

BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION

Board of Directors Regular Meeting

2039 Forest Avenue
Chico, CA 95928

A G E N D A

October 20, 2016
2:00 p.m.

The Board of Directors welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable the Board of Directors to make reasonable arrangements.

NEXT RESOLUTION NO. 16-8C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
 - 3.1 Minutes of Regular Meeting on July 21, 2016
Minutes of Special Meeting on September 15, 2016
 - 3.2 BCAHDC financial report
 - 3.3 Tax credit properties report
 - 3.4 Cordillera Apartments report
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Walker Commons Apartments Property Management - Discuss change in property management for Walker Commons Apartments, Chico.

Recommendation:

Information

5.2 Chico Valley View Partners LP – \$300,000 predevelopment loan.

Recommendation:

Resolution No. 16-8C

6. MEETING OPEN FOR PUBLIC DISCUSSION

7. MATTERS CONTINUED FOR DISCUSSION

8. SPECIAL REPORTS

9. REPORTS FROM DIRECTORS

10. MATTERS INITIATED BY DIRECTORS

11. EXECUTIVE SESSION

11.1 Government Code 54956.8 Conference with Real Property Negotiators

Property: (Valley View Apartments, 101 Silver Dollar Way, Chico)

Agency negotiator: Ed Mayer

Negotiating parties: Chico Valley View Partners LP

Under negotiation: loan structure/configuration/terms

12. DIRECTORS' CALENDAR

Next meeting – January 19, 2017.

13. ADJOURNMENT

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION**

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

MEETING MINUTES

July 21, 2016

President Mayer called the meeting of Butte County Affordable Housing Development Corporation (BCAHDC) to order at 2:13 p.m.

1. ROLL CALL

Present for Directors: Kate Anderson, Larry Hamman, Roger Hart, Anne Jones, Clarence “Bino” Lobo, and Laura Moravec.

Others Present: President Ed Mayer, Treasurer Sue Kemp, Secretary Tamra Young, Roy Peters, Larry Guanzon, and Sharon Chambers (former Director/member of the public).

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Director Anderson moved that the Consent Calendar be accepted as presented. Director Jones seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

Sharon Chambers, member of the public, arrived at 2:15 p.m.

5. REPORTS FROM PRESIDENT

- 5.3 BCAHDC Budget – The FY2017 BCAHDC budget was presented for approval. Budget remains status quo. The budget shows a negative cash flow. However BCAHDC receives distributions from four (4) tax credit partnerships: 1200 Park Avenue LP - \$7,079; Walker Commons LP - \$7,500; DFI-DHA Gridley Springs Associates LP - \$3,200; and Chico Harvest Park LP - \$20,000, which are not recognized as revenue. Ending excess reserve balance is estimated to be \$362,799.

RESOLUTION NO. 16-5C

Director Jones moved that Resolution No. 16-5C be adopted by reading of title only: “APPROVAL OF BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION OPERATING BUDGET FOR F/Y 2017”. Director Moravec seconded. The vote in favor was unanimous.

- 5.4 Cordillera Apartments Budget – The FY 2017 Cordillera Apartments operating budget was presented for approval. The budget for operations and maintenance is prepared in conjunction with RSC Property Management. There is a slight increase in the budget for rents, resident manager and utilities. Capital improvements include asphalt repairs, paint, and balcony replacements. The Board expressed concerns regarding balcony improvements, their structure and aesthetics. President Mayer said they were being primarily fixed to improve curb appeal, and to be proactive regarding safety. We plan to use the most cost effective and long lasting materials.

RESOLUTION NO. 16-6C

Director Anderson moved that Resolution No. 16-6C be adopted by reading of title only: “APPROVAL OF THE BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION OPERATING BUDGET FOR CORDILLERA APARTMENTS F/Y 2017”. Director Hart seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM DIRECTORS

None.

10. MATTERS INITIATED BY DIRECTORS

Director Anderson inquired about the status of the strategic asset plan. President Mayer said it is high on the priority list.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

Next Meeting – October 20, 2016.

13. ADJOURNMENT

Director Hamman moved that the meeting be adjourned. Director Hart seconded. The meeting was adjourned at 2:32 p.m.

Dated: July 21, 2016.

Edward S. Mayer, President

ATTEST:

Tamra C. Young, Secretary

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

Board of Directors Meeting

2039 Forest Avenue

Chico, CA 95928

SPECIAL MEETING MINUTES

September 15, 2016

President Mayer called the meeting of Butte County Affordable Housing Development Corporation (BCAHDC) to order at 4:11 p.m.

1. ROLL CALL

Present for Directors: Kate Anderson, Patricia Besser, Roger Hart, Anne Jones, Clarence “Bino” Lobo, and Laura Moravec.

Others Present: President Ed Mayer, Treasurer Sue Kemp, Secretary Tamra Young, Roy Peters, Larry Guanzon, and James Coles, North Valley Housing Trust.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

None.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Cordillera Apartments, Chico – Annually, BCAHDC records vacated tenant balances for doubtful accounts, which reduces the net tenant accounts receivable on the balance sheet. There is also a corresponding entry to bad debt each year. Writing off the balances does not change the net accounts receivable balance, nor does it prevent BCAHDC from pursuing collections - it is considered an in-house accounting “housekeeping” process.

RESOLUTION NO. 16-7C

Director Moravec moved that Resolution No. 16-7C be adopted by reading of title only: “WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE”. Director Besser seconded. The vote in favor was unanimous.

- 5.2 North Valley Housing Trust (NVHT) – The Housing Authority of the County of Butte (HACB) received a request from NVHT to securitize a \$300,000 pre-development loan

Butte County Affordable Housing Development Corporation

Board of Directors

Minutes – Special Meeting of September 15, 2016

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made to the 14-unit “Valley View Apartment” project, an affordable tax-credit project being developed by Northern Valley Catholic Social Services and tax-credit developer Palm Communities. The HACB referred the business to BCAHDC. The tax-credit partnership received a \$300,000 predevelopment loan from local Community Development Finance Institution (CDFI), 3CORE, in partnership with the North Valley Housing Trust (NVHT). The loan term expires October 13th. Because of State action, repayment of the pre-development loan will be delayed until Cost Certification of the completed development. 3CORE is unwilling to wait, and wants further loan securitization to extend the loan to the point where the monies can be repaid from the State HCD sources. Upon review, it would be simpler for BCAHDC to become the lender, taking out 3CORE, such action taking on about the same amount of risk to BCAHDC as securitization. The current ask is for BCAHDC to loan \$300,000 for one year. The State HCD funds are scheduled to be released in June 2017; however a longer timeframe is being requested as a contingency. The loan would be “unsecured”, as the land is owned by the City of Chico, is being leased to the Partnership, and has other lenders in higher priority positions. The development entities, NVCSS, Palm Communities, and its principal) are willing to provide loan guarantees, the same guarantees that were made to 3CORE. The project is 50-60% constructed and the source of funds to repay the loan is sitting at the State. At this point, failure of the project is extremely unlikely due to the strength of the community partners involved, the City of Chico, NVCSS, and County Behavioral Health. It is unknown why 3CORE is unwilling to continue its participation. Director Hart said that the Board needed financial information on the partners’ financials and indebtedness and expressed concern over the change from the State in releasing the funds. James Coles, NVHT, said that State HCD is preparing a commitment letter outlining the requirements to draw down the funds which will be ready tomorrow. 3CORE can provide the financial documentation that was used as a basis for the original predevelopment loan. If BCAHDC decided to loan funds to the project, the interest rate on our money would be higher than we are receiving currently in money market account(s). The overall project cost is \$6.4M. There is \$4M in tax-credit equity, the balance of funds are sourced from the County and the City. NVCSS would consider giving HACB the second position for right to purchase the property at year fifteen (15), and a backup position as Managing General Partner in the Partnership. The proposed terms of the loan are 5% simple interest rate, with a 2% loan origination fee. Construction will be complete in December 2016. Staff believes it is mission consistent to support low income housing development, the transaction constitutes a partnership with the community. However, the BCAHDC has no precedent for lending money to a tax-credit partnership where it was not involved as developer/MGP. Director Hart recommended a decision be postponed until the next regularly scheduled meeting on October 20th, in order to get questions answered before committing \$300,000; 3CORE should be able to extend the loan for 30 days.

