

IRVINE CAMPUS HOUSING AUTHORITY
Board of Directors' Meeting
November 9, 2016

BOARD MEMBERS PRESENT: Jennifer Aaron, Alan Barbour, Young Chen, Sandra Irani, Ken Janda, Greg Jue, Diane O'Dowd, Barbara Sarnecka, Christy Teague, Mark Warner

OTHERS PRESENT: Jennifer Barb, Courtney Caldwell, Steve Caufman, Nahid Greger, Andrew Herndon, Jane Laning, Robyn Stelk, Hobart Taylor, Victor Van Zandt, Elaine Vatakis

CALL TO ORDER: Greg Jue called the meeting to order.

APPROVAL OF MINUTES: The Board approved the minutes of October 12, 2016.

REPORT ON OPERATIONS

Before highlighting key operational items, President Jane Laning introduced Assistant Controller Jennifer Barb, who attended the Board meeting in Vice President of Finance Lara Grady's absence.

President Laning continued by updating the Board on several matters:

- The Area 10 Park and Pool amenity is open. ICHA staff and the pool contractor dealt with a reported spa chlorination issue.
- University Hills homeowner Dr. Mary Watson has started the first stages of the University Hills Community Satisfaction Study by conducting focus groups with the ICHA staff. Dr. Watson will be scheduling a focus group with Board members in the coming weeks.
- It is important that Board members attend the community meeting that will occur in early April 2017.
- Owing to important contract and loan authorizations needed for Area 11-1, a quorum is imperative for the December Board meeting. There will be no January 2017 Board meeting.

Vice President Andrew Herndon updated the Board on a draft short-term rental policy to address the concerns regarding certain University Hills residents using their homes for short-term rentals. After discussions with the HRB concerning the issues and potential actions, the conclusion reached was that following the City of Irvine's short-term rental policy would be the most reasonable solution. Vice President Herndon will share the draft policy with the University Hills community via email before it is formally adopted by the Board.

OLD BUSINESS

- **Alturas Townhome Final Cost Presentation**

President Laning distributed and discussed with the Board the final cost for Alturas Rental Townhomes in comparison to the project budget presented in February 2015. She reviewed a variety of interim change orders and cost savings. The overall project cost through completion and acceptance by ICHA in March 2016 was \$23,275,000, which is \$949,000 below budget. Additional loan interest costs payable directly by ICHA accrued thereafter during ongoing interface with UCOP in conjunction with ICHA take-out financing.

- **Entertainment Homes**

The Board discussed a Director's concern that the Entertainment Homes would not preserve their intended function should the responsibilities of the initial purchaser change. The intention of the Entertainment Homes is to assist key university employees with their roles in fundraising, hosting and community outreach. These Plan 963 units have the same floor plan, size and footprint as the typical Plan 963 homes but with professionally designed interior upgrades and rear-yard elements that maximize the ability of the homeowners to host groups of 10 to 20 persons. The purchase price will reflect the additional cost. The Board agreed that this is an experiment; the Campus and ICHA will assess the efficacy of the Entertainment Homes once occupied to determine whether to include any in other Area 11 phases.

NEW BUSINESS

- **Area 11-1 Construction Financing**

President Laning gave a PowerPoint presentation briefing to the Board on Area 11-1 home construction financing in preparation for the December Board meeting approval of both the construction contract and ICHA's facilitation of the builder's construction loan. She noted that the builder, not ICHA, is the loan borrower; and that University Hills construction projects have successfully utilized this same structure nineteen times, nearly half of these and all of the most recent ones being with the builder's lender HCC. She distributed and discussed with the Board a graphic depicting the construction financing structure and respective key documentary relationships among the builder, lender and ICHA; and a table comparing the Area 11-1 construction loan terms to those of the preceding single-family project in Area 10-2. Overall, the loan terms are substantially similar to those of the preceding single-family phase and are favorable. President Laning responded to questions about the loan process.

EXECUTIVE SESSION

The Board went into Executive Session to discuss legal issues.

ADJOURNMENT

The meeting adjourned at 5:05 p.m.