

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION
Board of Directors Regular Meeting
2039 Forest Avenue
Chico, CA 95928**

SPECIAL AGENDA

November 17, 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. 16-9C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
 - 3.1 Harvest Park budget-information.
 - 3.2 Gridley Springs I budget-information.
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Walker Commons Budget – Adopt FY2017 Walker Commons' budget.
Recommendation: Resolution No. 16-9C
 - 5.2 1200 Park Ave Budget – Adopt FY2017 1200 Park Ave budget.
Recommendation: Resolution No. 16-10C

5.3 Walker Commons Apartments, Property Management – Transition of property management for Walker Commons Apartments, Chico.

Recommendation: Motion

5.4 BCAHDC Management – Adopt signing authority resolution.

Recommendation: Resolution No. 16-11C

5.5 BCAHDC Management – Meeting dates.

Recommendation: Motion

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

12. DIRECTORS' CALENDAR

Next meeting – January 19, 2017.

13. ADJOURNMENT

HARVEST PARK, LP
PROPOSED OPERATING BUDGET
JANUARY 1, 2017 TO DECEMBER 31, 2017

	2016 Approved Budget	2017 Proposed Budget	Change
REVENUES			
<i>Potential Dwelling Rent</i>	789,229	819,012	29,783
<i>Vacancy Loss</i>	-17,872	-17,748	124
<i>Manager Unit</i>	-10,980	-10,188	792
Net Dwelling Rent	760,377	791,076	30,699
Tenant Charges	9,860	9,260	-600
Misc. Income	1,870	1,361	-509
TOTAL REVENUES	772,107	801,697	29,590
EXPENSES			
Audit Fee	11,865	11,340	-525
Bank Charges	2,799	2,336	-463
Franchise Tax Fee	800	800	0
Insurance-Property/Liability	27,912	30,246	2,334
Legal Expense	2,700	1,800	-900
Management Fee	37,848	39,497	1,649
Marketing & Renting Expense	4,770	3,354	-1,416
Misc. Admin. Costs	4,909	4,722	-187
Office Supplies & Contracts	5,400	7,161	1,761
Property Taxes	228	491	263
Resident Supplies & Activities	3,476	2,256	-1,220
Telephone	5,000	9,120	4,120
Travel & Training	4,093	1,035	-3,058
Total Admin. Costs	111,800	114,158	2,358
Administrative Salaries	35,645	35,749	104
Maintenance Salaries	29,597	32,251	2,654
Payroll Taxes & Fringe	33,213	38,163	4,950
Total Salary & Benefits	98,455	106,163	7,708
Electricity	17,900	17,050	-850
Gas	800	800	0
Water & Sewer	48,000	48,000	0
Total Utilities	66,700	65,850	-850
Operating and Maintenance Expenses	57,029	57,003	-26
Trash Removal	9,960	10,500	540
Unit Turnover Maintenance	7,050	5,050	-2,000
Total Maintenance Costs	74,039	72,553	-1,486
Total Operating Expenses	350,994	358,724	7,730
Bad Debt Expense	7,700	4,800	-2,900
Partner & Trustee Fees	37,095	47,951	10,856
Interest Expense - Mortgage	264,532	261,895	-2,637
Total Other Expenses	309,327	314,646	5,319
TOTAL EXPENSES	660,321	673,370	13,049
RETAINED EARNINGS	111,786	128,327	16,541
- Capital Improvements (Assets)	-4,332	-7,000	-2,668
- Transfer to Reserve	-27,996	-27,996	0
NET OPERATING CASH FLOW	79,458	93,331	13,873

