

BANYARD MANAGEMENT

Board of Directors Meeting

2039 Forest Avenue

Chico, CA 95928

MEETING MINUTES

August 15, 2019

President Mayer called the meeting of Banyard Management to order at 3:56 p.m.

1. ROLL CALL

Present for the Directors: Kate Anderson, Larry Hamman, Anne Jones, Laura Moravec, David Pittman and Heather Schlaff.

Others Present: President Ed Mayer, Chief Financial Officer Sue Kemp, Secretary Marysol Perez, Larry Guanzon, and Tamra Young.

Public Present: Thomas Lewis, Attorney – California Affordable Housing Agency.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Director Pittman moved to accept the Consent Calendar as presented. Director Hamman seconded the motion. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Banyard Management Budget – The FY2020 Banyard Management budget was presented for approval, new proposed budget is consistent with previous FY budget, including a negative cash flow. However, as Managing General Partner, Banyard receives a cash distribution from Chico Commons LP each year. Last year’s distribution was \$27,934, sourced from excess cash flow. Per Chief Financial Officer Kemp, the excess cash balance at the beginning of FY 2020 is estimated at \$235,000.

RESOLUTION NO 19-2B

Director Pittman moved that Resolution No. 19-2B be adopted by reading of title only: “APPROVAL OF BANYARD MANAGEMENT OPERATING BUDGET FOR F/Y 2020”. Director Jones seconded. The vote in favor was unanimous.

- 5.2 Chico Commons L.P. – Due to new IRS rules, regarding IRS tax audits of partnerships, a designation of Partnership Representative is required for tax years starting January 1, 2018. It is recommended by the Partnership’s Limited Partner, (LP), Housing Authority of the County of Butte (HACB), that HACB Executive Director Edward Mayer be designated as Partnership Representative for Tax Matters.

RESOLUTION NO 19-3B

Director Hamman moved that Resolution No. 19-3B be adopted by reading of title only: “CHICO COMMONS, L.P. DESIGNATION OF TAX MATTERS PARTNERSHIP REPRESENTATIVE”. Director Anderson seconded. The vote in favor was unanimous.

- 5.3 Property Insurance - As previously discussed during the May 16, 2019 meeting, current labor and contractor markets remain challenged. Construction costs have appreciated significantly post Camp Fire Disaster. For example, the insurance proceeds the agency received for the loss of Kathy Court was based on property valuation at \$113/sq. ft., nowhere close to being sufficient to rebuild the property in the event of a total loss. In order to keep up with increased replacement costs, and after surveying local insurance brokers and communicating with current insurer HARRP, staff recommends insuring Tax Credit units at \$175/sq. ft.

MOTION

Director Moravec moved to insure Chico Commons Apartments at \$175/sq. ft. Director Hamman seconded. The vote in favor was unanimous.

5.4 Strategic Asset Plan - During an earlier meeting with the Board of Commissioners of the Housing Authority of the County of Butte, Jim Brawner from Brawner Real Estate Development and Consulting walked the Board of Directors and HACB staff through the revised Asset Repositioning Study, which included analysis of the Chico Commons, L.P. and Chico Commons Apartments property. The presentation included a summary of the property analysis and recommendations for next steps regarding financial re-positioning.. Mr. Brawner was impressed with the good condition of the properties in HACB’s portfolio, including Chico Commons, L.P. As briefly discussed during last month’s conference call, Mr. Brawner provided perspectives and directions as to what the HACB can do to optimize portfolio opportunities, regarding re-finance, leveraging, renovation, and feasibility concerns. Three initiatives were broadly addressed: those properties suited to financing through a pooled public bond issuance, those properties suited to packaging as a 4% LIHTC/private-activity bond transaction, and addressing 1200 Park Avenue Apartments, Chico as a “one-off” restructure because of its unique circumstances. Chico Commons Apartments is proposes to be restructured using a 4% LIHTC/private-activity bond transaction.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM BOARD MEMBERS

None.

10. MATTERS INITIATED BY BOARD MEMBERS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

Next Meeting – November 21, 2019.

13. ADJOURNMENT

Director Pittman moved that the meeting be adjourned. Director Moravec seconded. The meeting was adjourned at 4:03 p.m.

Dated: August 15, 2019.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary