

**IRVINE CAMPUS HOUSING AUTHORITY**  
**Board of Directors' Meeting**  
**March 10, 2015**

BOARD MEMBERS PRESENT: Ken Chew, Bill Hansen, Greg Jue, Herb Killackey, Ken Janda, Bert Semler, Mark Warner

OTHERS PRESENT: Courtney Caldwell, Stephen Cauffman, Lara Grady, Andrew Herndon, Jane Laning, Robyn Stelk, Victor Van Zandt, Kathy Windsor

CALL TO ORDER: Ken Chew called the meeting to order.

APPROVAL OF MINUTES: The Board approved the minutes of February 10, 2015.

**REPORT ON OPERATIONS**

President Jane Laning updated the Board on the following matters:

- Area 10-2 New Home drawing will include recruits with appointments on or after July 1, 2014 through October 31, 2015. Thirty-seven of the 45 lots are in the drawing, as the Provost has held 6 and designated buyers have pre-selected 2. The drawing will be on Tuesday, May 5, from 12:00 to 1:00 pm, with lunch provided. President Laning invited members of the ICHA Board and HRB.
- Management is working with the Campus and ICHA's attorneys on prevailing wage issues.
- The State's Board of Equalization periodically reviews how local tax assessors determine values of private possessory interests in nontaxable government-owned property. The BOE disagrees with the Orange County Tax Assessor's method for calculating the present-value discount of the revenue stream as to University Hills ground subleases. Management has sought legal assistance for input on this matter. While the BOE's proposed change in methodology, if implemented, could result in a property tax increase for some University Hills homeowners, it appears unlikely to be drastic.
- The community elected two HRB incumbents and two new board members with electronic voting that resulted in higher participation. Catherine Pugel and Hobart Taylor are the new members. Sandrine Scherson and Steve Cauffman are the incumbents.

**OLD BUSINESS**

- **Board Appointments**

President Laning discussed the email previously sent to the Board about two possible non-campus candidates to replace Bill Hansen owing to term limits. After some discussion, the Board suggested contacting Christy Teague.

The campus-affiliated position requires an Academic Senate member who is not a University Hills homeowner. Bert Semler recommended Allan Barbour, and the Board concurred.

The next step will be to contact these potential candidates to see if they have an interest in serving. Management will keep the Board updated on progress toward filling the positions.

**NEW BUSINESS**

- **Alturas Rental Rate Recommendation**

Director of Planning and Construction Victor Van Zandt presented the Alturas Rental Rate Recommendation using PowerPoint. Alturas unit rates range from \$1,705 for two bedrooms to \$2,150 for three bedrooms. He compared these rates to ICHA's Santiago apartments and to rental townhomes and flats in Irvine. The proposed Alturas rates are 20% below the current Irvine market; they balance with ICHA's current rental portfolio, are affordable, and surpass permanent financing benchmarks as well as IRS criteria for qualified campus lodging nontaxable to employees. He addressed Board questions regarding pricing goals and unit demand, following which the Board had no objection to moving forward with the pricing presented.

- **Area 10-2 Sales Price Recommendation**

As background for pricing the Area 10-2 for-sale homes, President Laning distributed the updated Area 10-2 Total GMAX Budget. The negative budget reduced the home cost per square foot by \$2 from the November 2014 budget, added courtyards for the two largest models, and replaced turf in front yards and common areas with drought-tolerant plants. President Laning said she was comfortable with the deficit budget given increased contingencies and a cushion in loan interest, as well as a net surplus when taken as a whole with the actual revenue from its originally deficit overlapping Area 10-3 companion project.

Director of Sales and Marketing Kathy Windsor utilized a PowerPoint presentation to discuss pricing for the Area 10-2 homes. The average price recommended in the GMAX Budget is \$222

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per square foot. In comparison to the recently sold homes in Area 10-3, this is about a 2% increase. With respect to current resales, the Area 10-2 per-square-foot base price is comparable but adding options and capital improvements will make the new homes more expensive; however, the 7% cap on design-center options keeps the homes affordable. The Board found the pricing acceptable.

**ADJOURNMENT**

The meeting adjourned at 4:35 p.m.