Position 3
**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Gridley Springs Apts.		BORROWER NAME DHI-DFA Gridley Springs		BORROWER ID AND PROJECT NO. 111739358	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$ 2,352	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input checked="" type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered. <input checked="" type="checkbox"/> Electricity <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other	
					<input checked="" type="checkbox"/> I hereby request units of RA. Current number of RA units 26
					Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES> ENDING DATES>	1/1/2016 12/31/2016		1/1/2017 12/31/2017	
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME.....	258,576		260,436	proposed \$5 increase
2. RHS RENTAL ASSISTANCE RECEIVED.....				
3. APPLICATION FEES RECEIVED.....				
4. LAUNDRY AND VENDING.....	2,820		2,592	per actuals
5. INTEREST INCOME.....	0		0	
6. TENANT CHARGES.....				
7. OTHER - PROJECT SOURCES.....	1,620		1,848	Late fees/NSF
8. LESS (Vacancy and Contingency Allowance).....	5,689		4,300	
9. LESS (Agency Approved Incentive Allowance).....	0			
10. SUB-TOTAL [(1 thru 7) - (8 & 9)].....	257,327	0	260,576	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT.....	0		0	
12. AUTHORIZED LOAN (Non-RHS).....	0		0	
13. TRANSFER FROM RESERVE.....	10,512		5,590	
14. SUB-TOTAL (11 thru 13).....	10,512	0	5,590	
15. TOTAL CASH SOURCES (10 + 14).....	267,839	0	266,166	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II).....	142,931		147,845	See O&M Expenses
17. RHS DEBT PAYMENT.....	28,224		28,224	
18. RHS PAYMENT (Overage).....				
19. RHS PAYMENT (Late Fee).....				
20. REDUCTION IN PRIOR YEAR PAYABLES.....				
21. TENANT UTILITY PAYMENTS.....				
22. TRANSFER TO RESERVE.....	16,992		16,992	
23. RETURN TO OWNER/NP ASSET MANAGEMENT FEE.....	21,100		32,400	Per agreement
24. SUB-TOTAL (16 thru 23).....	209,247	0	225,461	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS).....	47,513		35,064	
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6).....	10,512		5,590	
27. MISCELLANEOUS.....			0	
28. SUB-TOTAL (25 thru 27).....	58,025	0	40,654	
29. TOTAL CASH USES (24+28).....	267,272	0	266,115	
30. NET CASH (DEFICIT) (15-29).....	567	0	51	
CASH BALANCE				
31. BEGINNING CASH BALANCE.....	102,567	0	103,134	
32. ACCRUAL TO CASH ADJUSTMENT.....	0	0		
33. ENDING CASH BALANCE (30 + 31 + 32).....	103,134	0	103,185	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. Do not send this information collection to the OMB. Send this information collection to the agency that has the OMB control number.

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL.....	6,000		6,240	1 pt. maint on call & 19/hr.
2. MAINTENANCE AND REPAIRS SUPPLY.....	3,220		3,300	
3. MAINTENANCE AND REPAIRS CONTRACT.....	1,700		1,755	extern/carp clean
4. PAINTING.....	965		1,002	
5. SNOW REMOVAL.....				
6. ELEVATOR MAINTENANCE/CONTRACT.....				
7. GROUNDS.....	12,996		13,500	
8. SERVICES.....	1,750		1,450	pest_fire svc.
9. ANNUAL CAPITAL BUDGET (From Part V - Operating).....	2,425		4,300	
10. OTHER OPERATING EXPENSES (Itemize).....			0	
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10).....	29,056	0	31,547	
12. ELECTRICITY <input type="checkbox"/> If master metered.....	3,502		3,640	
13. WATER <input type="checkbox"/> check box on.....	5,500		5,700	
14. SEWER <input type="checkbox"/> front.....	9,098		9,462	
15. FUEL (Oil/Coal/Gas).....	529		549	
16. GARBAGE & TRASH REMOVAL.....	7,500		7,800	
17. OTHER UTILITIES...Elect for vacant unit turns.....				
18. SUB-TOTAL UTILITIES (12 thru 17).....	26,129	0	27,151	
19. SITE MANAGEMENT PAYROLL.....	24,024		24,852	
20. MANAGEMENT FEE.....	18,600		18,600	\$50/per unit
21. PROJECT AUDITING EXPENSE.....	7,000		7,000	
22. PROJECT BOOKKEEPING/ACCOUNTING.....				
23. LEGAL EXPENSES.....	660		685	screening & 1 evict.
24. ADVERTISING.....	250		250	AFHMP
25. TELEPHONE & ANSWERING SERVICE.....	840		870	
26. OFFICE SUPPLIES.....	2,450		2,545	gen. office supplies, postage, toner
27. OFFICE FURNITURE AND EQUIPMENT.....				
28. TRAINING EXPENSE.....	1,000		1,000	FH/HCC/USDA RD
29. HEALTH INS. & OTHER EMP. BENEFITS.....	7,200		7,200	
30. PAYROLL TAXES.....	3,135		3,260	
31. WORKER'S COMPENSATION.....	4,386		4,561	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize).....	4,115		4,238	01k, payroll adm. & travel.
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32).....	73,660	0	75,061	
34. REAL ESTATE TAXES.....	4,100		4,100	
35. SPECIAL ASSESSMENTS.....				
36. OTHER TAXES, LICENSES AND PERMITS.....	800		800	FTB
37. PROPERTY & LIABILITY INSURANCE.....	9,186		9,186	
38. FIDELITY COVERAGE INSURANCE.....				
39. OTHER INSURANCE.....				
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39).....	14,086	0	14,086	
41. TOTAL O&M EXPENSES (11 + 18 + 33 + 40).....	142,931	0	147,845	

November 10, 2016

M E M O

To: BCAHDC Board of Directors

From: Larry Guanzon, HACB Deputy Exec. Director
Sue Kemp, BCAHDC Mgt CFO *SK*

Subject: Walker Commons, LP Proposed 2017 Operating Budget

Attached please find a proposed Operating Budget for Walker Commons calendar year 2017. The budget was prepared in house with consideration for the proposed costs of a new management company.

We anticipate higher maintenance payroll costs offset by reduced contracting. The budget may be modified after a management company is selected and costs reviewed by both parties. A well-managed and maintained property is the priority while also maintaining a positive cash flow.

If you have any questions we will gladly answer them at the Board Meeting.

Recommend motion to approve Resolution No. 16-9C

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 16-9C

APPROVAL OF THE OPERATING BUDGET FOR F/Y 2017
FOR WALKER COMMONS APARTMENTS, CHICO, CA

WHEREAS, Butte County Affordable Housing Development Corporation (BCAHDC) approves its Operating Budget on an annual basis; and

WHEREAS, BCAHDC, as Managing General Partner of Walker Commons LP, owner of Walker Commons Apartments, Chico, California, prepares the budget for Walker Commons Apartments in conjunction with costs projected by its Managing General Partner agent, Housing Authority of the County of Butte; and

WHEREAS, the Board of Directors of BCAHDC has reviewed the budget as proposed and found the budget to be in the best interest of the Walker Commons Apartments property and BCAHDC;

THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation, acting as Managing General Partner of Walker Commons LP, owner of Walker Commons Apartments, Chico, CA, to hereby approve and adopt the Operating Budget for fiscal year 2017 for Walker Commons Apartments, Chico, California, such Operating Budget attached to and made a part of this Resolution No. 16-9C.

Dated: November 17, 2016.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

WALKER COMMONS, LP
PROPOSED OPERATING BUDGET
January 1, 2017 to December 31, 2017


