

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION**

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

MEETING MINUTES

February 15, 2018

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

1. ROLL CALL

Present for the Directors: Kate Anderson, Patricia Besser, Larry Hamman, Roger Hart, Anne Jones, Laura Moravec and David Pittman.

Others Present: Chief Financial Officer Sue Kemp, Secretary Marysol Perez, Larry Guanzon, Tamra Young, and Jerry Martin.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Corporate Services Agreement – The Corporate Services Agreement between HACB and Butte County Affordable Housing Development Corporation (BCAHDC) sets out terms for compensation and a contract maximum. Contract updates include proposed HACB billing rates, to be made effective March 1, 2018, and affirmation of the contract maximum, which is currently set at \$18,500 per year, extending through the operating year, from October 1, 2017 through September 30, 2018.

MOTION

Director Hart made a motion to accept HACB's proposed billing rates, to be effective March 1, 2018, and to continue the annual contract maximum in the amount of \$18,500, for the year extending from October 1, 2017 through September 30, 2018. Director Jones seconded. The vote in favor was unanimous.

- 5.2 Housing Authority of the County of Butte (HACB) – By request of BCAHDC, the HACB has proposed contract terms for provision of project management services for capital improvement work provided to BCAHDC properties. BCAHDC seeks expertise and capacity to carry out the organization, construction, and implementation of capital improvement work at the various properties they own and/or participate in as Managing General Partner. Banyard Management seeks to establish a working relationship with HACB where capital improvement work can be carried out efficiently and effectively by utilizing the expertise and capacities of the HACB. The proposed contract eliminates the need for HACB's General Fund to carry out such improvement activity, as has been done in the past. This is a more direct approach to managing Capital Improvement projects at the subject properties, consistent with practice, and furthering the arms-length relationship between BCAHDC and HACB. HACB shall provide Capital Improvement Management Services for Capital Improvements in accordance with the following: (a) If the Capital Improvement Cost is less than \$50,000, HACB shall receive a fee equal to fifteen percent (15%) of the Capital Improvement Cost, (b) If the Capital Improvement Cost is more greater than \$50,000, HACB shall receive a fee equal to ten percent (10%) of the Capital Improvement cost. The agreement shall extend for a twelve (12) month term, starting January 18, 2018 and extending through January 17, 2019. The agreement shall renew automatically in one-year increments, unless extended or modified in writing.

RESOLUTION NO. 18-1C

Director Jones moved that Resolution No. 18-1C be adopted by reading of title only: "AUTHORIZATION TO ENTER INTO CAPITAL IMPROVEMENTS MANAGEMENT SERVICES AGREEMENT WITH HOUSING AUTHORITY OF THE COUNTY OF BUTTE. Director Moravec seconded. The vote in favor was unanimous.

- 5.3 Walker Commons - The unaudited CY 2017 Operational Surplus Cash Flow from Walker Commons is approximately \$131,000, which includes \$50,000 of capital improvements budgeted but not completed in 2017. To meet the costs of Phase I roof replacements, estimated at \$242,744 for 2018, staff recommends retaining \$100,000 from 2017 Operational Surplus Cash Flow, by means of deposit into Replacement Reserves. As of December 31, 2017, the Replacement Reserves balance was \$188,092; after the \$100,000 deposit the balance would be \$288,092. Per HACB Modernization Coordinator Jerry Martin, this would provide funds for roofing of 50% of the property (twenty six (26) units). Chief Financial Officer Kemp reminded the Board of Directors that Walker Commons has no debt, no mortgage and the cash flow has stabilized with the management of AWI, third party property manager of the property. As per the power and authority outlined

Butte County Affordable Housing Development Corporation

Board of Directors

Minutes – Meeting of February 15, 2018

Page 2

in the LPA, as amended, staff recommends that the BCAHDC Board of Directors approve the deposit of \$100,000 into the Replacement Reserves from CY 2017 Surplus Cash Flow. The balance of Surplus Cash Flow funds will be distributed to the Partners.

MOTION

Director Moravec moved motion to approve the deposit of \$100,000 from 217 Operational Surplus Cash Flow into the Walker Commons' Replacement Reserves account. Director Hart seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 Walker Commons – As requested during the November BCAHDC Board of Directors meeting, the proposal to move to a no-smoking policy at Walker Commons apartments was re-visited. Housing Authority management recommended implementation of a no-smoking policy, while being aware that there is a high concentration of senior, elderly, and special needs tenants at the property. Deputy Executive Director Larry Guanzon reaffirmed to the Board that the no-smoking policy will be implemented with extra care and sensitivity, given the relatively fragile population. Director Moravec asked what the percentage of residents at the property are smokers. Larry Guanzon responded that about ten percent of residents are smokers. Larry Guanzon provided further reassurance to the Board that management will work with residents to address their smoking and its cessation, as opposed to simply resorting to terminations of tenancy.

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 – May 17, 2018.

13. ADJOURNMENT

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

Dated: February 15, 2018.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary