

**BUTTE COUNTY AFFORDABLE HOUSING  
DEVELOPMENT CORPORATION**

**Board of Directors Meeting**

2039 Forest Avenue  
Chico, CA 95928

**MEETING MINUTES**

May 21, 2020

President Mayer called the meeting of Butte County Affordable Housing Development Corporation (BCAHDC) to order at 2:57 p.m.

*(Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom’s Executive Orders N-25-20 and N-29-20, This Board of Directors meeting observed “social distancing” protocols, and was conducted via teleconference and web-conference. Meeting notice and public participation was addressed consistent with the State Governor’s COVID-19 Executive Order, providing for Brown Act exceptions.)*

1. ROLL CALL

Present for Directors: Kate Anderson, Larry Hamman, Laura Moravec, Rich Ober, and David Pittman.

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

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Gridley Springs I Audit Report – The Gridley Springs I Apartments audited financial statement, for the year ended December 31, 2019, was presented. Property revenues and expenses remain consistent; similar to the year before. There was an increase in sewer and garbage due to a past issue of bill sorting between Gridley Springs I and Gridley Springs II. This property is a very tightly regulated property by USDA and currently has excellent property managers. Despite the comprehensiveness of the data shared with the auditor, there were no questioned costs or findings.

**\*MOTION\***

Director Anderson moved that the Gridley Springs I Apartments audit report be accepted as presented. Director Moravec seconded. The vote in favor was unanimous

- 5.2 Harvest Park Audit Report – The Harvest Park Apartments audited financial statements, for the year ended December 31, 2019, were presented. In 2019 there was a considerable amount of additional income; approximately \$40,000, vacancies were lower but rents were higher. There were higher maintenance and utility costs. BCAHDC receives a \$20,000 year Managing General Partner fee. The property appears to be operating in a stable environment. Despite the comprehensiveness of the data shared with the auditor, there were no questioned costs or findings.

**\*MOTION\***

Director Moravec moved that the Harvest Park Apartments audit be accepted as presented. Director Pittman seconded. The vote in favor was unanimous.

- 5.3 1200 Park Avenue Audit Report – The 1200 Park Avenue audited financial statements, for the year ended December 31, 2019, were presented. The property is approaching year fifteen and, as expected, expenses are up as well as additional repairs and maintenance. There was an increase in rental revenue of \$40,000. Positive cash flow provided for a \$30,000 interest payment to HACB, in addition to BCAHDC receipt of \$30,000 in partnership fees, and a City of Chico annual interest payment of \$73,000. Despite the comprehensiveness of the data shared with the auditor, there were no questioned costs or findings.

**\*MOTION\***

Director Moravec moved that the 1200 Park Avenue Apartments audit be accepted as presented. Director Anderson seconded. The vote in favor was unanimous.

- 5.4 Walker Commons Audit Report – The Walker Commons audited financial statements, for year ended December 31, 2019, were presented. Walker Commons is a well-loved senior and disabled property in the community, historically performing well. Walker Commons, like many of the other properties had an increase in rental income revenue. The last part of roofing was also completed for

the property in 2019; the roofing replacement was funded with both operating funds and reserves. Accounting-wise, the roofing project sees a write-off of the original value of the old roof, with the addition of the value of the new roof, a book entry. There is no debt on the property other than the annual payment to the City of Chico. There were no findings or concerns.

**\*MOTION\***

Director Moravec moved that the Walker Commons audit be accepted as presented. Director Anderson seconded. The vote in favor was unanimous.

- 5.5 BCAHDC Development Activity – Much activity going on in the area as previously discussed in the HACB Board of Commissioners meeting earlier today. BCAHDC is being invited in to participate as Managing General Partner in a number of proposed developments, including four proposed development agreements with two different development entities; one of them being Central California Housing Corp (CCHC), aka AHDC, the developer of 1200 Park Avenue and Harvest Park Apartments, and the other three involving Pacific West Communities.
- 5.6 North Creek Crossings Apartments, Chico – BCAHDC has been invited into Tax Credit partnership, proposing 106-unit affordable family project. CCHC seeks to apply for 9% Disaster tax credits in July. The proposed Memorandum of Understanding is patterned after the Harvest Park agreement, in which HACB, BCAHDC, and CCHC developed the project in partnership. The risk to BCAHDC is very low. This would help expand affordable housing availability in the area.

**\*RESOLUTION NO. 20-6C\***

Director Moravec moved that Resolution No. 20-6C be adopted by reading of title only: “MEMORANDUM OF UNDERSTANDING WITH CENTRAL CALIFORNIA HOUSING CORPORATION FOR DEVELOPMENT AND OPERATION OF NORTH CREEK CROSSINGS AT MERIAM PARK FAMILY APARTMENTS, CHICO”. Director Hamman seconded. The vote in favor was unanimous.

- 5.7 Mitchell Avenue Senior Apartments, Oroville – Pacific West Communities (PWC) is proposing a development Memorandum of Agreement (MOA) with BCAHDC for development of a 37-unit senior housing project. PWC is the largest California tax credit developer, and has a history of activity in the area. The proposed senior project is located next to Winston Gardens, a low-income Public Housing senior and disabled property owned and managed by HACB. BCAHDC is invited to participate as MGP in the proposed development, in partnership with with PWC

**\*RESOLUTION NO. 20-7C\***

Director Pittman moved that Resolution NO. 20-7C be adopted by reading of the title only: “MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND OPERATION OF MITCHELL AVENUE APARTMENTS, OROVILLE”. Director Moravec seconded. The vote in favor was unanimous.

- 5.8 Ford Avenue Apartments, Gridley – PWC is proposing a development MOA with BCAHDC, which is consistent with previous agreements. PWC has secured a property on Ford Avenue in Gridley which suits itself well to the proposed development of 37 family units. PWC will be applying for 9% Disaster tax credits in July. Director Hamman was curious about the asking price for the property, President Mayer was not sure of the final price, thought it settled around the \$600,000 mark.

**\*RESOLUTION NO. 20-8C\***

Director Hamman moved that Resolution No. 20-8C be adopted by reading of the title only: MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND OPERATION OF FORD AVENUE FAMILY APARTMENTS, GRIDLEY”. Director Anderson seconded. The vote in favor was unanimous.

- 5.9 Deer Creek Apartments, Chico – PWC is proposing a development MOA with BCAHDC, consistent with the previous two MOA’s presented in this meeting. PWC has secured an 11-acre parcel on the south-east corner of Highway 32 and Bruce Road. The proposed two-phase development provides for 204 units of affordable housing, built out in contemporary 3-story multi-family buildings. A preliminary sight is plan included as an attachment for reference. President Mayer mentioned this might be the single largest tax credit project ever completed in the state of California.

**\*RESOLUTION NO. 20-9C\***

Director Pittman moved that Resolution No. 20-9C be adopted by reading of the title only: MEMORANDUM OF UNDERSTANDING WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND OPERATION OF DEER CREEK FAMILY APARTMENTS, CHICO”. Director Moravec 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 – August 20, 2020.**

13. ADJOURNMENT

Director Moravec moved that the meeting be adjourned. Director Anderson seconded. The meeting was adjourned at 3:39 p.m.

Dated: May 21, 2020.

---

Edward S. Mayer, President

ATTEST:

---

Marysol Perez, Secretary