	2016 Approved Budget	2016 Estimated Actuals	2017 Proposed Budget	Change	Notes
REVENUES					
Potential Dwelling Rent	390,336	389,612	391,620	1,284	
Vacancy Loss	-3,919	-3,274	-7,832	-3,913	2%
Manager's Unit (expensed)	-7,224	0	0	7,224	
Net Dwelling Rent	379,193	386,338	383,788	4,595	
Tenant Charges	4,500	444	4,500	0	
Laundry Revenue	2,700	1,858	2,700	0	
Investment Income	300	239	300	0	
TOTAL REVENUES	386,693	388,878	391,288	4,595	
EXPENSES					
Advertising	200	0	550	350	
Audit Fee	4,350	4,350	4,568	218	increased fees
Credit and Collection Expense	800	0	800	0	
Franchise Tax Board	800	800	800	0	
Insurance-Liability/Property	6,075	7,558	7,936	1,861	5% increase
Legal Fees	0	0	750	750	
Management Fees	23,246	23,053	27,552	4,306	new mgt co
Misc. Admin. Costs	1,760	7,000	2,500	740	sw licencing/computer support supplies, computer, printer
Office Supplies	800	3,500	3,500	2,700	
Partnership Fee	7,500	7,500	7,500	0	
Property Taxes	120	120	120	0	
Resident Services/Supplies	3,000	3,000	3,000	0	
Security Services	4,000	3,800	400	-3,600	Eagle/fire suppression - no patrols
Telephone	240	600	1,440	1,200	
Training & Travel	800	800	800	0	
Total Admin Costs	53,691	62,081	62,215	8,524	
Site Manager: salary & benefits	20,494	30,000	43,014	22,520	includes free rent \$602/mo
Site Maintenance: salary & benefits	21,841	0	38,176	16,335	1 FTE: routine and non-routine
Total Payroll	42,335	30,000	81,190	38,855	
Electricity	7,000	6,339	6,400	-600	
Gas	2,000	1,029	1,500	-500	
Water & Sewer	29,138	24,120	26,000	-3,138	
Total Utilities-Project	38,138	31,488	33,900	-4,238	
Landscape Maintenance	18,000	22,653	22,500	4,500	
Maintenance Materials	0	4,000	7,500	7,500	
Maintenance Contracts	13,150	21,000	7,500	-5,650	offset by FT maint. employee 3% increase
Trash Removal	2,625	2,400	2,472	-153	
Unit Turnover Maintenance	10,840	6,667	0	-10,840	offset by FT maint. employee
Total Maintenance Costs	44,615	56,720	39,972	-4,643	
Total Operating Expenses	178,779	180,289	217,277	38,498	
Capital Improvements (Expensed)	16,623	5,828	10,000	-6,623	carpets, appliances, HVAC etc.
Depreciation & Amortization	72,982	72,982	72,982	0	
Interest Expense - City Chico	15,000	15,000	15,000	0	
Bad Debt - Tenants	4,992	2,500	2,500	-2,492	
Total Other Expenses	109,597	96,310	100,482	-9,115	
TOTAL EXPENSES	288,376	276,599	317,759	29,383	
RETAINED EARNINGS	98,317	112,279	73,528	-24,789	
+ Deprec & Amort	72,982	72,982	72,982	0	
- Capital Improvements (Assets)	-105,000	-13,387	-50,000	55,000	exterior paint
- Transfer to Reserves	-11,200	-11,200	-11,200	0	
NET CASH FLOW	55,099	160,675	85,310	30,211	

Note: Costs estimated based upon proposals and estimated actuals. Actual costs may vary after new management company inspection

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November 10, 2016

M E M O

To: BCAHDC Board of Directors
From: Larry Guanzon, HACB Deputy Exec. Director
Sue Kemp, BCAHDC CFO 
Subject: 1200 Park Avenue, LP Proposed 2017 Operating Budget

Attached please find a proposed Operating Budget for 1200 Park Avenue, LP calendar year 2017. The budget was prepared in coordination with WINN Residential.

Bank charges have been unacceptably high, which WINN is investigating. If the costs are accurate then we will direct WINN to move the accounts to a less expensive bank.

If you have any questions we will gladly answer them at the Board Meeting.

Recommend motion to approve Resolution No. 16-10C

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 16-10C

APPROVAL OF THE OPERATING BUDGET FOR F/Y 2017
FOR 1200 PARK AVENUE APARTMENTS, CHICO, CA

WHEREAS, Butte County Affordable Housing Development Corporation (BCAHDC) approves its Operating Budget on an annual basis; and

WHEREAS, BCAHDC, as Managing General Partner of 1200 Park Avenue LP, itself owner of 1200 Park Avenue Apartments, Chico, California, prepares the budget for 1200 Park Avenue Apartments in conjunction with costs projected by 1200 Park Avenue Apartments property manager, WINN Residential; and

WHEREAS, the Board of Directors of BCAHDC has reviewed the budget as proposed and found the budget to be in the best interest of the 1200 Park Avenue Apartments property and BCAHDC;

THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation, acting as Managing General Partner of 1200 Park Avenue LP, owner of the 1200 Park Avenue Apartments, Chico, CA, to hereby approve and adopt the Operating Budget for fiscal year 2017 for 1200 Park Avenue Apartments, Chico, California, such Operating Budget attached to and made a part of this Resolution No. 16-10C.