MOTION

Director Hart moved that this item be added to the agenda for the next month’s meeting; that the loan package and other relevant information be provided to the Board one week in advance of the meeting. Director Anderson seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM DIRECTORS

None.

10. MATTERS INITIATED BY DIRECTORS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

Next Meeting – October 20, 2016.

13. ADJOURNMENT

Director Moravec moved that the meeting be adjourned. Director Anderson seconded. The meeting was adjourned at 5:07 p.m.

Dated: September 15, 2016.

Edward S. Mayer, President

ATTEST:

Tamra C. Young, Secretary

**BCAHDC GENERAL FUND
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets

Cash-Unrestricted	162,459
Accounts Receivable-Misc	41,832
Accounts Receivable-Tenants	0
Tenant Security Deposits	0
Investments-Unrestricted	250,000
Investments-Restricted	0
Interprogram Due From Cordillera	0
Total Current Assets	454,291

Fixed Assets

Land	0
Buildings	0
Appliances - Dwelling units	0
Accumulated Depreciation	0
Total Fixed Assets	0

Other Assets

Prepaid Expenses	0
Organizational Costs, Net of Amortization	0
Investment in 1200 Park Avenue, L.P.	-402
Investment in Chico Harvest Park, L.P.	-140
Investment in DHI-DFA Gridley Springs Associates, L.P.	-3
Investment in Walker Commons, L.P.	198,792
	Reduced \$33,629 Walker Commons 2015 XS Cash
Total Other Assets	198,247

TOTAL ASSETS

652,538

***** L I A B I L I T I E S A N D E Q U I T Y *****

Current Liabilities

Accounts Payable	866
Accrued Interest Payable	0
Interprogram Due to Cordillera	0
Prepaid Rent	0
Tenant Security Deposits	0
Total Current Liabilities	866

Long-Term Liabilities

Long-Term Debt, Net of Current	0
Total Long-Term Liabilities	0

TOTAL LIABILITIES

866

Equity

Prior Year Equity Balance	643,447
Prior Period Adjustment	0
Retained Earnings	8,225
Total Equity	651,672

TOTAL EQUITY

651,672

TOTAL LIABILITIES AND EQUITY

652,538

**BCAHDC GENERAL FUND
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets		
Cash-Unrestricted	162,459	
Accounts Receivable-Misc	41,832	
Accounts Receivable-Tenants	0	
Tenant Security Deposits	0	
Investments-Unrestricted	250,000	
Investments-Restricted	0	
Interprogram Due From Cordillera	0	
Total Current Assets	454,291	
 Fixed Assets		
Land	0	
Buildings	0	
Appliances - Dwelling units	0	
Accumulated Depreciation	0	
Total Fixed Assets	0	
 Other Assets		
Prepaid Expenses	0	
Organizational Costs, Net of Amortization	0	
Investment in 1200 Park Avenue, L.P.	-402	
Investment in Chico Harvest Park, L.P.	-140	
Investment in DHI-DFA Gridley Springs Associates, L.P.	-3	
Investment in Walker Commons, L.P.	198,792	Reduced \$33,629 Walker Commons 2015 XS Cash
Total Other Assets	198,247	
 TOTAL ASSETS		652,538

***** L I A B I L I T I E S A N D E Q U I T Y *****

Current Liabilities		
Accounts Payable	866	
Accrued Interest Payable	0	
Interprogram Due to Cordillera	0	
Prepaid Rent	0	
Tenant Security Deposits	0	
Total Current Liabilities	866	
 Long-Term Liabilities		
Long-Term Debt, Net of Current	0	
Total Long-Term Liabilities	0	
 TOTAL LIABILITIES		866
 Equity		
Prior Year Equity Balance	643,447	
Prior Period Adjustment	0	
Retained Earnings	8,225	
Total Equity	651,672	
 TOTAL EQUITY		651,672
 TOTAL LIABILITIES AND EQUITY		652,538

CORDILLERA INCOME STATEMENT
August 31, 2016

YTD %
91.67

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
Gross Potential Rent	13,695	13,400	295	147,515	160,800	-13,285	91.74
Manager's Unit - moved to expense	0	0	0	0	0	0	0.00
Vacancy Loss	0	-353	353	-2,540	-4,230	1,690	60.04
Rebates	0	0	0	0	0	0	0.00
Net Dwelling Rent	13,695	13,048	648	144,975	156,570	-11,595	92.59
Tenant Charges	836	129	707	2,745	1,550	1,195	177.11
Laundry Revenue	0	150	-150	1,491	1,800	-309	82.84
Other Income	0	0	0	0	0	0	0.00
Investment Income	77	34	43	922	412	510	223.67
TOTAL REVENUES	14,608	13,361	1,247	150,133	160,332	-10,199	93.64
Resident Manager Expense	1,010	1,040	-30	11,757	12,480	-723	94.21
Advertising	0	42	-42	0	500	-500	0.00
Audit	0	25	-25	42	300	-258	14.11
Bad Debts	0	73	-73	0	880	-880	0.00
Credit and Collection Expense	0	38	-38	105	450	-345	23.33
Legal Expense	0	100	-100	0	1,200	-1,200	0.00
Management Fees (RSC)	695	628	67	6,956	7,530	-574	92.38
Management Fees (HACB)	600	600	0	6,600	7,200	-600	91.67
Consulting Fees	0	0	0	0	0	0	0.00
Office Supplies	47	87	-40	827	1,044	-217	79.22
Other Admin. Expense	0	8	-8	65	100	-35	64.80
Property Taxes	0	0	0	91	0	91	0.00
Resident Activities	0	25	-25	0	300	-300	0.00
Telephone	121	120	1	1,319	1,440	-121	91.60
Total Admin Costs	2,473	2,785	-313	27,762	33,424	-5,662	83.06
Electricity	437	146	291	2,491	1,750	741	142.36
Gas	233	458	-225	3,327	5,500	-2,173	60.49
Water	494	700	-206	4,475	8,400	-3,925	53.27
Sewer	460	477	-18	4,596	5,727	-1,131	80.25
Total Utilities-Project	1,624	1,781	-157	14,889	21,377	-6,488	69.65
Unit Turnover Maintenance	202	1,942	-1,740	17,570	23,300	-5,730	75.41
Grounds Maintenance	515	707	-192	5,915	8,480	-2,565	69.75
Routine Maintenance Contracts	2,372	1,595	777	30,252	19,140	11,112	158.06
Capital Improv/Replacements	0	883	-883	54,581	10,600	43,981	514.92
Trash-Project	803	395	408	5,816	4,738	1,078	122.75
Total Maintenance Costs	3,892	5,522	-1,629	114,134	66,258	47,876	172.26
Interest Expense	25	26	0	280	306	-26	91.56
Insurance-Liab/Auto/Prop	436	711	-275	6,191	8,532	-2,341	72.56
Total Other Expenses	461	737	-275	6,471	8,838	-2,367	73.22
TOTAL EXPENSES	8,451	10,825	-2,374	163,257	129,897	33,360	125.68
RETAINED EARNINGS	6,158	2,536	3,621	-13,124	30,435	-43,559	-43.12
- Principal Payments	0	-184	184	0	-2,213	2,213	0.00
- Capital Improvements-Assets	0	1,500	-1,500	0	18,000	-18,000	0.00
NET CASH FLOW	6,158	852	5,306	-13,124	10,222	-23,346	-128.39
Depreciation & Amortization	1,405	0	1,405	15,450	0	15,450	0.00

**CORDILLERA APTS
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets

Cash - Unrestricted	276,088
Accounts Receivable-Misc	0
Accounts Receivable-Tenants	3,372
Interprogram Due from General Fund	0
Tenant Security Deposits	8,250
Investments - Unrestricted	0
Investments - Restricted	0
Total Current Assets	287,710

Fixed Assets

Land	188,299
Buildings	581,961
Appliances - Dwelling units	10,722
Accumulated Depreciation	-400,678
Total Fixed Assets	380,304

Other Assets

Prepaid Expenses	3,488
Total Other Assets	3,488

TOTAL ASSETS	671,502
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***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable	0
Interprogram Due to General Fund	0
Accrued Interest Payable	280
Prepaid Rent	959
Tenant Security Deposits	8,850
Total Current Liabilities	10,089

Long-Term Liabilities

Long-Term Debt, Net of Current	30,560
Total Long-Term Liabilities	30,560

TOTAL LIABILITIES	40,649
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Equity

Prior Year Equity Balance	659,427
Retained Earnings	-28,574
Total Equity	630,853

TOTAL EQUITY	630,853
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TOTAL LIABILITIES AND EQUITY	671,502
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1200 PARK AVENUE L.P.
BALANCE SHEET
August 31, 2016

***** A S S E T S *****

Current Assets

Cash - Operating	83,145
Cash - Petty Cash	500
Cash - Replacement Reserve	245,601
Cash - Security Deposits	38,403
Accounts Receivable-Tenants	-446
Accounts Receivable-Other	0
Prepaid Expenses	15,974
Total Current Assets	383,177

Fixed Assets

Land	629,523
Buildings	18,372,150
Furniture & Equipment	135,092
Accumulated Depreciation	-4,760,704
Total Fixed Assets	14,376,061

Other Assets

Tax Credit & Organizational Fees, Net of Amort.	53,855
Total Other Assets	53,855

TOTAL ASSETS 14,813,093

***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable	191
Accrued Expenses	14,352
Accrued Interest Payable - Current	48,667
Prepaid Rent	2,981
Tenant Security & Key Deposits	36,603
Total Current Liabilities	102,794

Long-Term Liabilities

Accrued Fees	12,682
Accrued Interest Payable - Net of Current	527,171
Loan Payable - HACB	1,104,578
Loan Payable - City of Chico	3,675,000
Loan Payable - CITIBANK/Berkadia	1,983,924
Total Long-Term Liabilities	7,303,355

TOTAL LIABILITIES 7,406,149

Equity

Partner's Equity	7,684,634
Retained Earnings	-277,690
Total Equity	7,406,944

TOTAL EQUITY 7,406,944

TOTAL LIABILITIES AND EQUITY 14,813,093

1200 PARK AV INCOME STATEMENT

August 31, 2016

YTD %
66.67

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
REVENUES							
Potential Dwelling Rent	60,942	57,391	3,551	475,847	688,694	-212,847	69.09
Vacancy Loss	-43	-1,008	965	-3,532	-12,098	8,566	29.20
Staff Rent Free Unit	0	-737	737	-3,310	-8,844	5,534	37.43
Net Dwelling Rent	60,899	55,646	5,253	469,005	667,752	-198,747	70.24
Tenant Charges	102	207	-105	3,478	2,480	998	140.23
Laundry Income	950	1,000	-50	8,690	12,000	-3,311	72.41
Interest Income	2	7	-5	41	81	-40	51.14
TOTAL REVENUES	61,953	56,859	5,093	481,214	682,313	-201,099	70.53
EXPENDITURES							
Audit Fee	0	363	-363	4,350	4,350	0	100.00
Franchise Tax Fee	0	67	-67	0	800	-800	0.00
Insurance-Property/Liability/Flood	1,288	1,356	-67	10,499	16,266	-5,767	64.55
Legal Expense	-2,366	100	-2,466	256	1,200	-944	21.33
Management Fee	3,074	2,834	240	23,905	34,011	-10,106	70.29
Marketing & Renting Expenses	124	142	-18	1,236	1,704	-468	72.55
Misc. Administrative	119	630	-512	9,627	7,565	2,062	127.26
Office Supplies & Contracts	2,121	765	1,356	5,878	9,181	-3,303	64.02
Property Taxes	22	24	-2	176	288	-112	61.06
Resident Supplies	411	434	-23	2,189	5,208	-3,019	42.04
Telephone	1,233	645	588	7,684	7,740	-56	99.27
Travel & Training	0	193	-193	1,229	2,321	-1,092	52.97
Total Administrative Costs	6,027	7,553	-1,525	67,029	90,634	-23,605	73.96
Administrative Salaries	2,815	2,903	-88	30,479	34,831	-4,352	87.51
Maintenance Salaries	3,208	2,516	693	23,604	30,189	-6,585	78.19
Payroll Taxes & Fringe Benefits	1,969	2,520	-551	21,543	30,243	-8,700	71.23
Total Salary & Benefits	7,992	7,939	54	75,627	95,263	-19,636	79.39
Electricity	6,105	3,513	2,592	32,177	42,150	-9,973	76.34
Gas	62	66	-4	548	795	-247	68.95
Water & Sewer	3,877	3,481	395	29,104	41,775	-12,671	69.67
Total Utilities	10,043	7,060	2,983	61,829	84,720	-22,891	72.98
Elevator Maintenance	1,456	665	791	12,023	7,974	4,049	150.77
Janitorial Maint. & Supplies	-383	1,713	-2,096	2,779	20,550	-17,771	13.53
Landscape Maint. & Supplies	990	1,337	-347	14,512	16,040	-1,528	90.47
Maintenance Supplies	394	567	-173	2,180	6,800	-4,620	32.07
Maint. Repairs Contracts	80	1,799	-1,719	6,084	21,590	-15,506	28.18
Security Contract & Supplies	757	644	113	5,728	7,728	-2,000	74.12
Unit Turnover Costs	359	367	-7	5,394	4,400	994	122.58
Trash Removal	1,716	680	1,036	7,212	8,160	-949	88.38
Total Maintenance Costs	5,369	7,770	-2,401	55,912	93,242	-37,330	59.96
Bad Debt Expense	0	175	-175	915	2,100	-1,185	43.56
Capital Improvements (Expensed)	-477	2,350	-2,827	860	28,200	-27,340	3.05
Depreciation & Amortization	39,066	39,039	27	312,530	468,473	-155,943	66.71
Interest Expense-Mortgage	11,759	11,768	-9	94,628	141,215	-46,587	67.01
Total Other	50,348	53,332	-2,984	408,933	639,988	-231,055	63.90
TCM & SM Fees (prior yr excess cash)	0	0	0	0	0	0	0.00
Accr. Interest-City of Chico	6,125	6,125	0	49,000	73,500	-24,500	66.67
Accr. Interest-HACB	4,455	4,369	86	34,613	52,433	-17,820	66.01
Accr. Interest-Def Dev Fee	0	0	0	0	0	0	0.00
Accr. Annual Admin & Social Serv. Fees	0	994	-994	5,962	11,923	-5,962	50.00
Total Accrued Expenses	10,580	11,488	-908	89,574	137,856	-48,282	64.98
TOTAL EXPENSES	90,360	95,142	-4,782	758,904	1,141,703	-382,799	66.47
RETAINED EARNINGS	-28,408	-38,283	9,875	-277,690	-459,390	181,700	60.45
+ Depreciation & Amortization	39,066	39,039	27	312,530	468,473	-155,943	66.71
- Capital Expenditures (Assets)	-1	-1,667	1,666	-6,180	-20,000	13,820	30.90
- Loan Principal Payments	3,436	3,407	30	26,929	40,878	-13,949	65.88
+ Accrued Expenses	10,580	11,488	-908	89,574	137,856	-48,282	64.98
- Reserve Usage/Payments	-2,675	1,335	-4,010	-21,427	16,019	-37,446	-133.76
NET OPERATING CASH FLOW	15,127	8,507	6,620	69,878	102,080	-32,202	68.45

**GRIDLEY SPRINGS I
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets

Cash - Operating	99,007
Cash - Petty Cash	0
Cash - Replacement Reserve	209,197
Cash - Operating Reserve	85,000
Cash - USDA Reserve	28,999
Cash - Security Deposits	11,389
Cash - Other Restricted	914,078
Accounts Receivable-Tenants	32,124
Accounts Receivable-Other	15,190
Prepaid Expenses	6,586
Total Current Assets	1,401,570

Fixed Assets

Land	149,957
Buildings and Land Improvements	3,303,597
Furniture & Equipment	373,940
Accumulated Depreciation	-326,168
Total Fixed Assets	3,501,326

Other Assets

Deposits - Utility	200
Tax Credit & Organizational Fees, Net of Amort.	83,009
Total Other Assets	83,209

TOTAL ASSETS

4,986,105

***** L I A B I L I T I E S A N D E Q U I T Y *****

Current Liabilities

Accounts Payable	6,205
Accrued Expenses	199,702
Accrued Interest Payable - Current	57,394
Prepaid Rent	54
Tenant Security & Key Deposits	11,116
Total Current Liabilities	274,471

Long-Term Liabilities

Accrued Interest Payable - Net of Current	0
Mortgages Payable	4,188,220
Total Long-Term Liabilities	4,188,220

TOTAL LIABILITIES

4,462,691

Equity

Partner's Equity	493,181
Retained Earnings	30,233
Total Equity	523,414

TOTAL EQUITY

523,414

TOTAL LIABILITIES AND EQUITY

4,986,105

Income Statement Summary
Gridley Springs
U.S. Residential Group LLC
As of August, 2016

Square Feet:	25,500
Units:	32

Tree: wc_js2

Revenue	August				Year-To-Date			
	Actual	%	Budget	Variance	Actual	%	Budget	Variance
Rent Per Schedule	\$ 23,540	106.3%	\$ 23,540	\$ -	\$ 188,320	107.4%	\$ 188,320	\$ -
Leases (Under) Over	(1,400)	-6.3%	(1,191)	(209)	(13,046)	-7.4%	(10,399)	(2,647)
Gross Possible Rent	22,140	100.0%	22,349	(209)	175,274	100.0%	177,921	(2,647)
Vacancy Loss	(417)	-1.9%	(471)	54	(1,889)	-1.1%	(3,297)	1,408
Other Rental Losses	(149)	-0.7%	-	(149)	(388)	-0.2%	-	(388)
Total Rental Losses	(566)	-2.6%	(471)	(95)	(2,277)	-1.3%	(3,297)	1,020
Net Rental Revenue	21,574	97.4%	21,878	(304)	172,997	98.7%	174,624	(1,627)
Other Revenue	228	1.0%	395	(168)	2,523	1.4%	2,935	(412)
Total Revenue	21,801	98.5%	22,273	(472)	175,520	100.1%	177,559	(2,039)
Operating Expenses								
Salaries	1,715	7.7%	3,821	2,106	35,462	20.2%	30,568	(4,894)
Management Fees	1,550	7.0%	1,550	-	12,650	7.2%	12,450	(200)
Property Administration	598	2.7%	750	152	12,477	7.1%	15,350	2,873
Leasing	-	0.0%	-	-	-	0.0%	250	250
Utilities	6,135	27.7%	1,586	(4,549)	19,751	11.3%	12,742	(7,009)
Services	2,084	9.4%	1,833	(251)	17,331	9.9%	14,914	(2,417)
Cleaning & Decorating	75	0.3%	251	176	197	0.1%	1,620	1,423
Repairs & Maintenance	34	0.2%	260	226	1,171	0.7%	2,130	959
Property Taxes	342	1.5%	342	0	2,733	1.6%	2,736	3
Hazard Insurance	732	3.3%	766	34	5,948	3.4%	6,128	180
Total Operating Expenses	13,263	59.9%	11,159	(2,104)	107,721	61.5%	98,888	(8,833)
Net Operating Income	8,538	38.6%	11,114	(2,576)	67,799	38.7%	78,671	(10,872)
Property Replacement								
Recurring	810	3.7%	1,402	592	5,159	2.9%	7,510	2,351
Non Recurring	-	0.0%	-	-	981	0.6%	-	(981)
Total Property Replacements	810	3.7%	1,402	592	6,140	3.5%	7,510	1,370
Interest Expense	3,692	16.7%	3,692	(0)	31,305	17.9%	29,564	(1,741)
Non-Operating Expenses	16	0.1%	-	(16)	121	0.1%	-	(121)
Net Income	\$ 4,020	18.2%	6,020	(2,000)	\$ 30,233	17.2%	41,597	(11,364)

**HARVEST PARK
BALANCE SHEET
August 31, 2016**

***** A S S E T S *****

Current Assets

Cash - Unrestricted	166,954
Cash - Development	72,844
Cash - Security Deposits	52,800
Cash - Replacement Reserve	68,578
Cash - Escrows	300,625
Accounts Receivable-Tenants	17,608
Accounts Receivable-Other	0
Prepaid Expenses	17,005
Total Current Assets	696,414

Fixed Assets

Land	1,375,634
Buildings and Improvements	14,057,044
Furniture & Equipment	1,299,270
Accumulated Depreciation	-1,393,387
Total Fixed Assets	15,338,561

Other Assets

Tax Credit & Organizational Fees, Net of Amort.	395,609
Total Other Assets	395,609

TOTAL ASSETS 16,430,584

***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable	23,207
Accrued Expenses	63,821
Accrued Interest Payable - Current	0
Prepaid Rent	4,795
Tenant Security & Key Deposits	51,300
Total Current Liabilities	143,123

Long-Term Liabilities

Accrued Interest Payable - Net of Current	573,288
Loan Payable - HACB	617,395
Loan Payable - City of Chico	8,820,833
Mortgage Payable	4,245,833
Total Long-Term Liabilities	14,257,349

TOTAL LIABILITIES 14,400,472

Equity

Partner's Equity	2,186,712
Retained Earnings	-156,600
Total Equity	2,030,112

TOTAL EQUITY 2,030,112

TOTAL LIABILITIES AND EQUITY 16,430,584

HARVEST PARK APARTMENTS - January 1, 2016 to August 31, 2016

Budget Comparison

Period = Aug 2016

Book = Accrual ; Tree = is_cashbal1

	PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
OPERATING INCOME									
Rental Income	68,698.00	65,725.00	2,973.00	4.52	535,356.87	526,329.00	9,027.87	1.72	789,229.00
Vacancy	-1,634.00	-1,458.98	-175.02	-12.00	-9,053.64	-12,036.58	2,982.94	24.78	-17,872.50
Bad Debt	0.00	0.00	0.00	N/A	-1,117.00	-1,650.00	533.00	32.30	-2,200.00
Other Income	511.98	805.00	-293.02	-36.40	10,156.41	3,851.09	6,305.32	163.73	6,208.12
TOTAL OPERATING INCOME	67,575.98	65,071.02	2,504.96	3.85	535,342.64	516,493.51	18,849.13	3.65	775,364.62
OPERATING EXPENSES									
Renting Expenses	415.68	291.20	-124.48	-42.75	864.13	3,164.60	2,300.47	72.69	5,024.40
Administrative Expenses	10,434.59	9,700.63	-733.96	-7.57	86,945.32	86,825.71	-119.61	-0.14	120,468.58
Utility Expense	5,571.71	5,868.00	296.29	5.05	33,073.12	44,869.00	11,795.88	26.29	67,216.00
Operating and Maint Exp	9,150.99	7,091.78	-2,059.21	-29.04	63,750.65	69,421.04	5,670.39	8.17	101,036.14
Taxes and Insurance	3,684.27	5,299.94	1,615.67	30.48	41,186.13	41,717.96	531.83	1.27	62,152.90
Activities	869.62	663.00	-206.62	-31.16	1,934.43	4,264.00	2,329.57	54.63	6,076.00
TOTAL OPERATING EXPENSES	30,126.86	28,914.55	-1,212.31	-4.19	227,753.78	250,262.31	22,508.53	8.99	361,974.02
NET OPERATING INCOME (LOSS)	37,449.12	36,156.47	1,292.65	3.58	307,588.86	266,231.20	41,357.66	15.53	413,390.60
NON OPERATING INCOME (EXPENSES)									
Financial Expenses	-18,483.56	-17,867.13	-616.43	-3.45	-150,989.02	-151,963.79	974.77	0.64	-223,432.31
Income from Investments	0.00	1.83	-1.83	-100.00	0.00	14.64	-14.64	-100.00	21.96
Mortgagor Income (Expenses)	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	-28,195.00
TOTAL NON OPER INCOME (EXPENSES)	-18,483.56	-17,865.30	-618.26	-3.46	-150,989.02	-151,949.15	960.13	0.63	-251,605.35
TAXABLE INCOME (LOSS)	18,965.56	18,291.17	674.39	3.69	156,599.84	114,282.05	42,317.79	37.03	161,785.25
CASH FLOW ADJUSTMENTS:									
Mortgage Payable	-4,166.67	-4,166.67	0.00	0.00	-33,333.36	-33,333.36	0.00	0.00	-50,000.04
Capital Expenditures	-5,567.58	-1,155.00	-4,412.58	-382.04	-9,253.56	-3,652.00	-5,601.56	-153.38	-4,332.00
Res for Replacement Funding	-2,332.50	-2,333.00	0.50	0.02	-18,660.00	-18,664.00	4.00	0.02	-27,996.00
Mortgagor Expenses	0.00	0.00	0.00	N/A	0.00	0.00	0.00	N/A	-28,195.00
TOTAL CASH FLOW ADJUSTMENTS:	-12,066.75	-7,654.67	-4,412.08	-57.64	-61,246.92	-55,649.36	-5,597.56	-10.06	-110,523.04
NET CASH FLOW	6,898.81	10,636.50	-3,737.69	-35.14	95,352.92	58,632.69	36,720.23	62.63	51,262.21
ADDITIONAL ADJ TO CASH FLOW									
Cash - Other	-619.26	0.00	-619.26	N/A	-4,954.09	0.00	-4,954.09	N/A	0.00

WALKER COMMONS
BALANCE SHEET
August 31, 2016

***** A S S E T S *****

Current Assets

Cash - Unrestricted	141,503
Cash - USRG Restricted Reserves	22,326
Tenant Security Deposits	25,522
Accounts Receivable - Misc.	0
Accounts Receivable - Tenants	2,807
Allowance for Doubtful Accounts	-2,594
Investments - Unrestricted	0
Investments - Restricted Reserves	256,340
Prepaid Expenses	4,701
Total Current Assets	450,605

Fixed Assets

Land	600,000
Buildings	2,711,451
Furniture and Equipment	75,044
Accumulated Depreciation	-1,494,745
Total Fixed Assets	1,891,750

Other Assets

Fees net of amortization	5,442
Total Other Assets	5,442

TOTAL ASSETS	2,347,797
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***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable	3,896
Accrued Liabilities	10,943
Accrued Interest Payable - Current	10,000
Prepaid Rent	0
Tenant Security deposits	25,522
Total Current Liabilities	50,361

Long-Term Liabilities

Accrued Interest Payable - Net of Current	86,382
Long-Term Debt - Note Payable	500,000
Total Long-Term Liabilities	586,382

TOTAL LIABILITIES	636,743
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Equity

Partner's Equity	1,616,070
Retained Earnings	94,984
Total Equity	1,711,054

TOTAL EQUITY	1,711,054
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TOTAL LIABILITIES AND EQUITY	2,347,797
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WALKER COMMONS INCOME STATEMENT

August 31, 2016

YTD %
66.67

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
REVENUES							
Potential Dwelling Rent	31,997	32,528	-531	258,977	390,336	-131,359	66.35
Vacancy Loss	0	-327	327	-1,473	-3,919	2,446	37.58
Manager's Unit - moved to expense	0	0	0	0	0	0	0.00
Net Dwelling Rent	31,997	32,201	-204	257,504	386,417	-128,913	66.64
Tenant Charges	0	375	-375	233	4,500	-4,267	5.17
Laundry Revenue	0	225	-225	1,049	2,700	-1,651	38.85
Investment Income	15	25	-10	164	300	-136	54.83
TOTAL REVENUES	32,012	32,826	-814	258,950	393,917	-134,967	65.74
EXPENSES							
Advertising	0	17	-17	0	200	-200	0.00
Audit Fee	0	363	-363	4,350	4,350	0	100.00
Credit & Collection Expense	0	92	-92	0	1,100	-1,100	0.00
Franchise Tax Board Fee	0	67	-67	800	800	0	100.00
Insurance-Liability/Property	588	506	81	4,883	6,075	-1,192	80.38
Legal Fees	0	0	0	0	0	0	0.00
Management Fees	1,960	1,937	23	15,330	23,246	-7,916	65.95
Misc. Admin. Costs	270	75	195	5,529	900	4,629	614.29
Office Supplies	481	67	415	2,589	800	1,789	323.58
Partnership Expense	625	625	0	5,625	7,500	-1,875	75.00
Property Taxes & Assessments	0	10	-10	91	120	-29	76.17
Resident Services/Supplies	108	250	-142	1,031	3,000	-1,969	34.36
Security Services	300	333	-33	2,475	4,000	-1,525	61.88
Telephone	0	20	-20	31	240	-209	12.76
Training	7	108	-102	130	1,300	-1,170	9.99
Total Admin Costs	4,338	4,469	-131	42,863	53,631	-10,768	79.92
Site Manager: Salary & Free Rent	5,477	1,802	3,675	14,631	21,624	-6,993	67.66
Site Maintenance: Salary	0	1,300	-1,300	0	15,600	-15,600	0.00
Payroll Taxes & Benefits	562	1,028	-466	3,306	12,335	-9,029	26.80
Total Salary and Benefits	6,038	4,130	1,908	17,937	49,559	-31,622	36.19
Electricity	926	583	343	4,094	7,000	-2,906	58.48
Gas	60	167	-107	713	2,000	-1,287	35.65
Water and Sewer	1,800	2,428	-628	17,128	29,138	-12,010	58.78
Total Utilities-Project	2,786	3,178	-392	21,935	38,138	-16,203	57.51
Landscape Maintenance	1,755	1,500	255	15,905	18,000	-2,095	88.36
Maintenance Materials	822	0	822	2,141	0	2,141	0.00
Other Maintenance Contracts	724	1,096	-372	7,373	13,150	-5,777	56.07
Trash Removal	200	219	-19	1,600	2,625	-1,025	60.95
Unit Turnover Maintenance	89	903	-815	119	10,840	-10,721	1.10
Total Maintenance Costs	3,589	3,718	-129	27,139	44,615	-17,476	60.83
Capital Improvements (Expensed)	359	1,385	-1,027	616	16,623	-16,007	3.70
Extraordinary Maintenance	0	0	0	0	0	0	0.00
Depreciation & Amortization	5,435	6,082	-647	43,477	72,982	-29,505	59.57
Interest Expense-Chico	1,250	1,250	0	10,000	15,000	-5,000	66.67
Bad Debt-Tenants	0	417	-417	0	5,000	-5,000	0.00
Total Other Expenses	7,043	9,134	-2,091	54,092	109,605	-55,513	49.35
TOTAL EXPENSES	23,794	24,629	-835	163,966	295,548	-131,582	55.48
RETAINED EARNINGS	8,218	8,197	20	94,984	98,369	-3,385	96.56
+ Deprec & Amort	5,435	6,082	-647	43,477	72,982	-29,505	59.57
- Capital Improvements/Replcmnts	0	8,750	-8,750	3,540	105,000	-101,460	3.37
- Debt Payments	0	0	0	0	0	0	0.00
- Transfer to Reserves	-933	-933	0	-7,467	-11,200	3,733	66.67
NET CASH FLOW	12,719	4,596	8,123	127,454	55,151	72,303	231.10

MEMO

Date: October 14, 2016

To: BCAHDC Board of Directors

From: Larry Guanzon, HACB Housing Director

Subject: Status Report – LIHTC Properties

- Walker Commons Apartments, Chico (56 units, LIHTC, senior/disabled)
- 1200 Park Avenue Apartments, Chico (107 units, LIHTC, senior)
- Harvest Park Apartments, Chico (90 units, LIHTC, family)
- Gridley Springs I Apartments, Gridley (32 units, LIHTC, family)
- Cordillera Apartments, Chico (20 units, family)

Walker Commons Apartments, Chico (60 units, LIHTC, Senior & Disabled, MGP: BCAHDC, PM: USRG) – The property at this time has two (2) vacancies. USRG assumed property management duties on January 1, 2016. Unfortunately, we will be discussing a change in 3rd party property management; such change to be discussed in another memo. More warrantied plants and trees have been replaced by the landscape renovation contractor, Ruffino’s Landscaping. ADA parking lot improvements and buildings siding replacements are being planned.

1200 Park Avenue Apartments, Chico (107 units, LIHTC, Senior, MGP: BCAHDC, PM: Winn Residential) – This property currently has one (1) vacancy. Winn Residential has hired a new regional manager to replace Latasha Reed, who has taken a leave of absence. The new regional manager is Roxann Cowee, who previously worked for USRG and oversaw both the Walker Commons and Chico Commons Apartments properties. Because of the management transition, the 2017 budget is scheduled for Board adoption at a special November meeting.

Harvest Park Apartments, Chico (90 units, LIHTC, Family, MGP: BCAHDC, PM WinnResidential) – Harvest Park currently has one (1) vacancy. The property continues operations per budget. Winn Residential has hired a new on-site manager, who has recently moved in. In fact, the new on-site manager, Jennifer Dormandy, was US Residential’s Site Manager at the Walker Commons and Chico Commons Apartments properties. Winn Residential has also hired Regional Manager Roxanne Cowee of USRG. Because of management transitions, the 2017 budget will be brought to the Board at a special meeting in November.

Gridley Springs I Apartments, Gridley (24 units, LIHTC, Family, MGP: BCAHDC, PM: US Residential) – There currently are three (3) vacancies at the property. US Residential is replacing the on-site manager, who is out on extended leave. The new manager is to move in

during November. The complex is currently being managed on-site by resident managers of USRG working in area properties. There may be a change in 3rd party property management in the future.

Cordillera Apartments, Chico (20 units, Family, Owner: BCAHDC, PM: RSC Assoc.) – The property has zero (0) vacancies at this time. Please find RSC Associates' monthly report following. We will continue to make capital improvements as cash flow allows: replacing patios railings and exterior windows, and completing exterior painting, all targeted to upgrade the property's curb appeal and valuation.

October 13, 2016

Mr. Ed Mayer, Executive Director
Housing Authority of the County of Butte
2039 Forest Avenue - Suite 10
Chico, CA 95928

RE: CORDILLERA APARTMENTS

Dear Ed:

Please find enclosed for your review the September 30, 2016, financial statement. As this statement represents the end of the fiscal year, most of our attention will be focused on the year-end income and expenses. This statement is accompanied by the following information for the Cordillera Apartments.

1. Project Cash Flow and Bank Account Summary, Budget Comparison, General Ledger, Trial Balance and Tenant Rent Roll.
2. 12 Month Income Statement
3. 2015/2016 Performance Review.
4. Tenant Rent Analysis.
5. 2015/2016 Turnover Analysis.
6. Capital Improvement Summary.

Cordillera Apartments ended the month of September with no vacant units as the property had one new move-ins and no new move-outs during the month. Compared to last year, our vacancy loss is down by \$10,753.00.

The total rental income through the end of the fiscal year was \$147,405.79 which was \$175.79 better than budget mainly as a result of above budget rent potential and less vacancy loss. Total service income came in at \$4,606.75 and was above budget by \$1,244.75 for the year. This variance was mainly due to late charges and utility reimbursements that came in above budget. This brought the total income through the end of the year to \$152,012.54 and above budget by \$1,420.54 for the reasons described above.

Moving on to the year-end expenses, you will see that the renting expenses came in at \$899.50 which was less than expected as advertising, office supplies, and resident activities costs were all below budget. Total administrative expenses were also less than budget at \$20,836.43 for the year. Total operating expenses were \$27,355.60 which was better than budget by \$441.40 mainly as a result of below budget gas, water and sewer expenses. Apartment turnover expenses came in at \$22,888.39 for the year which was \$5,148.39 above budget. The turnover expenses were well below budget due to fewer turnovers performed to during the year.

Mr. Ed Mayer, Executive Director
Chico, California

October 13, 2016
Page 2

Total maintenance expenses were \$34,503.20 and over budget by \$8,563.20 for the year. Most of this variance can be attributed to above budget repairs – labor and materials expenses. After insurance and taxes the net operating income came to \$44,087.21 and better than budget by \$2,849.21 for the reasons mentioned above.

Capital improvement costs totaled \$62,872.26 which was well above budget by \$34,272.26 for the year. Most of this variance can be attributed to the total re-pipe of the hot and cold water lines during the year. The property did not post any capital improvements costs for the month of September. This brought the net project cash flow to a negative \$21,303.68 and \$31,422.68 below budget for reasons previously mentioned. After an owner advance of \$18,000.00 and an owner withdrawal of \$7,000.00 for the year the cash flow came to a negative \$10,303.68.

As you review the Cash Balance Summary on Page 3 of the Cash Flow Statement, you will note that the property ended the month and year with total cash on hand at \$28,738.40. Of that amount, \$3,000.00 is in the general checking account, \$25,728.09 in the general savings account and \$10.31 in the replacement reserve account.

