Acknowledgments required due to title changes
  - Owner-occupancy, non-rental co-occupancy
  - Leave of Absence (LOA) exception requests
  - Sale procedures
  - Rental procedures; review of leases
  - Maximum Sale Price calculations (MSP) on re-sales

*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.

- There were **21** sale closings on Deed Restricted properties including Gold Run units.
- Prepared and delivered all required documents for **9** closings.
- Received the finalized documents for **4** closings – awaiting the rest from all 2010 closings.
- There were numerous inquiries regarding refinance from owners, appraisers, lenders, and title companies – not all of these have resulted in closings.
- Prepared the documents for execution of Options for **6** refinance closings, not all closed by the end of 2010.
- **3** refinances closed without the required Option, although these documents had been prepared by SMRHA and delivered in time for the closings - SMRHA is attempting to rectify this situation.
- Reviewed and copied Deed Transfers, comparing data to anticipated title changes.

### *Regional Monitoring & Enforcement*

- Continued to update letters, documents, and procedures to ensure that occupancy checks are completed both thoroughly and expeditiously.
- Public Trustee sale notices were monitored, any deed restricted status was confirmed and government partners updated as necessary for protection of DR and public investment:
  - **108** properties in San Miguel County were noticed for foreclosure in 2010— **15** of these were properties zoned to contain deed-restricted units or deed-restricted units. Of the **15** new deed-restricted foreclosures in 2010, **7** properties were in the Town of

Mountain Village, with 16 total units affected (Capella has 10 employee units, but they remain deed restricted), **6** were in San Miguel County, and **2** were in Telluride.

- **5** deed restricted properties that received foreclosure notices in 2009 resulted in Public Trustee sales in 2010. **3** units were in the Town of Mountain Village and **2** units were in San Miguel County.
- Foreclosures carried over:
  - **7** foreclosures from 2009 carried over through the end of 2010 and into 2011 by sale date continuances or bankruptcy stays – none of them are deed restricted.
  - **2** foreclosures from 2008 carried over through the end of 2010 and into 2011 due to bankruptcy stays – neither of them are deed restricted.
- Researched and provided information to government partners upon complaint or notification of possible violations.
- Monitored fee collections for all applications including those past-due and all RETA/RETT collections/exemptions for all deed restriction-related sales.
- Monitored several exception agreements, assisting the owners with compliance.

*Regional Policy & Guidelines Changes*

- Coordinated with legal departments and government staff on revisions needed to Deed Restrictions and Options on properties, exception agreements, and clarifications of the guidelines.

<b>Applications by Jurisdiction</b>	<b>COUNTY</b>	<b>TELLURIDE- Except Lottery</b>	<b>TELLURIDE EDU</b>	<b>MOUNTAIN VILLAGE</b>
<b>Applications to Purchase/Own For 2011</b>				
Approved	3	10		4
Withdrawn	1*			
Returned/Incomplete		2		
Denied	3	3		
Change of Title	1			
<b>Total Applications to Purchase/Own</b>	<b>8</b>	<b>15</b>	<b>0</b>	<b>4</b>
<b># of Properties to Purchase/Own</b>	<b>8</b>	<b>15</b>	<b>0</b>	<b>4</b>
<b>Applications to Rent For 2011</b>				
To Rent/Occupy	3	24	4	14
Incomplete		1		2
Returned/Withdrawn				
<b>Total Applications Processed</b>	<b>11</b>	<b>40</b>	<b>4</b>	<b>20</b>

\*This application resulted in a denial, and was later withdrawn.

## Deed Restriction Programs

Exception Applications Handled	COUNTY R-1	COUNTY Price-capped	TELLURIDE- Except Lottery	TELLURIDE EDU	MOUNTAIN VILLAGE
Granted	4	1	24	1	2
Denied	2*				
<b>Total Exceptions YTD</b>	<b>4</b>	<b>1</b>	<b>24</b>	<b>1</b>	<b>2</b>

\*The denials were for fee waivers that were part of 2 different applications

Deed-Restricted Transactions (Improved and Unimproved)	COUNTY R-1	COUNTY Price-capped	TELLURIDE	TELLURIDE EDU	MOUNTAIN VILLAGE
Total # properties sold 2010	3		16		3*
2010 Average sale price	\$308,333		\$253,299		\$375,417*
2009 - # properties sold	4*		13		6*
2009 Average sale price	\$318,541*		\$275,427		\$272,684*
2008 - # properties sold	4	0	4	1	7**
2008 Average sale price	\$370,250*	0	\$192,850	\$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 aver. sale price adjustment because money did in fact change hands.

## San Miguel County

### DR Administration

SMRHA worked with County staff and legal on a number of issues regarding the deed restriction, owner issues, and foreclosures. SMRHA staff also followed up with owners needing additional assistance with exceptions, issues of non-compliance, and violations approaching expiration. There were numerous requests for information regarding procedure, and in particular questions about renting and the resale process. There have been increased inquiries pertaining to the proposed Deed Restriction Covenant, especially after the adoption of the new Covenant by the BOCC for Aldasoro, San Bernardo, and Two Rivers.

- The DR Administration Fee (1%) collected is \$9,250 from the **3** property sales that occurred in 2010.
- Received and processed closing documents from 3 closings.
- **8** applications to purchase were reviewed, the results are in the table.
- **5** exception requests were submitted to SMRHA in 2010.
  - **4** of the exceptions were approved, however several of the applications contained multiple requests
    - **1** request was for dual ownership of 2 deed restricted properties with the intent to sell, an exception to the definition of employee, and a fee waiver. (The first 2 were granted and the 3<sup>rd</sup> denied) The applicant later withdrew from the purchase.

- **1** request to maintain dual ownership of a Rico property and a fee waiver. First request granted, the 2<sup>nd</sup> was denied.
- **1** request was for income and was granted.
- **1** request for the exception fee waiver was granted.
- **1** request to rent a SMC R-1 Covenant property was submitted to the RHA Board for review and was granted. The owner did not purchase another property.
- **2** applications to rent were reviewed and approved for one home. The property has been for sale for over 2 years.
- **8** County Notices of Intent to Sell were received and processed. None of these properties have sold.
- **2** Maximum Sale Prices were calculated for price-capped units.
- Received numerous requests for information from lenders/mortgage brokers, title companies, appraisers, and owners regarding refinance of County Deed Restricted properties.
- **14** owners successfully refinanced by the end of the 2<sup>nd</sup> half of 2010.
- Received numerous inquiries about owner occupancy and co-occupancy, difficulties with selling, rental procedures, and required lease reviews.
- Property files and the database were updated as needed with new or outstanding documents, including recorded ones.

## **Monitoring**

### *Foreclosure Update:*

- **6** County Deed Restricted properties were noticed for Public Trustee Sale in 2010:
  - **4** of the Notices were withdrawn
    - **2** of these were properties containing ADUs
    - **1** of those withdrawn has already been issued a 2011 Notice of Foreclosure.
  - **1** of the units was purchased by SMC to preserve the deed restriction.
  - **1** has a sale date scheduled in 2011
- **2** County Deed Restricted properties noticed for Public Trustee Sale in 2009 were taken by the lenders in the first half of 2010:
  - **1** was then purchased by SMC to preserve the Deed Restriction
  - **1** was purchased from the bank by a local employee qualified by virtue of an Exception Agreement
- SMC currently holds title on **3** deed restricted properties – **1** unimproved Aldasoro lot and **2** homes in Lawson Hill.

### *Compliance/Monitoring*

- SMRHA staff discussed compliance issues and timelines with **4** non-qualified owners, some of whom have a Notice Of Violation.
- Worked with **3** owners regarding updates of compliance with their exception agreements.
- Monitored our web site's free classified ads for for-sale and for-rent announcements of Deed Restricted properties and contacted owners/representatives to assist with compliance if necessary.
- Monitored the Telluride Daily Planet for unauthorized rentals in Deed Restricted properties and contacted owners to assist with compliance.

## **Policies, Guidelines, and Master Documents**

- SMRHA continued to work with County staff due to the adopted new Deed Restriction Covenant.

- Aldasoro, San Bernardo, and Two Rivers owners can adopt the new Covenant, and several owners have executed.
- Upper Lawson Hill owners cannot adopt the new Covenant at year end 2010.
- Made revisions to master documents, applications, and forms.

## Town of Telluride

### DR Administration

The Gold Run project dominated time and attention throughout the second half of the year. Requests about the project and how to purchase have been fielded for years. In August the lottery was announced, public information sessions began, and walk-throughs were also offered to the public. More than a hundred locals and visitors walked through the units over the weeks, with 52 households actually applying for the lottery. Gold Run contributed to the increase in sales in the region during 2010 through closings on seven units and the sale of a few other deed restricted units that allowed other buyers to move up or move in. We also continue to field inquiries about Entrada though all of the deed restricted units are under contract.

The bi-annual occupancy check, though initiated in early 2010, will recommence in early 2011. The response rate was initially very low, and the delay allows us to initiate compliance checks in alternate years in relation the Town of Mountain Village.

- The Gold Run Lottery information is in the tables below

Gold Run Lottery Applications	
Approved	36
Denied-Applied for exception	16
Withdrawn	0
Returned/Incomplete	0
<b>Total Applications</b>	<b>52</b>

The number of exception applications exceeds 16 because some qualified applicants required exceptions not related to qualification or eligibility, such as permission to rent or private financing. Not all exceptions have been heard because SMRHA only initially put forth exceptions required for the first 24 lottery winners drawn and then subsequent exceptions were heard prior to additional unit assignments.

Gold Run Exception Applications by Request		Granted/ Denied
Income	11	3 granted 1 denied
Employment	1	1 granted
Permission to Rent while selling/dual ownership	10**	6 granted**
Permission to keep Free Market unit	1	1 granted
Definition of household	2	1 granted
Submission of taxes	2	2 granted
Request Withdrawn	1	
<b>Total exception applications at time of lottery</b>	<b>28</b>	
<b>Total exceptions heard by end of year</b>	<b>15</b>	14 granted 1 denied

\*\*2 of these exceptions were also seeking the use of private lending

- **15** applications to purchase were submitted, excluding Gold Run
- **25** applications to rent/occupy were reviewed – all of them were approved, except the 1 incomplete application.
- The DR Administration Fee (1%) collected was \$8088.81 from **4** property sales.

- **39** exception requests were submitted to SMRHA 2010.
  - **24** requests were submitted to the THA Subcommittee for review that were not for Gold Run units
    - **3** applicants exceeded the Income Limitations and 1 household was also seeking permission to rent 2 units while trying to sell
    - **1** applicant were short on the Employment Hours requirement
    - **3** were for use of unconventional lending
    - **1** was to use a co-borrower
    - **3** owners asked for waiver of 1% seller's fee
    - **3** requests were for a Leave of Absence and 2 owners were also requesting the ability to rent
    - **1** request was an extension to an existing agreement with the Town – The owner of an Entrada unit did not sell their free market condo within the required 12 months. They were granted additional time to sell the unit.
    - **5** requests for exceptions to allowed square footage on mitigation units
    - **3** requests for an increase in the maximum sales price
    - **1** request was for Household size to purchase an Entrada unit
- SMRHA received **13** Notices of Intent to Sell in 2010
  - **3** of these units have sold
  - **3** of these are under purchase contracts
- Assisted owners of price-capped units with questions regarding limitations on allowed capital improvement costs.
- Calculated Maximum Sale Prices for **12** units.
  - **3** owners have successfully refinanced in 2010
    - **2** of the transactions closed without the required Option to purchase, although they were provided to the relevant title companies.
- Worked with developers/agents for **2** PUD properties.
- All staff received requests for information from lenders, mortgage brokers, title companies, appraisers, and owners regarding refinancing throughout the year.

## Monitoring

### *EDU Compliance Check:*

- All 31 EDU owners responded by May of 2010.
- Approximately **26%** (8 of 31) are Owner-occupied, **48%** (15 of 31) are Rented, **10%** (3 of 31) are Vacant, and **13%** (4 of 31) no longer own.
- Final requests for documents necessary for **8** past-due qualifications were issued. Of the 8, 4 were missing documents and 2 were referred to legal for possible violations.
- Research was completed on the EDU properties whose current occupants may now fall under the new TAHG. Each determination is made unit by unit based on the deed restriction.

### *Foreclosure:*

- **2 Town deed restricted units were noticed for Public Trustee Sale in 2010**
  - **1** Notice has been withdrawn
  - **1** unit was deeded back to the bank – the Town did not exercise their first right of refusal and the deed restriction shall be released. (As of March 23, 2011, the Town had not been properly noticed and the deed restriction stands)

### *Compliance Check AHU:*

- **72** letters were sent to owners/agents of all non-EDU units

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- **13** complete responses were received
  - **17** incomplete responses were received and never completed
  - Owners who responded to the initial compliance check and fully responded will simply be asked to provide changes – they will not be required to supply the full information packet.
  - Entrada owners will be added in 2011 and then Gold Run owners in 2013

### **Policies, Guidelines, and Master Documents**

- Gold Run Lottery documents were created and presented to the Gold Run committee.
- Additional revisions were made to applications and forms to reflect correct TAHG sections.
- The TAHG Appendix A and mitigation tables were updated in August and November based on the current AMI set by HUD.

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## **Town of Mountain Village**

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This year the Town of Mountain Village compliance check was initiated again as it had been 2 years since the first one was initiated. Requalifications continue to need attention as owners and other occupants need to provide information for compliance. The relationship building has seen results as the owners now contact us about new occupants. Data from the 2007/2008 compliance check was utilized to facilitate a more streamlined approach to gathering information from owners and occupants. The Local Housing Programs Managers updated files and contacted owners and occupants to request information. Owners of Coyote Court properties were helped with lotteries and exceptions. Guideline amendments were proposed to Town Council. The E.D. also aided in the completion of a grant to help pay for the rehabilitation of Village Court Apartments for 1.32 million dollars.

### **DR Administration**

- \$1070 was collected in 2010 including the \$300 Admin. Fee on the sale of 1 Coyote Court unit that sold in 2009.
- There were 3 sales of TMV deed restricted homes in 2010.
- **1** application to purchase was submitted and approved – the property purchase was not pursued.
- **11** applications to rent/occupy were reviewed – **9** were approved and **2** were incomplete.
- SMRHA received **4** Notices of Intent to Sell in 2010.
- Assisted **5** owners of price-capped units with questions regarding limitations on allowed capital improvement costs.
- Calculated the Maximum Sale Prices for **5** Coyote Court units – **1** for a refinance and **4** for resale purposes.
- Worked with TMV Staff to clarify Certificate of Occupancy/built dates for various deed restricted units.
- Received requests for information from lenders, mortgage brokers, title companies, appraisers, and owners regarding refinance of **4** different properties
- Executed an Option to Purchase for a Coyote Court refinance.
- **10** owners have successfully refinanced in 2010
  - **2** of the transactions closed without the required Option to purchase, although **1** of these was provided to the relevant title company.
- Initiated procedures for **4** Coyote Court lotteries.
- Presented 2 exception requests to Town Council on behalf of Coyote Court owners for permission to sell on their own, both were granted.

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- Organized showings of **3** Coyote Court units and the Town owned Prospect Plaza unit.

## **Monitoring/Occupancy Check**

### *Foreclosure*

- **7** TMV deed restricted properties were noticed for Public Trustee Sale in 2010
  - **1** Notice was withdrawn
  - **1** unit was deeded back to the bank\*
  - **5** properties have sale dates scheduled in 2011
    - **2** of these also had prior Notices in 2009 which were withdrawn
    - **1** property contains **10** employee units that do not lose the deed restriction with a foreclosure (Capella)
- **3** TMV deed restricted properties noticed for Public Trustee Sale in 2009 were taken by the lenders in 2010\*
- **1** unit has been purchased by a local resident

### *EHR Compliance*

- **138** properties are currently tracked for occupancy compliance
  - **14** properties did not require notices in 2010 – units that have had recent transactions were not required to provide additional information.
- **124** Compliance update letters were sent – as of year end 2010 we have an 85% response rate.
  - **84** completed responses were received
  - **21** responses need to provide some simple documentation that we expect to receive within the first quarter of 2011.
  - **16** owners are considered non-compliant – a 3<sup>rd</sup> Notice will be sent to them
  - **3** properties have unique situations that need further attention
- All responses received show the following occupancy status:
  - **57 of the 105** units are owner-occupied or 54%
  - **22 of 105** units are rented (or occupied by non-owners) or 21%
  - **15** units were reported to be vacant or 14%
  - **10** units are unimproved or 10%
  - **1** unit was deeded back to the lender at Public Trustee foreclosure sale or 1%
- **9%** of the properties are Unimproved.
- Staff continues to update ownership and address data based on owners' responses and on record searches.
- Researched non-respondent owner addresses and phone numbers in order to re-send letters to owners.
- SMRHA has knowledge of **9** properties that were listed for sale at the end of the year.
- **4** owners were upset for various reasons as a result of receiving a compliance letter

## **Policies, Guidelines, and Master Documents**

- 2 guideline amendments were brought to Town Council. One was to permit rental of units under the most recent guidelines and the other was to allow owners to sell Coyote Court units on their own after 2 unsuccessful lotteries. Neither amendment went forward.
- The compliance check letters were modified to reflect specific scenarios for individual owners based upon 2007/2008 compliance results.
- Created lottery documents for **4** Coyote Court units.

## Down Payment & Closing Costs Assistance Program

In 2009 the S.A.F.E. Act was passed and Colorado HB 09-1085. These 2 laws no longer exempt governments or governmental agencies from being licensed mortgagors if they are going to provide loans. In order to comply with the new laws SMRHA signed an agreement to have Funding Partners operate the DPCC program. They also agreed to set up the local jurisdictions employee DPCC programs for the fee SMRHA paid. The loan terms have had to be altered so it is not a negative amortization loan and the repayment will change from 10 years to 15 in 2011 in order to conform to federal loan guidelines.

There were **4** applicants who applied for loans, but none closed by the end of 2010. Funding Partners has \$33,135 for loans for Gold Run buyers.

Year Approved	Total Loans Issued	Loans Paid Off in 2010	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				\$4,350.00	8
2004 loans	5				\$20,000.00	3
2005 loans	6				\$40,000.00	2
2008 loans	1				\$10,000.00	
2009 loans						
2010 loans						
<b>Total</b>	<b>34</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>\$79,350.00</b>	<b>25</b>

\*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.

## Mortgage Credit Certificate Program

There is now a statewide MCC program administered by CHFA. Our certificates expired on Dec. 31, 2009. With the statewide allocation that can be used by our locals we did not pursue a separate allocation.

We continue to discuss the program with all potential first-time homebuyers. All lottery applicants were made aware of the program. The local lenders have also been sent periodic reminders.

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## SECTION 8

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### Overview of Section 8 Program Administration

San Miguel County donated space in their Norwood Lone Cone offices and SMRHA now has a presence there Thursday and Friday each week. The majority of our vouchers are with Norwood residents and the office space there provides clients with in person attention and they no longer need to travel to meet with the Section 8 Manager.

We have 55 Vouchers, at the end of 2010, 50 were being administered. The state had 4 files under review and we received a letter of findings in 2010. There were no major findings, but some forms needed to be added to our intake and some lease language was identified as needing to be changed. Providing application packets has ceased while the waitlist is closed. Walk-in inquiries are fielded by the Program Manager and the E.D. The Program Manager maintains the waitlist for the program. The Waitlist is currently closed and has 32 families on it.

- On December 31st, **50** Vouchers were being administered.
- **8** families left or were terminated from the program for violations.
- **10** families were added this year.
- **2** families ported into the county and 5 ported out.
- Section 8 rules and regulations were explained to prospective landlords.
- 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 **7** Application Packets, waitlist was closed for most of the year.
- Received and processed **15** Applications this year.
- Maintained all tenant files.
- Verified eligibility of applicants.
- Handled **106** walk-ins this year, 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 **32** annuals this year, which requires complete recertification of the family, including third party income verification, and ensuring the family still qualifies for the program.
- Completed **21** interim recertifications this year, due to notification of changes in household size and/or income, completed third party income verification if income changed.
- Conducted **43** Inspections and **14** Re-inspections this year.
- Handled an average of **38** contacts per week by phone and E-mail throughout the year.

### 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

- Worked with the state staff on documentation and reporting questions

- 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

### Section 8 Clients

This chart reflects all clients that were on the program on Jan. 1, 2008 and all new ones added through 2010. Adults only. This will remain a continuous count as beginning would have created accuracy issues.

<b>Breakout of Section 8 Clients – 87 since Jan. 2008</b>				
Working	Disability	Social Security	Not Working	Other
53.9%	12.7%	11.8%	11.8%	9.8%

<b>Housing Needs of Families in San Miguel County based on Placements Since January 2008- 78 Families, 165 Individuals</b>					
Family Type	Overall YTD	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm
Income <= 30% of AMI	94.4%	22.2%	34.4%	15.6%	22.2%
Income >30% but <=50% of AMI	5.6%	0%	1.1%	1.1%	3.4%
Elderly	7.8%				
Families with Disabilities	20%				
Race/Ethnicity White	*90%				
Race/Ethnicity Hispanic	*5.8%				
Race/Ethnicity African American	*2.1%				
Race/Ethnicity Other	*2.1%				
*percentages are based on individuals not family					
Locations	Telluride	Placerville	Norwood	Ophir	Other
	41.1%	1.1%	51.1%	4.5%	2.2%
Break-up of Telluride alone	Telluride	Mountain Village			
	29.7%	70.3%			

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## EDUCATION AND OUTREACH

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### Education and Outreach

In 2010 SMRHA entered into a contract with CHFA to provide Homebuyer Education classes monthly. They paid a retainer for the 2 year contract and then compensate the organization \$250 per class with at least 1 household attending or \$50 per household, whichever is greater. We can conduct these classes for other counties, but with other counties limited ability to also support time and travel expenses we have limited our focus. We did attempt to offer 3 classes in Ouray County in 2010, but due to lack of interest they were cancelled. The Town of Ridgway and the City of Ouray were going to pay \$150 each and Ouray County would donate space. Within San Miguel County we offered the class 8 times and had 34 households and 40 attendees. Just from the 2010 attendees, 11 have pursued the purchase of homes and 10 are set to close or closed in the end of 2010. Eleven attendees also entered the Gold Run lottery and 5 were assigned units and 4 have closed or are set to close in 2011.

The E.D. continues to organize the SW Region Housing meetings. The June meeting was held in Mountain Village at the Capella and was very well attended. Our federal representatives sent staff, Jim Isgar the State Director of USDA and staff, Pat Coyle the Director of Colorado Division of Housing, Nancy Engelken the Executive Director of Housing Colorado, and representatives from 16 housing organizations and 11 counties attended. We presented issue papers, discussed a rural resort housing policy, and began to explore how Denver can come to us. The federal legislators were sent a letter to present to HUD about Colorado federal allocations and the formula. We had not received a response by the end of the year. The 2<sup>nd</sup> meeting was held during the Housing Colorado statewide conference in October and focused on planning the April meeting in Durango. Conference attendees from SW Colorado and the Mountain resort Housing Authorities attended. It was a very informal gathering.

Continued participation in the Colorado Mountain Housing Consortium has resulted in the passing of a resolution permitting HA's in the consortium to utilize the 501C3 status of the organization to pursue grant funding. This will create another vehicle to pursue more funds to support homebuyer education, housing counseling, and foreclosure prevention on a multi-county level and create one or two circuit rider positions to serve the 5 county region from Gunnison to San Miguel.

The Gateway Community group was not able to schedule a meeting with Deputy Secretary Ron Simms and the calls ceased. It has been indicated that a revision of the agenda and the presentation of a policy focused paper would be well received. Rick Garcia, Region VIII HUD Director indicated to me he would help facilitate this meeting. I ended the year attempting to engage the group again.

The Housing Colorado conference had a rural track this year that contained 2 workshops and a round-robin meeting day which was put together by KT Gazunis, E.D. from Gunnison County, and I. We joined the planning committee for the conference and the workshop committee. With some much needed support from Jamie Spakow with USDA, the rural track became a reality. The workshops were well attended and the round-robin session of 1 on 1 meetings with state and federal funders was a great success with several organizations able to sign-up at the last minute thanks to some cancellations and some E.D.s giving up their meeting times.

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The participation in these groups and events has increased SMRHA's visibility throughout the state and with the federal agency staff in Colorado. It has allowed our voice to grow from one into many with shared concerns, issues, and problems. It has fostered cooperative work and will help our region solve problems in more creative ways when the time comes.

The Multi-jurisdictional Needs Assessment is finally under way. There was an initial committee meeting held, not all jurisdictions were represented, but the required format was reviewed and a productive question and answer session took place. The final report is to be presented in late June or early July. SMRHA will be doing reporting with the County and helping the consultant as needed.