Dated: November 17, 2016.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

1200 PARK AVENUE LP
PROPOSED OPERATING BUDGET
JANUARY 1, 2017 TO DECEMBER 31, 2017

	2016 Approved Budget	2016 Estimated Actuals	2017 Proposed Budget	Change	Notes
REVENUES					
Potential Dwelling Rent	688,694	716,207	733,140	44,446	
Vacancy Loss	-12,098	-5,888	-11,994	104	
Concessions	0	-5,396	0	0	
Net Dwelling Rent	676,596	704,923	721,146	44,550	
Laundry Income	12,000	13,120	12,000	0	
Tenant Charges	2,480	5,273	4,425	1,945	
Interest Income	81	76	74	-7	
TOTAL REVENUES	691,157	723,392	737,645	46,488	
EXPENSES					
Audit Fee	4,350	4,350	4,568	218	
Bank Charges	3,993	9,211	2,600	-1,393	plus 5% investigating and changing banks
Franchise Tax Fee	800	1,067	800	0	
Insurance-Property/Liability	16,266	18,028	16,058	-208	
Legal Expense	1,200	341	1,200	0	
Management Fee	34,011	35,799	36,333	2,322	5% of net receipts
Marketing & Renting Expense	1,704	1,845	1,704	0	
Misc. Admin. Costs	3,572	3,929	4,713	1,141	Temp services \$2,820; Misc. \$170; licenses \$233; uniforms \$800
Office Supplies & Contracts	9,181	8,000	11,529	2,348	office supplies & SW maint. \$8,751; copier contract \$2,538; postage \$240
Property Taxes	288	264	264	-24	
Resident Supplies & Activities	5,208	3,387	5,989	781	cable/internet \$2,820; Activities \$3,169
Telephone	7,740	12,711	7,740	0	
Travel & Training	2,321	1,672	1,457	-864	
Total Admin. Costs	90,634	100,603	94,955	4,321	
Administrative Salaries	34,831	46,296	37,694	2,863	2016 temp help & new manager includes extra hrs. + rent free unit \$740/mo. separated line item from Salaries
Maintenance Salaries	39,033	36,308	52,154	13,121	
Payroll Taxes & Fringe	30,243	33,367	37,767	7,524	
Total Salary & Benefits	104,107	115,971	127,615	23,508	
Electricity	42,150	47,807	47,400	5,250	
Gas	795	835	865	70	
Water & Sewer	41,775	42,948	43,000	1,225	
Total Utilities	84,720	91,589	91,265	6,545	
Elevator Maintenance	7,974	16,031	8,273	299	
Cleaning Contract & Supplies	20,550	3,705	20,550	0	
Landscape Maintenance & Supplies	16,040	19,749	16,060	20	grounds maint \$13,260; exterminator \$2,800
Maintenance Supplies	6,800	3,220	6,000	-800	
Repairs Contracts	21,590	9,040	16,130	-5,460	
Security Contract & Supplies	7,728	8,437	7,652	-76	
Trash Removal	8,160	10,704	10,200	2,040	
Unit Turnover Maintenance	4,400	7,192	4,400	0	painting and contracts
Total Maintenance Costs	93,242	78,079	89,265	-3,977	
Total Operating Expenses	372,703	386,242	403,100	30,397	
Bad Debt Expense	2,100	1,220	2,100	0	
Capital Improvements (expensed)	28,200	1,147	24,700	-3,500	ADA Impr, roof repairs, appliances
Depreciation and Amortization	468,473	468,796	467,792	-681	
Interest Expense - Mortgage	141,215	141,821	138,199	-3,016	
Total Other Expenses	639,988	612,984	632,791	-7,197	
Accrued Interest - Chico RDA	73,500	73,500	73,500	0	
Accrued Interest - HACB	52,433	52,091	54,971	2,538	
Accrued Annual Admin. Fee	5,000	5,000	5,000	0	
Accrued Social Service Reimb. Fee	6,923	6,923	7,131	208	
Total Accrued Expenses	137,856	137,514	140,602	2,746	
TOTAL EXPENSES	1,150,547	1,136,740	1,176,493	25,946	
RETAINED EARNINGS	-459,390	-413,348	-438,848	20,543	
+ Depreciation and Amortization	468,473	468,796	467,792	-681	
+ Accrued Expenses	137,856	137,514	140,602	2,746	
- Capital Improvements (Assets)	-20,000	-8,240	0	20,000	
- Debt Payments	-40,878	-40,878	-43,877	-2,999	
+ Transfer from Reserve	48,200	0	24,700	-23,500	
- Transfer to Reserve	-32,181	-32,148	-32,174	7	
NET OPERATING CASH FLOW	102,080	111,696	118,196	16,116	