Please give me a call if you have any questions regarding the Cordillera Apartments.

Sincerely yours,

CORDILLERA APARTMENTS



Richard Gillaspie
Property Manager

RG:cb
Enclosures

CORDILLERA APARTMENTS
2015 - 2016 PERFORMANCE REVIEW

CA06pr

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
TOTAL INCOME 2010/11	10808	11732	10351	11645	13795	9302	11110	11453	12341	8815	13727	12023	137,102
TOTAL INCOME 2011/12	13740	8981	14399	12323	12237	12777	13239	12465	13476	10538	12580	10722	147,476
TOTAL INCOME 2012/13	11389	11484	11819	11973	14126	11965	13079	12349	13616	10181	14489	9926	146,396
TOTAL INCOME 2013/14	12142	11712	11065	11430	14576	11920	11848	11872	12906	12019	11183	11554	144,226
TOTAL INCOME 2014/15	13264	11964	11308	10500	9853	9942	10261	11854	13959	13236	12927	11227	140,293
TOTAL INCOME 2015/16	10964	11839	12711	13063	13605	13294	11700	11879	13338	12835	13897	12887	152,013
VARIANCE	-2300	-125	1403	2563	3753	3353	1439	26	-621	-401	970	1660	11,719

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2010/11 VACANCY LOSS	9	0	0	-520	-1098	-2045	-1618	-1357	-507	-685	-458	-260	-8,538
2011/12 VACANCY LOSS	-275	-275	-275	-487	-960	0	0	0	-614	0	0	-144	-3,030
2012/13 VACANCY LOSS	-685	-1416	-1987	-982	-320	0	-68	0	0	0	0	-114	-5,571
2013/14 VACANCY LOSS	-685	-1085	-685	-228	-128	-93	-1357	-731	-55	-685	-685	-685	-7,102
2014/15 VACANCY LOSS	-732	-376	0	-2,509	-3677	-2737	-2550	-1370	-611	0	0	1225	-13,337
2015/16 VACANCY LOSS	0	-695	-400	23	0	0	-348	-118	-701	-303	0	-45	-2,584
VARIANCE	732	-319	-400	2533	3677	2737	2202	1253	-90	-303	0	-1269	10,753

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2010/11 UNPAID RENTS	-63	0	-936	-201	710	-1576	615	402	163	-2203	1396	-260	-1,953
2011/12 UNPAID RENTS	-1439	-2314	2437	-490	-316	724	507	-422	1415	-474	-98	-1626	-2,096
2012/13 UNPAID RENTS	-1974	-747	-519	66	2182	-213	-26	-150	299	-1595	-278	-1674	-4,631
2013/14 UNPAID RENTS	-1762	-188	-179	-1539	1407	-637	598	0	-250	0	0	-420	-2,971
2014/15 UNPAID RENTS	493	-1190	-2278	588	1301	1	-11	-554	85	475	432	-2162	-2,822
2015/16 UNPAID RENTS	-1094	-302	205	-16	823	-1640	-142	-1307	1698	-66	-430	135	-2,137
VARIANCE	-1567	888	2483	-604	-478	-1640	-131	-753	1613	-541	-862	2297	685

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2010/11 TOTAL OPER. EXP.	7399	5850	6602	6168	5458	6659	8887	4913	4477	5719	5279	4830	72,240
2011/12 TOTAL OPER. EXP.	5812	4388	4790	5734	10995	9035	6164	5620	5046	9300	7339	5746	79,970
2012/13 TOTAL OPER. EXP.	8538	9295	6483	8170	6966	5661	5398	7233	7178	5882	6259	9323	86,386
2013/14 TOTAL OPER. EXP.	10653	11934	13419	6836	6025	5393	8312	8774	12084	5946	11078	5747	106,201
2014/15 TOTAL OPER. EXP.	9777	7662	8765	7841	8345	13740	6859	6171	14768	7212	6035	10136	107,310
2015/16 TOTAL OPER. EXP.	7689	6815	13468	10215	5574	6094	11930	9206	11314	8233	7254	8134	107,925
VARIANCE	-2088	-847	4703	2374	-2771	-5648	5071	3035	-3454	1021	1219	-2002	615

	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY.	JUN.	JUL.	AUG.	SEPT.	TOTAL
2010/11 TOTAL NOI	3409	5882	3750	5477	8338	2644	2223	6540	7863	3097	8447	7195	64,865
2011/12 TOTAL NOI	7928	4592	9609	6589	1241	3742	7076	6845	8429	1238	5241	4975	67,506
2012/13 TOTAL NOI	2850	2189	5337	3803	7160	6305	7681	5116	6438	4299	8230	603	60,010
2013/14 TOTAL NOI	1489	-222	-2354	4595	8551	6527	3535	3098	822	6073	104	5766	37,985
2014/15 TOTAL NOI	3487	4302	2543	2659	1508	-3798	3402	5682	-810	6024	6893	1090	32,983
2015/16 TOTAL NOI	3275	5025	-757	2848	8031	5201	-230	2673	2023	4601	6643	4753	44,087
VARIANCE	-212	722	-3300	189	6524	8999	-3632	-3009	2833	-1423	-250	3662	11,104

EMM

MEMO

Date: October 14, 2016

To: Board of Directors

- Banyard Management
- Butte County Affordable Housing Development Corporation (BCAHDC)

From: Larry Guanzon, HACB Housing Director
Ed Mayer, Executive Director

Subject: Property Management – US Residential Group

- Chico Commons Apartments, Chico (Banyard)
- Walker Commons Commons Apartments, Chico (BCAHDC)

US Residential Group (USRG) assumed property management at the subject properties January 1, 2016. Both these properties were previously managed in-house, by the HACB.

USRG initially proposed budgets at the properties showing that they would be able to operate at a lower cost than that accomplished by HACB. What looked like a “win-win” for both the HACB and USRG has been compromised by ensuing events, leading USRG to indicate they cannot deliver as promised – they are seeking to be replaced.

- 1) Shortly after being retained, USRG was ***purchased by a larger, national property management firm***, whose corporate policies are substantively different than USRG’s. Significantly, USRG now relies on a third-party contractor to vett vendors at the properties, charging the vendors \$90 annually for such “service”, and requiring unreasonable levels of liability insurance. While this addresses risk, it establishes bars to local providers that are unreasonable. Consequently, local vendors are lost, and more vendors are sourced from Sacramento and the Bay Area, resulting in increased cost structures to the properties. USRG has lost its “local” sensitivities.
- 2) USRG’s Site Manager, and Regional Asset Manager, serving both the Chico Commons and Walker Commons Apartments properties, were hired away by WINN Residential in the last 30 days, leaving a void where these two former employees of USRG had only recently been placed. This transition has caused a void in USRG capacity, requiring USRG to “backfill” from other properties. This change alone has caused a negative ripple effect in the operations of both the Chico Commons and Walker Commons properties.
- 3) Given the management transitions, the HACB is now finding overall issues with vendors not being paid, resident’s needs not being addressed, issues with maintenance, in short, operational instability at both properties.

Dan Liensby, USRG regional VP, has indicated that USRG seeks to withdraw from management of the Chico Commons and Walker Commons Apartment properties. USRG seeks to complete such transition by the end of the year.

The HACB does not recommend a return to HACB management of the properties. HACB has identified and solicited two (2) other property management firms in the area, both of whom specialize in tax-credit management. Both firms are new to Banyard/BCHADC. It is anticipated the proposals and recommendation(s) will be brought to the respective Boards at special meetings in November.




