

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION**

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

MEETING MINUTES

November 21, 2019

President Mayer called the meeting of Butte County Affordable Housing Development Corporation (BCAHDC) to order at 3:01 p.m.

1. ROLL CALL

Present for Directors: Patricia Besser, Larry Hamman, Anne Jones, and David Pittman.

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

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Walker Commons Budget – The FY 2020 was prepared for approval by AWI property Management, with input from HACB staff. Historically this property has very low vacancy rates. Rental income is projected to increase due to setting rents at maximum tax credit rents allowed. Operational capital expenses are projected at \$43,000, which includes floor replacements on turnovers, miscellaneous electrical, tree trimming, and signage. Parking lot repairs will be expensed from reserves, no additional capital improvements are proposed at this time due to asset repositioning work. The property is projected to bring in an estimated positive cash flow of \$99,035 for the year.

RESOLUTION NO. 19-7C

Director Pittman moved that Resolution No. 19-7C be adopted by reading of title only: “APPROVAL OF THE OPERATING BUDGET FOR THE F/Y 2020 FOR WALKER COMMONS APARTMENTS CHICO, CA”. Director Jones seconded. The vote in favor was unanimous.

- 5.2 1200 Park Avenue Budget – The operating budget for 1200 Park Avenue Apartments was prepared in coordination with AWI. Vacancy loss is projected at 2%, and rental income is projected to increase due to the setting of rents at maximum tax credit levels permitted, along with the year’s increase in Section 8 Payments Standards. \$79,000 is budgeted from Reserves for flooring, blinds, appliances, roofing, stucco repair, parking area sealing and striping, as well as tree trimming. No additional capital improvements are proposed at the moment do to Year-15 asset repositioning. The property is projected to bring in an estimated positive cash flow of \$25,694 for the year

RESOLUTION NO. 19-8C

Director Hamman moved that Resolution No. 19-8C be adopted by reading of title only: “APPROVAL OF THE OPERATING BUDGET FOR F/Y 2020 FOR 1200 PARK AVENUE APARTMENTS, CHICO, CA”. Director Pittman seconded. The vote in favor was unanimous.

- 5.3 Harvest Park Budget – The proposed operating budget for Chico Harvest Park, LP was presented for approval. The budget was prepared by WINN Residential, third party property manager, with CCHC (formerly AHDC, Administrative General Partner) and HACB staff input. Capital expenditures are projected at \$74,995, including; tree trimming, building improvements; electric vehicle

charging station installation (grant funded, in part), flooring, and appliances. The property is projected to bring in an estimated positive cash flow of \$104,777 for the year.

RESOLUTION NO. 19-9C

Director Anderson moved that Resolution No. 19-9C be adopted by reading of title only: “APPROVAL OF THE FISCAL YEAR 2020 OPERATING BUDGET FOR HARVEST PARK APARTMENTS, CHICO, CA”. Director Moravec seconded. The vote in favor was unanimous.

- 5.4 Gridley Springs I Budget – The proposed operating budget for Gridley Springs I was prepared by Sackett Corporation, third party property manager, along with DHI-DFA Gridley Springs Associates, the LP’s Administrative General Partner. This is the second operational year for Sackett and they continue to perform well as third party property managers. The proposed budget is subject to USDA review and approval.

RESOLUTION NO. 19-10C

Director Pittman moved that Resolution No. 19-5C be adopted by reading of title only: “WALKER COMMONS, L.P. DESIGNATION OF TAX MATTERS PARTNERSHIP REPRESENTATIVE”. Director Hamman seconded. The vote in favor was unanimous.

- 5.5 Cordillera Apartments Write-Offs – Annually, BCAHDC records tenant account receivable amounts to be write off the Balance Sheet as uncollectible. As of September 30, 2019, the amount to be written off is \$10,287.95. The rent amount to be written off is higher than other charges. Per Larry Guanzon, that is due to tenants’ rights being strengthened under California law, with resulting unlawful detainer/eviction processes taking longer with the courts. Writing off the balance is considered an in-house accounting action - it does not change the accounts receivable balance, nor does it prevent BCAHDC from pursuing collections.

RESOLUTION NO. 19-11C

Director Besser moved that Resolution No. 19-11C be adopted by reading of title only: “APPROVE WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS RECEIVABLE FOR CORDILLERA APARTMENTS AS OF SEPTEMBER 30, 2019” Director Jones seconded. The vote in favor was unanimous.

- 5.6 Development Memorandum of Understanding (MOU) – Jamboree Housing, a non-profit affordable housing developer, has approached BCAHDC regarding a

joint development effort to construct an affordable housing development at the site where the Jesus Center currently operates. The Jesus Center seeks to move out of the downtown/Barber district and establish their operation in the mid-town area, possibly next to the Torres Shelter at the City's BMX Bike Track. Jamboree is a reputable developer known very well in Southern California, they have recently expanded their operations to Northern California. Jeree Glasser, from Jamboree Housing, will be present at next month's Special Meeting, scheduled for December 19, 2019, with a refinement to the proposed MOU, and to provide more details in regards to the proposed project and answer any questions from the Board.

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 Pittman spoke about the City of Oroville's retention of a firm that fills municipal staffing with retirees and other experts, suggesting the BCAHDC could avail itself of professional services capacity regarding development and project management work.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR
Next Meeting – Special Meeting, December 19, 2019.
Next Meeting – February 20, 2020.

13. ADJOURNMENT

Director Pittman moved that the meeting be adjourned. Director Hamman seconded. The meeting was adjourned at 3:45 p.m.

Dated: November 21, 2019.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary