

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

BOARD OF COMMISSIONERS SPECIAL MEETING

MINUTES OF April 1, 2011

Chair Lobo called the Social Meeting of the Housing Authority of the County of Butte to order at 2:00 p.m.

1. ROLL CALL

Present for the Commissioners: Patricia Besser, Christine Boyle, Rebecca Graham, Larry Hamman, Clarence “Bino” Lobo, Gene McFarren and Laura Moravec.

Present for the Staff: Ed Mayer, Executive Director; Roy Peters, Deputy Executive Director; Larry Guanzon, Housing Director; Sue Kemp, Finance Officer; and Tamra Young, Executive Assistant.

Others Present: Peter Herzog and Laurie Doyle, AHDC, Inc.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

None.

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Proposed Partnership with AHDC to develop 90-unit Low Income Multi-Family Housing Project on south side of East Avenue, Chico (west of Orchard Supply) – Affordable Housing Development Corporation, Inc. (AHDC), a private affordable housing tax-credit developer, approached HACB with an opportunity to partner and participate in the Harvest Park Apartments development, a 90-unit multi-family apartment project serving low income families (at or below 60% area median income). The proposed affordable housing project is located on a five-acre parcel west of Orchard Supply Hardware on East Avenue in Chico. The project as proposed offers a mix of 1-, 2- 3- and 4-bedroom units, with nine (9) 1-bedroom units available to special needs households at or below 30% AMI. AHDC has already secured the property and has received a commitment from the

City of Chico Redevelopment Agency for \$8.8 million. Financing is anticipated to be achieved by means of 4% Low Income Housing Tax Credit (LIHTC) financing coupled with tax-exempt Mortgage Revenue Bond (MRB) financing. AHDC has requested HACB participation in the amount of \$600,000, and non-profit participation as Managing General Partner in the contemplated Limited Partnership that would own and operate the property once developed and constructed. Since timing is critical in the planning and development of projects financed in this manner, an expression of interest from HACB could not wait until the regularly scheduled Board meeting in April. Peter Herzog, AHDC President, and Laurie Doyle, AHDC Project Manager made a presentation to the HACB Board. Mr. Herzog presented AHDC's history and experience in the development industry. Ms. Doyle gave the Board an overview of the proposed project. Mogavero, Notestine & Associates will be the architect, Northstar Engineering is the engineering firm, Ashwood Construction is the contractor, and WinnResidential will be the property manager. The Board asked questions and expressed concerns regarding RDA's financial commitment, possible neighborhood concerns, and considered financial ramifications of an HACB investment and its impacts on other HACB projects, programs and opportunities etc. Executive Director Mayer recommended proceeding with negotiation of a development "understanding", such understanding to identify and define partnership roles, issues, responsibilities, compensation, etc. Such recommendation was made as the project serves the mission of the HACB in creating and operating affordable housing; provides an investment vehicle for some of the HACB's unrestricted liquid affordable housing assets; delivers product in one of the fastest growing areas of the County (north Chico) where the HACB has no presence, demand is high, and services are excellent and proximate; and gives the HACB "control" of the long-term interests in the property. AHDC is a "known" developer, having worked with HACB in production and delivery of the 1200 Park Avenue Apartment project in Chico. Mr. Mayer recommended the HACB positively consider the requested investment, and further recommended use of one of HACB's instrumentalities, the Butte County affordable Housing Development Corporation (BCAHDC), to act as Managing General Partner in the Limited Partnership. BCAHDC would also be used to retain legal and financial consultation such that HACB's and BCAHDC's interests are addressed in the structuring and codification of the partnership. The Board was interested in proceeding with negotiations towards a partnership agreement supporting project development.

MOTION

Commissioner Hamman moved that the HACB negotiate a written response to AHDC identifying partnership roles and responsibilities for Board consideration, and to recommend to its instrumentality, BCAHDC, that BCAHDC retain legal and financial consultants to represent HACB's and BCAHDC's interest in structuring a partnership agreement with AHDC, Inc., wherein BCAHDC would be Managing General Partner of the Limited Partnership for the Harvest Park Apartments project, Chico, CA. The proposed development may include a loan

from the HACB to the project of up to \$600,000. Commissioner 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 COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **Next meeting – April 21, 2011.**
- PSWRC-NAHRO Annual Spring Conference, San Francisco CA, May 21-24, 2011.

13. ADJOURNMENT

Commissioner Moravec moved that the meeting be adjourned. Commissioner McFarren seconded. The vote in favor was unanimous. The meeting was adjourned at 3:16 p.m.

Dated: April 1, 2011.

Clarence Lobo, Chair

ATTEST:

Edward S. Mayer, Secretary