Butte County Affordable Housing Development Corporation

(530) 895-4474
FAX (530) 895-4459
TDD/TTY (800) 735-2929
2039 Forest Avenue • Chico, CA 95928

October 14, 2016

MEMO

To: BCAHDC Board of Directors

From: Tamra C. Young, Secretary 

Subject: (5.2) Chico Valley View Partners LP - \$300,000 predevelopment loan

Per the Board's request at the Special Meeting of BCAHDC in September, attached please find the following documents:

- An email from 3Core outlining the key considerations that 3Core used to approve the original predevelopment loan which, as of today, serves as their response to our request for a credit memo; and
- A copy of the letter from HCD outlining their requirements to repay the \$300,000 predevelopment loan; and
- Resolution No. 16-8C "\$300,000 Pre-development Loan to Chico Valley View Partners LP" (The Resolution has been provided should the Board elect to fund the predevelopment loan).

These items have been provided for the Board's continuing discussion and consideration of North Valley Housing Trust's request regarding the Valley View Apartment project.



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE****Local Housing Trust Fund Program**

2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2771



September 15, 2016

Mr. James Coles
North Valley Community Foundation, as administrator
of the North Valley Housing Trust
Executive Director of the North Valley Housing Trust
240 Main Street, Suite 260
Chico, CA 95973

Re: Local Housing Trust Fund Program (LHTF)
Contract No.: 14-LHTFOTC-9951
Request for Funds No. 1 - \$300,000

Dear Mr. Coles,

At the time North Valley Housing Trust Fund (NVHT) requests the disbursement of Local Housing Trust Fund Program (LHTF) funds from the Department of Housing and Community Development (the Department), please provide the Certified Public Accountant's audit of the California Tax Credit Allocation Committee Final Cost Certification.

In addition to the Final Cost Certification, please provide the final, executable NVHT closing documents related to Request for Funds No. 1 along with escrow's Estimated Settlement Statement, giving the Department sufficient time to review and comment.

Funds will be wired to the escrow company provided to the Department and will occur after review and approval of the above-mentioned Final Cost Certification.

If you have any questions, please contact me at (916) 263-11017 or moira.monahan@hcd.ca.gov. You may also contact Nancy Mee at (916) 263-1542 nmee@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Moira Monahan".

Moira Monahan
Chief
Operations Manager

Tamra Young

Subject: FW: 3CORE Pre-dev Loan to Valley View Apartments - Credit Memo?

----- Original message -----

From: Marc Nemanic <mnemanic@3coreedc.org>

Date: 10/14/2016 10:37 AM (GMT-08:00)

To: Ed Mayer <EdM@Butte-Housing.com>

Cc: Patty Hess <phess@3coreedc.org>, Elke Rist <erist@3coreedc.org>, Alexa Benson-Valavanis <avalavanis@nvcf.org>, Dan Blair <D7BD@pge.com>, Debbie Blue <dblue@nvcf.org>, Karli Olsen <Karli.olsen@kcoe.com>, Kathy Sarmiento <ksarmiento@jobtrainingcenter.org>, Lorri Pride <pride@rpm4you.com>, Luis Moreno <lmoreno@ncen.org>, Star Brown <starbrown@comcast.net>

Subject: RE: 3CORE Pre-dev Loan to Valley View Apartments - Credit Memo?

Ed—I reviewed our project file regarding your request for copy of the 3CORE credit memo, or its equivalent, outlining the 3CORE basis for financing the bridge loan to the Valley View project. This project unfolded over a number of months through the second half of 2015. Some of the project details, costs, and financing elements were in flux. 3CORE issued a number of formal financing proposals in late 2015 leading to loan approval in January 2016.

The internal credit documents are dated and of little use in the HABC given the ebb and flow of the project as well as the passage of time. I believe these documents would only confuse rather than clarify the 3CORE financing decision.

The 3CORE Board of Director approval, however, was based on several key considerations;

- The capacity of the North Valley Catholic Social Services (NVCSS) as Managing Partner of the Chico Valley View Partners (CVVP) LP;
- The long-term lease provided to the CVVP by the City of Chico;
- The take-out financing provides through an approved Local Housing Trust Fund grant awarded to the North Valley Community Foundation on behalf of the North Valley Housing Trust Fund;
- Guarantees from Palm Communities, NVCSS, and Danavon L. Horn, a limited partner in CVVP; and,
- A pre-funded interest reserve for 6 months of the 9 month bridge loan term.

The 3CORE Board of Directors approved the bridge loan based on these considerations. The fact that the State Housing and Community Development Department equivocated, reinterpreted, and applied after-the-fact conditions on the 3CORE bridge loan as eligible match under the already approved Local Housing Trust Fund grant largely eliminated the primary source of repayment.

Thank you for your patience and efforts to find a solution. Call me anytime if you have any questions.

Marc Nemanic
Executive Director



BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 16-8C

\$300,000 PRE-DEVELOPMENT LOAN TO CHICO VALLEY VIEW PARTNERS LP

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC) works to develop housing opportunities for low-income households in Butte County; and,

WHEREAS, the local non-profit, North Valley Catholic Social Services (NVCSS), has organized a Low Income Housing Tax Credit (LIHTC) partnership to build fourteen (14) units of affordable housing in Chico to serve chronically homeless persons with serious mental illness and/or substance abuse issues (Valley View Apartments); and,

WHEREAS, the partnership, known as the Chico Valley View Partners LP (CVVP), includes NVCSS and private LIHTC developer, Palm Communities, as partners; and

WHEREAS, the Valley View Apartment project is supported by the City of Chico in that the land on which the project is being built is owned by the City and provided to CVVP under long-term lease; and

WHEREAS, the project is further supported by Butte County Department of Behavioral Health, who has committed to provision of supportive services to property residents; and,

WHEREAS, CVVP had secured a \$300,000 pre-development loan from the North Valley Housing Trust, in partnership with 3CORE, a local CDFI, such pre-development loan to be repaid at Construction Loan Closing with funds sourced from the State of California Local Housing Trust Fund program (State); and,

WHEREAS, the State clarified its loan repayment policy, such that the pre-development loan would be repaid upon completion of the Cost Certification of the development, a condition 3CORE could not accommodate; and

WHEREAS, BCAHDC has been approached by CVVP to provide \$300,000 in pre-development monies to CVVP to address the absence of 3CORE interests (Loan); and

WHEREAS, CVVP proposes to borrow such funds at an annualized 5% simple interest rate, applying a 2% loan origination fee, such funds to be repaid upon completion of the LIHTC Development Cost Certification from funds reserved for such purposes sourced from CVVP Limited Partner equity and State funds; and

WHEREAS, CVVP proposes to provide guarantees for the repayment of the Loan, such guarantees provided by NVCSS, Palm Communities, and Danavon L. Horn, limited partner in CVVP; and

WHEREAS, BCAHDC has determined the Loan to be in the best interest of BCAHDC, its mission, the community, and local citizenry;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation to authorize the making of a \$300,000 pre-development loan to Chico Valley View Partners LP (CVVP), on behalf of the Valley View Apartments, 101 Silver Dollar Way, Chico, such loan to be repaid upon completion of the Low Income Housing Tax Credit Development Cost Certification, such loan to be guaranteed by North Valley Catholic Social Services, Palm Communities, and Danavon L. Horn, limited partner in CVVP; and further resolved by the Board of Directors to authorize its President to establish such loan documentation in accordance with industry practice and to execute such documentation on behalf of BCAHDC.

October 20, 2016

Edward S. Mayer, President

Tamra C. Young, Secretary