## Web Page Information:

The web-site received a new design in 2010. The web page files are maintained on the server, and any file clean up is performed when notified by the staff or the public. Members of the public can contact us by phone, Email, or in-person regarding the web-site and its features. The public was assisted with download/upload problems on the classified pages throughout the year. Work will continue on the pages as needed to keep it current.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Main Page</b>												
Page Visits	534	436	498	428	409	403	493	642	1582	1259	534	495
Page Views	836	667	731	593	605	667	897	1062	2949	1898	732	725
<b>Programs</b>												
Page Visits	94	107	143	100	112	93	115	204	196	129	80	73
Page Views	187	187	335	185	213	196	235	372	377	222	144	140
<b>Section 8</b>												
Page Visits	8	21	14	6	8	7	10	12	11	15	3	5
Page Views	13	33	24	13	21	14	48	24	31	35	4	7
<b>Shandoka</b>												
Page Visits	114	90	100	117	142	127	119	149	223	209	193	99
Page Views	253	196	245	287	368	349	279	342	649	538	443	208
<b>VCA</b>												
Page Visits	71	64	68	70	80	58	82	84	99	63	57	45
Page Views	166	192	193	181	223	154	201	243	289	183	140	130
<b>Contact</b>												
Page Visits	79	75	81	93	108	102						
Page Views	91	89	92	107	122	122						
<b>Bookshelf</b>												
Page Visits	28	25	33	25	26	26	31	35	34	24	12	12
Page Views	43	31	47	29	28	53	41	53	46	27	18	22
<b>Classifieds</b>												
Page Visits	172	155	201	185	162	209	243	257	309	420	284	241
Page Views	1445	1348	1798	1274	1442	1611	1707	1785	2411	3939	2235	1924

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

Due to a computer glitch, statistics for the Contact page are only available for January – June. Counter problem fixed in January 2011.

**Classified Page:**

<b>Buyers/Sellers Use of Free Classified Ads On SMRHA Web Site</b>		
<b>Type of Classified Ad</b>	<b>#</b>	<b>Average Asking Price</b>
<b>County</b> DR for sale	7	\$315,057.14
<b>Mountain Village</b> DR for sale	11	\$310,045.45
<b>Telluride</b> DR for sale	4	\$235,015.75
<b>Free-Market</b> for sale	6	\$246,666.67
<b>Totals</b>	<b>28</b>	<b>\$276,696.25</b>
<b>150 Registerd Users</b>		

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## Budget Summary

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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 was completed by the SMRHA Board Treasurer of which there were 2 in 2010, Greg Sparks and Greg Clifton.

The following pages represent the totals from January 1 through December 31, 2010. 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.

The program is operating under budget and we had a carry-over of \$46,000 upon conclusion of the 2009 audit. The reduction in staff in 2010 translated into some cost savings for 2010 and into 2011. When the Town of Mountain Village Board member and SMRHA Chair requested a \$5,000 reduction for 2011, the E.D. had already cut \$10,000 per jurisdiction from the budget.

2010 was the only year SMRHA requested all of the allocated funding since 2006. We anticipate a carry-over in the range of \$70,000 from 2010. The E.D. continues to operate under budget and the carry-over funding is the only buffer SMRHA has for expenses. The County has nearly expended their resources for funding SMRHA by preserving deed restricted properties that would have been lost if not purchased. The E.D. is looking for resources that can provide some additional funding annually.

## Budget vs Actual Jan - Dec

Revenue	Jan 1 - May 6, 09	Budget	\$ Over Budget	% of Budget
Interest Revenue	59.57	0.00	59.57	100.0%
CHFA	2,350.00	0.00	2,350.00	100.0%
State CO Sec 8 Admin	25,000.00	20,375.00	4,625.00	122.7%
Town of Mt Village	80,190.00	80,190.00	0.00	100.0%
Town of Mt Village-2009 Carry-over	11,697.00	11,697.00	0.00	100.0%
Town of Telluride	91,000.00	91,887.00	-887.00	99.04%
San Miguel County	90,537.00	91,887.00	-1,350.00	98.53%
App.Exception Form-R1	1,400.00	1,500.00	-100.00	93.33%
Carry-Over 2009	46,025.00	0.00	46,025.00	100.0%
Misc. Revenue	2,424.10	0.00	2,424.10	100.0%
<b>Total 2010 SMRHA Revenue</b>	<b>350,682.67</b>	<b>297,536.00</b>	<b>53,146.67</b>	<b>117.86%</b>
<b>Payroll Expenses</b>				
Executive Director	70,000.06	70,000.00	0.06	100.0%
Section 8 Manager	39,411.41	37,706.24	1,705.17	104.52%
Local Housing Prog Mgr 1	44,990.40	44,990.40	0.00	100.0%
Local Housing Prog Mgr 2	9,064.00	23,566.40	-14,502.40	38.46%
PERA	21,930.78	24,480.00	-2,549.22	89.59%
Medicare	2,407.87	2,505.00	-97.13	96.12%
PeraCare	9,666.18	10,000.00	-333.82	96.66%
Health Insurance	9,562.72	14,202.00	-4,639.28	67.33%
SUTA	343.14	570.00	-226.86	60.2%
Worker's Comp- ½ of 2011 Pd Dec	301.00	900.00	-599.00	33.44%
Payroll Expenses - Other	2,593.65	0.00	2,593.65	100.0%
<b>Total Payroll Expenses</b>	<b>210,271.21</b>	<b>228,920.04</b>	<b>-18,648.83</b>	<b>91.85%</b>
<b>Operating Expenses</b>				
SW Region Mtg	1,319.53	1,320.00	-0.47	99.96%
DPCC costs	0.00	0.00	0.00	0.0%
Internet/Web site Fees	176.85	300.00	-123.15	58.95%
General/ D & O Insurance	2,601.00	3,000.00	-399.00	86.7%
Office Telephone	1,770.84	2,700.00	-929.16	65.59%
Office Supplies	2,488.28	2,505.00	-16.72	99.33%
Postage/Meter rental	346.32	1,000.00	-653.68	34.63%
Bank Charges	25.00	150.00	-125.00	16.67%
Mileage & Travel Incl Sec 8	2,497.03	3,600.00	-1,102.97	69.36%
Programs & Ed./Outreach	1,804.77	2,000.00	-195.23	90.24%
Advertising- Lottery & Housing	2,428.82	2,500.00	-71.18	97.15%
Advertising-Recruiting	0.00	300.00	-300.00	0.0%
Dues & Memberships	265.00	450.00	-185.00	58.89%
Equip.Maint & Repair	216.95	501.00	-284.05	43.3%
Application & Grant Fees	0.00	900.00	-900.00	0.0%
Misc.Office /Office Water	933.12	900.00	33.12	103.68%
Staff Ed/Training	932.23	5,250.00	-4,317.77	17.76%

	<b>Jan 1 - May 6, 09</b>	<b>Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
Financial Audit	5,950.00	7,000.00	-1,050.00	85.0%
Section 8 CBI records	102.05	375.00	-272.95	27.21%
Legal Services	115.00	5,000.00	-4,885.00	2.3%
Board Cont.Ed & Training	0.00	300.00	-300.00	0.0%
Copier Lease & Maintenance	1,510.73	3,000.00	-1,489.27	50.36%
Computer Hardware	2,016.29	2,400.00	-383.71	84.01%
Computer Software	863.93	1,500.00	-636.07	57.6%
Office Rent	10,223.32	12,000.00	-1,776.68	85.19%
Misc.Expenses	359.56	500.00	-140.44	71.91%
Operating Expenses - Other	0.00	0.00	0.00	0.0%
<b>Total Operating Expenses</b>	<b>38,946.62</b>	<b>59,451.00</b>	<b>-20,504.38</b>	<b>65.51%</b>
<b>Total Expense</b>	<b>249,217.83</b>	<b>288,371.04</b>	<b>-39,153.21</b>	<b>86.42%</b>
<b>Net Ordinary Revenue</b>	<b>101,464.84</b>	<b>9,164.96</b>		
<b>Other Expenses</b>				
SMC Down Payment Assistance	0.00	0.00	0.00	0.0%
Depreciation	0.00	0.00	0.00	0.0%
Reimbursed Expenses	0.00	0.00	0.00	0.0%
<b>Total Other Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Revenue</b>	<b>101,464.84</b>			