

BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

October 21, 2021
2:00 p.m.

Members of the Board of Commissioners and HACB staff will be participating either in person or remotely. The Board of Commissioners welcomes and encourages public participation in the Board meetings either in person or remotely from a safe location.

Members of the public may be heard on any items on the Commissioners' agenda. A person addressing the Commissioners 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 Commissioners. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Commissioners during agenda item 6.

Please join my meeting from your computer, tablet or smartphone.

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If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email marysolp@butte-housing.com or call 530-895-4474 x.210.

Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

NEXT RESOLUTION NO. 21-21C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR

4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Harvest Park Budget – Adoption of FY2022 Harvest Park Budget.
Recommendation: Resolution No. 21-21C
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 – November 18, 2021
13. ADJOURNMENT

MEMO

October 15, 2021

To: BCAHDC Board of Directors

From: Larry Guanzon, HACB Deputy Executive Director
Hope Stone, BCAHDC CFO

Subject: Chico Harvest Park, LP Proposed 2022 Operating Budget

Attached please find a proposed Operating Budget for Chico Harvest Park, LP calendar year 2022. The proposed budget was prepared by WINN Residential, third party property manager, along with Central California Housing Corporation (Administrative General Partner, aka AHDC). HACB reviewed the draft and provided input on behalf of BCAHDC.

The budget was compiled using current and historical trends. Vacancy loss is projected at 1.00%, to allow for turnovers. Estimated sources and uses are as follows: Operating Income of \$988,856; Operating Expenses of \$458,564; Reserves deposits of \$27,996; and withdrawals of \$0; Debt Service of \$275,800; Misc. Fees of \$17,300; Capital Expenditures of \$45,970; and Mortgagor (Partnership) Expenses of \$42,084, resulting in an estimated positive cash flow of \$121,142 for the year.

The Capital Expenditures from operations include tree trimming; flooring replacements; and appliance replacements.

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

Recommend motion to approve Resolution No. 21-21C

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-21C

APPROVAL OF THE FISCAL YEAR 2022 OPERATING BUDGET FOR
HARVEST PARK 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 Chico Harvest Park LP (Partnership), itself owner of Harvest Park Apartments, Chico, California, prepares the budget for Harvest Park Apartments in conjunction with the Partnership's Administrative General Partner, Chico Harvest Park, LLC, its Managing General Partner agent, Housing Authority of the County of Butte, and the Harvest Park 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 Harvest Park Apartments property, its residents, the Partnership, 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 Chico Harvest Park LP, owner of the Harvest Park Apartments, Chico, CA, to hereby approve and adopt the Operating Budget for fiscal year 2022 for Harvest Park Apartments, Chico, California, such Operating Budget attached to and made a part of this Resolution No. 20-11C.

Dated: October 21, 2021.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

WinnResidential LLC
2022 Budget
Site Name - Harvest Park - 1649

Account Description	2022 Budget	2021 Budget	2021 Forecast	\$ Variance - 2022 Budget vs 2021 Budget	% Variance 2022 vs 2021 Budget	Comment
INCOME						
RENTAL INCOME						
5120-0000 Rental Income	675,330	980,460	813,770	-305,130	-45.2	Rental income for first 6 months based on managers cert eff 05/01/2021. 2% increase eff. July 2022 through Dec 2022..
5150-0000 Rental Assistance	260,784	0	139,307	260,784	100.0	
5221-0000 Gain/(Loss) to Lease	74,040	0	17,771	74,040	100.0	
Total RENTAL INCOME	1,010,154	980,460	970,848	29,694	2.9	
MISC INCOME						
5330-0000 Tenant Services	75	75	150	0	0.0	NSF Fees.
5332-0000 Application Fees	595	595	455	0	0.0	\$35 application fee @ 17 applications..
5341-0000 Cable Revenue	4,600	4,260	3,410	340	7.4	Budget This quarterly based on the last 2 payments received in the months 1/21,4/21,7/21 and 10/21.
5341-0001 Contra Cable Revenue	-1,152	-1,064	-554	-88	7.6	Budget this based on 25% of GL 5341-0000 in the same months.
5385-0000 Late/Term Fees	600	1,200	500	-600	-100.0	\$50 late fee @ 2 per month. Anticipating COVID measures released..
5390-0002 Damages	5,100	5,100	2,225	0	0.0	Based on historical data/averages - 2019, 2020 & 2021..
Total MISC INCOME	9,818	10,166	6,185	-348	-3.5	
OTHER INCOME						
5493-0000 Int on Replacement Reserve	24	96	51	-72	-300.0	Budget monthly based on the expense over the last 12 months.
Total OTHER INCOME	24	96	51	-72	-300.0	
VACANCY LOSS/RENTAL LOSS/BAD DEBT						
5218-0000 Free Rent-Marketing Concession	-1,200	-1,800	-1,450	600	-50.0	\$100 rent concession approved for unit 109 back in Dec 2018 by Laurie Doyle, per discussion w Roberto Rojas, this was due to tenant being granted a sec 8 Voucher, tenant was already in a 30% tax credit unit, tenant was not going to see any savings in rent so he was going to reject the voucher and we would have lost the extra income from the voucher, we gave a concession of \$100 but gained income of \$277 per month on this unit by giving the concession. The gain to lease was orig larger in 2018 but has decreased as tax credit rents have gone up but it is still a substantial gain..
5220-0000 Vacancies Apartment	-10,200	-13,164	-11,297	2,964	-29.1	Based on historical info from 2019, 2020 & 2021; 99% occupancy..
6330-0002 Office Manager Rent Free Unit	-13,236	-13,236	-12,952	0	0.0	Unit 211 (3x2) set at the 60% max tcac rent.
6370-0000 Bad Debt	-5,004	-2,500	-625	-2,504	50.0	Based on 2021 Budget..
6370-0004 Bad Debt-Miscellaneous	-1,500	-1,500	-500	0	0.0	
Total VACANCY LOSS/RENTAL LOSS/BAD DEBT	-31,140	-32,200	-26,824	1,060	-3.4	
TOTAL INCOME	988,856	958,522	950,260	30,334	3.1	
EXPENSES						
MANAGEMENT FEES						
6320-0000 Management Fees	49,011	48,000	85,673	1,011	2.1	5% Management Fee.
Total MANAGEMENT FEES	49,011	48,000	85,673	1,011	2.1	
REAL ESTATE TAXES						
6710-0000 Taxes Real Estate	168	168	164	0	0.0	Based on a 3% increase of 2019/2020 bill from 1/21-6/21 and another 3% increase from 7/21-12/21.
6712-0000 Taxes Other	385	365	385	20	5.2	Budget based on actual amount that was last paid in 2019 and 2020. This is typically an annual permit fee or business license fee. Budget based on actual amount that was last paid. This is typically an annual permit fee or business license fee..
Total REAL ESTATE TAXES	553	533	549	20	3.6	
INSURANCE						
6720-0000 Insurance Property	33,003	29,025	29,359	3,978	12.1	Budget current monthly expense amount from 1/21-3/21 and a 10% increase of current amount in 4/21-12/21..
6720-0002 Franchise Tax - Calif Pnps	800	800	800	0	0.0	Budget FTB Payment in 2/21 based on AHDC fees schedule provided..
Total INSURANCE	33,803	29,825	30,159	3,978	11.8	
UTILITIES EXPENSES						
6430-0000 Electricity Vacant	300	170	285	130	43.3	
6440-0000 Gas/Oil Heat Vacant	150	60	113	90	60.0	
6450-0000 Electricity	14,412	18,585	13,738	-4,173	-29.0	
6451-0000 Water and Sewer	57,324	51,645	55,657	5,679	9.9	3% increase anticipated..
6452-0000 Natural Gas Heat	2,240	2,240	2,662	0	0.0	
6454-0000 Utility Processing	1,200	840	933	360	30.0	Utility Benchmarking..
6470-0000 Rubbish Removal	12,891	12,516	12,181	375	2.9	Includes 6 extra pick ups pulps.
Total UTILITIES EXPENSES	88,517	86,056	85,568	2,461	2.8	
PAYROLL						
6310-0000 Office Payroll	1,420	1,420	1,615	0	0.0	Includes Whitney's and Jose's Charge Backs.

WinnResidential LLC
2022 Budget
Site Name - Harvest Park - 1649

Account Description	2022 Budget	2021 Budget	2021 Forecast	\$ Variance - 2022 Budget vs 2021 Budget	% Variance 2022 vs 2021 Budget	Comment
6317-0000 Temporary Services	0	0	7,011	0	0.0	
6330-0000 Managers Payroll	60,742	37,571	38,593	23,171	38.1	Includes potential AMIP Bonus (Feb & Aug).Includes Ana Haver 25% allocation until lease up begins..
6539-0000 Maintenance Payroll General	50,697	42,042	31,721	8,655	17.1	
6714-0001 Taxes-Payroll Administrative	5,213	3,402	3,158	1,811	34.7	
6714-0002 Taxes-Payroll Maintenance	4,331	3,742	2,860	589	13.6	
6724-0001 Workers Comp. - Payroll Admin	4,219	2,472	2,276	1,747	41.4	Based on 7.56%.
6724-0002 Workers Compensation-Payroll Maintenance	3,523	2,758	2,614	765	21.7	Based on 7.56%.
6726-0001 Health Ins. & Benefits-Payroll Admin	17,888	13,426	10,721	4,462	24.9	
6726-0002 Health Ins. & Benefits-Payroll Maint.	14,398	13,612	6,555	786	5.5	
Total PAYROLL	162,431	120,445	107,124	41,986	25.8	
OPERATING & MAINTENANCE EXPENSE						
6462-0000 Exterminating Contract	6,798	7,596	4,665	-798	-11.7	Includes bi monthly service.
6490-0019 Property Expense Covid19 Coronavirus	0	0	216	0	0.0	
6511-0000 Security Contract and Repairs	1,260	1,080	1,122	180	14.3	Monthly Alarm Monitoring.
6521-0000 Grounds Supplies	2,920	2,920	953	0	0.0	Annual spring of crepe myrtles/lawn broad leaf/all beds with pre-emergent..
6522-0000 Grounds Contract	23,460	21,900	23,395	1,560	6.6	Monthly Landscape Contract..
6541-0000 Maintenance Supplies	10,000	9,000	15,041	1,000	10.0	Maintenance staff doing more repairs in house.
6545-0000 Repairs Contract General	7,310	4,800	22,912	2,510	34.3	Gutter Cleaning, Pergola Painting.
6546-0000 Repairs Contract Electric	800	800	200	0	0.0	Electric Repairs.
6547-0000 Repairs - Contract - HVAC	1,500	1,500	254	0	0.0	HVAC Repairs.
6548-0000 Repairs - Contract - Plumbing	2,776	2,776	4,467	0	0.0	Back Flow Testing, Plumbing Repairs.
6552-0000 Uniforms	500	500	551	0	0.0	Maintenance Uniforms.
6580-0000 Maintenance Equipment Expense	0	830	0	-830	0.0	
6581-0000 Appliance Repair	2,520	2,520	2,595	0	0.0	Appliance Repairs/Supplies.
6582-0000 Lock and Key Expense	100	100	50	0	0.0	Dead Bolts, Keys.
6586-0000 Fire and Safety Systems	3,530	3,530	3,996	0	0.0	Fire Monitoring, Fire Extinguisher Service.
6991-0000 Pool Supplies	1,260	1,260	1,415	0	0.0	Chemicals, Pool Supplies.
6992-0000 Pool Contract	3,300	3,204	3,126	96	2.9	Monthly Pool Contract - anticipate a 3% increase.
Total OPERATING & MAINTENANCE EXPENSE	68,034	64,316	84,959	3,718	5.5	
TURNOVER COSTS						
6531-0000 Cleaning Supplies	750	400	692	350	46.7	
6532-0000 Cleaning Contract	2,625	5,800	4,365	-3,175	-121.0	Vendor cleaning..
6561-0000 Decorator Supplies	1,200	1,500	5,522	-300	-25.0	Paint supplies for turns.
6562-0000 Decorator Contract Services	2,500	300	0	2,200	88.0	Vendor Contract Painting.
Total TURNOVER COSTS	7,075	8,000	10,580	-925	-13.1	
MARKETING						
6212-0000 Collateral Materials/Brand Identity	1,294	1,294	1,469	0	0.0	RealPage Website Designation.
6216-0000 Promotions and Promotional Items	156	156	110	0	0.0	Move In Gifts.
6290-0000 Miscellaneous Renting Expense	740	740	488	0	0.0	20 credit checks @ \$29 each. E-lead/Internet Shop..
6981-0000 Resident Supplies	1,420	1,100	933	320	22.5	Anticipate having these annual events as normal in 2022.
Total MARKETING	3,610	3,290	3,001	320	8.9	
ADMINISTRATIVE EXPENSES						
6280-0000 Credit Reports and Fees	132	132	56	0	0.0	Income verification, The Work Number.
6311-0000 Office Expenses	7,818	8,093	8,689	-275	-3.5	Microsoft Office 365, Information Security Bundle, RealPage Spend AP, Labor Law Posters, Blue Moon Annual License, Office Supplies.
6312-0000 Copy Machine	1,584	1,584	1,682	0	0.0	copy machine monthly lease.
6313-0000 Postage	300	444	311	-144	-48.0	
6316-0000 Travel/Mileage	1,220	2,300	1,242	-1,080	-88.5	Includes Frank Mileage. Includes travel to summer BBQ and year end event.
6316-0003 Training	1,743	1,583	1,492	160	9.2	Annual Training, Road Shows, Summer Picnic, Year End Event.
6316-0004 Training - New Employee Orientation	0	0	814	0	0.0	
6340-0000 Legal Expense	2,400	2,400	0	0	0.0	2 potential evictions.
6350-0000 Auditing	12,781	12,000	12,190	781	6.1	Budgeted in 2/21 based on a 5% increase on payments made in 2020..
6355-0001 Administrative Fees	2,700	2,250	0	450	16.7	Budget 5 star fees in 12/21 based on AHDC fees schedule provided..
6360-0000 Telephone	10,428	10,428	10,660	0	0.0	2 staff phone reimb. @ \$50 each per month.
6380-0000 Advertising - Employees	0	0	385	0	0.0	
6385-0000 Dues and Memberships	450	450	1,310	0	0.0	AHMA renewal.
6390-0000 Miscellaneous	740	740	460	0	0.0	Annual UA study.

WinnResidential LLC
2022 Budget
Site Name - Harvest Park - 1649

Account Description	2022 Budget	2021 Budget	2021 Forecast	\$ Variance - 2022 Budget vs 2021 Budget	% Variance 2022 vs 2021 Budget	Comment
6391-0000 Licenses	150	150	150	0	0.0	Annual City Fire insp fee.
6392-0000 Bank Charges	3,084	4,260	3,385	-1,176	-38.1	Budgeted monthly based on the activity 1/20-7/20.
Total ADMINISTRATIVE EXPENSES	45,530	46,814	42,826	-1,284	-2.8	
Total EXPENSES	458,564	407,279	450,438	51,285	11.2	
NET OPERATING INCOME	530,292	551,243	499,822	-20,951	-4.0	
REPLACEMENT RESERVE/OTHER ESCROWS						
1316-0000 Escrow - Replacement Reserve	27,996	27,996	27,993	0	0.0	Budget this according to the most recent Replace Reserve amount due. Check for a historical increase and follow suit..
Total REPLACEMENT RESERVE/OTHER ESCROWS	27,996	27,996	27,993	0	0.0	
DEBT SERVICE						
2320-0000 Mortgage Payable 1st Mortgage	60,000	60,000	60,000	0	0.0	Based on Amortization Schedule. Make sure schedule ties to GL for 2020.
6820-0000 Interest on Mortgage	129,227	130,652	130,652	-1,425	-1.1	Based on Amortization Schedule. Make sure schedule ties to GL for 2020.Based on Amortization Schedule..
6824-0000 Interest on Mortgage - 4th	15,566	16,612	16,095	-1,046	-6.7	Budget based on Monthly Recurring.
6828-0000 Service Fee	71,006	72,080	71,971	-1,074	-1.5	Budget based on Aug Mortgage statement.
Total DEBT SERVICE	275,800	279,345	278,718	-3,545	-1.3	
MISCELLANEOUS						
6890-0000 Miscellaneous Financial Exp	10,000	10,000	7,502	0	0.0	This is typically the semi annual issuer fee. Budget this based off the last 2 payments in the months they were paid.
6892-0000 Trustee Fees	7,300	3,400	3,398	3,900	53.4	Annual Trustee Fee.
Total MISCELLANEOUS	17,300	13,400	10,900	3,900	22.5	
CAPITAL EXPENDITURES						
1415-0002 Landscape and Land Improvements	25,570	14,500	14,480	11,070	43.3	Tree Trimming/Shaping. Mulch Application.
1431-0000 Building Improvements	0	0	1,984	0	0.0	
1431-0002 Building Improvements	0	12,555	0	-12,555	0.0	
1440-0002 Carpet/Flooring	14,000	14,000	4,981	0	0.0	(7) Flooring Replacements.
1446-0002 Computers	0	2,968	375	-2,968	0.0	
1461-0002 Furniture & Fixtures	0	6,123	1,640	-6,123	0.0	
1486-0000 Appliances	6,400	6,400	9,045	0	0.0	Fridge, Dishwashers, Stoves, Hot Water Heaters as needed..
Total CAPITAL EXPENDITURES	45,970	56,546	32,505	-10,576	-23.0	
MORTGAGOR EXPENSES						
7115-0000 Non Profit Fee	20,000	20,000	20,000	0	0.0	MGP Fee based on AHDC's schedule.
7135-0000 Asset Management Fees	12,298	11,940	11,940	358	2.9	AGP Fee based on AHDC's schedule.
7153-0000 Administration Fee Expense	9,786	9,500	9,500	286	2.9	SLP Fee based on AHDC's Schedule.
Total MORTGAGOR EXPENSES	42,084	41,440	41,440	644	1.5	
PROFIT/LOSS	121,142	132,516	108,267	-11,374	-9.4	