MEMO

Date: November 10, 2016

To: Boards of Directors

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

From: Larry Guanzon, Deputy Executive Director
Ed Mayer, Executive Director 

Subject: Transition of Property Management – US Residential Group to AWI Property Management

- 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 vet 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) Both 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 Lisenby, USRG regional VP, has indicated that USRG seeks to withdraw from management of the Chico Commons and Walker Commons Apartment properties at our earliest convenience. USRG seeks to complete such transition by the end of the year, by December 31, 2016.

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, though not new to staff.

After careful consideration of costing and management approaches, the HACB recommends use of “AWI Property Management”. AWI has extensive experience in managing multi-family affordable housing. They have specific expertise in Low Income Housing Tax Credit properties (LIHTC), USDA-RD and other affordable programs. AWI’s corporate headquarters are located in Auburn, CA. Please see attached information outlining AWI’s credentials.

AWI has reviewed and inspected both the Chico Commons and Walker Commons properties. They recommend use of on-site managers and dedicated maintenance personnel at both properties. With capacity to perform most routine maintenance in-house, use of AWI is anticipated to achieve savings in reducing use of maintenance contractors. Limiting use of outside vendors, and use of dependable local vendors without “Compliance Depot” vetting, will also reduce costs. At this time of management transition it is imperative we have knowledgeable, expert, and professional management to benefit not only each property but also the residents who reside at the property.

Proposed 2017 budgets are enclosed for Board discussion and approval, as well.

The HACB recommends AWI Property Management be retained to assume 3rd- party Property Management duties at both the Walker Commons and Chico Commons Apartments properties, as of January 1, 2017.

Recommended: Motion authorizing change in 3rd-party Property Manager, from USRG to AWI, at the subject properties, effective January 1, 2016.



About Us

MISSION STATEMENT

AWI stands for "Always With Integrity." Our name exemplifies how we treat our clients, how we set and reach our goals and the consistency with which we operate and make decisions. With "Integrity" at the forefront, we strive to perpetuate positive and lasting business relationships. We fully support and are committed to promoting the principles of the Fair Housing Act and strive to ensure that all have an equal opportunity to access and enjoy the housing provided.

Tina Williams - President/CFO

Ms. Williams is a licensed real estate broker with a distinguished background in affordable housing management that spans more than 30 years and over 10,000 units managed. She served as President and Director of the [California Council for Affordable Housing](#) where she played an active role in promoting changes in State and Federal legislation to promote the needs of affordable housing participants. She has had the honor of receiving the Rental Housing Industry Award from the [Human Rights/Fair Housing Commission of the City and County of Sacramento](#) for her contribution to providing accessible housing to individuals with a disability. She has earned a solid reputation and is well respected by owners, her peers and the state and federal agency personnel that she's worked with over the years. She holds a California Real Estate License and a California Contractor's License. She has earned the [CARH](#) Rural and Affordable Housing Executive Designation and the Spectrum Enterprises Credit Compliance Professional C7P Designation. In 2008 she received the Spectrum Companies Lifetime Achievement Award for Excellence in the affordable housing industry.

Michael F. Burke - Vice President

Mr. Burke has an extensive background in sales management and customer service that began in 1981. He has also been a principal in several business sectors including retail and service related businesses. Since entering the affordable housing industry in 1997 he has been a major contributor in the operation policies and procedures that have perpetuated the

success of AWI. In addition, he has used his experience in employee management to support and implement the management philosophy of the firm by encouraging growth and education of the property management staff. He holds a California Real Estate License and California Contractor's License. He served as a Board Member and Management Committee Chairperson for the National Council for Affordable and Rural Housing and has earned the CARH Rural and Affordable Housing Executive Designation and the Spectrum Enterprises Credit Compliance Professional C7P Designation. Michael received his Credential for Green Property Management (CGPM) from National Affordable Housing Management Association (NAHMA), meeting the requirements of the HUD Office of Affordable Housing Preservation (OAHP) Green Initiative.



Property Management Services

AWI Management Corporation is a highly experienced property management firm specializing in providing property management services for owners and developers of affordable housing. AWI is dedicated to providing its clients with exceptional service and experienced representation with an emphasis on integrity, dependability and competence. The principal owners have combined their strength in financial management, marketing and customer service to deliver to their clients the results expected from a top performing, full-service property management firm.

We Specialize in:

- [HUD](#)
- Bond
- Home
- [Tax Credit](#)
- Conventional
- Acquisition/Rehab
- [USDA-RD 515/515-8/538](#)

Our Property Management Services Include:

- Due diligence support for acquisition and development
- Results oriented lease-up services
- Marketing program
- Onsite employee staffing according to client-approved budget
- Property management supervision by qualified District Managers
- Capital improvement planning and construction/rehab supervision
- Accounts receivable and payable
- Financial reporting
- Annual budget preparation
- Annual inspections
- Preventive maintenance
- Collections
- Contracts administration
-

Compliance supervision, auditing and reporting

- Services coordination
- Tax Credit Compliance

Service Partners:

- Fair Housing Solutions, LLC - Fair Housing and Accessibility Training
- E&A Services - CNA and 504 Inspections
- NAHPA - National Affordable Housing Preservation Associates, Inc.
- The Spectrum Companies
- Sacramento Housing & Redevelopment Agency
- National Equity Fund, Inc.
- Crescent City Police Department
- Self-Help Enterprises - Building Houses, Homes, Communities
- Urban Housing Communities
- Community Services of Arizona, Inc.
- The Danco Group
- Rancho Belago Developers, Inc.
- Grind All, Inc.
- Boston Financial Investment Management, L.P.
- Bay Alarm Medical - 24/7 Medical Alert Systems

BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION

RESOLUTION NO. 16-11C

AUTHORIZATION FOR SECRETARY TO ACT AS SIGNATORY ON BEHALF OF THE
BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC) must authorize a signatory for all financial and business transactions that occur on a day-to-day operational basis; and,

WHEREAS, the Board of Directors of the BCAHDC has appointed Edward S. Mayer as the President of the BCAHDC; and,

WHEREAS, while acting in his official capacity as President, Edward S. Mayer is the signatory for all financial and business transactions that occur on a day-to-day operational basis; and,

WHEREAS, to ensure continuity of business operations in the absence or incapacity of the President, the BCAHDC has created a Secretary position; and,

WHEREAS, the Executive Assistant of the Housing Authority of the County of Butte (HACB) will serve as Secretary to the BCAHDC; and,

WHEREAS, effective November 7, 2016 Marysol Perez, has been retained as the Executive Assistant of the HACB and therefore will serve as Secretary to the BCAHDC; and

WHEREAS, in the absence or incapacity of the President, the Secretary assumes President duties regarding agency management and administration and acts as the authorized signor for checks and other documents on behalf of BCAHDC; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation, to authorize Marysol Perez, while acting in her official capacity as Secretary in the absence or incapacity of the President, to be the agency signatory for all financial and business transactions, effective December 1, 2016.

Dated: November 17, 2016.

Edward S. Mayer, President

ATTEST:


Marysol Perez, Secretary

MEMO

Date: November 10, 2016

To: Boards of Directors

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

From: Ed Mayer, Executive Director 

Subject: Quarterly Meetings - Schedule Change

It is recommended the Board of Directors adopt a new quarterly meeting schedule. The current schedule has quarterly meetings of the Board set for the months of January, April, July, and October, on the same days as regular meetings of the Housing Authority of the County of Butte, typically held on the third Thursday of the month. With this meeting schedule, timely quarterly financial reporting is not feasible. For example, December's financials cannot be closed in time to be provided at the January Board meeting.

It is recommended the Board calendar be shifted back by a month, so that more current accounting can be provided, and budget development can occur, without as much need for Special Meetings. The recommendation would set quarterly meetings for February, May, August, and November.

Recommendation: by means of Motion, set the Corporate Calendars for Banyard Management and Butte County Affordable Housing Development Corporation such that meetings be held in the months of February , May, August, and November, on the same days as regular meetings of Housing Authority of the County of Butte.