

IRVINE CAMPUS HOUSING AUTHORITY
Board of Directors' Meeting
February 8, 2017

BOARD MEMBERS PRESENT: Jennifer Aaron, Alan Barbour, Yong Chen, Sandy Irani, Greg Jue, Diane O'Dowd, Barbara Sarnecka, Christy Teague

OTHERS PRESENT: Jennifer Barb, Courtney Caldwell, Steve Cauffman, Lara Grady, Nahid Greger, Rich Haier, Andrew Herndon, Jane Laning, Victor Van Zandt, Elaine Vatakis

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

APPROVAL OF MINUTES: The Board approved the minutes of December 14, 2016.

REPORT ON OPERATIONS

President Laning highlighted several items for the Board:

- The heavy rains of December and January impacted the Area 11-1 construction schedule. However, the builder reports that the first home delivery will likely be in late October 2017, just a few weeks from the initial estimates.
- The draft GMAX budget for the entire Area 11-1 scope of work is higher than expected. Management will work with the builder to find opportunities to reduce the costs. If this is not attainable, management may need to come back to the Board for authorization for a higher GMAX amount.
- The Community Meeting is scheduled for the evening of May 3rd. It is important that ICHA Board members be present. Management is working with the Homeowners Representative Board on the meeting agenda and will publish it in the ICHA Newsletter in early March. The agenda will have opportunities for questions and answers for each topic as well as an open-topic question and answer session at the end.

NEW BUSINESS

- **Area 11-1 New Home Drawing Discussion**
 - **Eligibility Dates**

President Laning gave a digital presentation and discussed eligibility dates for new recruits in general, and for the 2017 New Home Drawing. This is important since new recruits have the highest priority for housing. She noted that while there is only one waitlist, there are two differing eligibility date ranges for recruits:

ICHA Board of Directors' Meeting

February 8, 2017

Page 2

(1) The general definition that is used to place applicants on the waitlist for resales, which as of right now is members of the Academic Senate appointed on or after July 1, 2014 and

(2) The definition for the purpose of the 2017 New Home Drawing, which the Board will determine at this meeting.

She noted the importance of remaining consistent with policy, which has always been a single new home drawing opportunity, based on hire date. She reviewed prior hire date ranges for new home drawings. Historically, this eligibility date range starts where the last one left off, and for the preceding drawing for Area 10-2 homes the cutoff date was October 31, 2015. In terms of the end date, she noted that management always intended Area 11-1, the largest phase in Area 11, to accommodate July 1 2016 and July 1 2017 recruit classes and given that most recruits arrive in July recommended a July 1, 2017 end date.

After discussion and deliberation, the Board concurred with President Laning's recommendation that the 2017 New Home Drawing eligibility date range for Area 11-1 be November 1, 2015 through July 1, 2017.

- **Applicants who do not get a home in the drawing**

President Laning continued the presentation, addressing participants who do not receive a home in the New Home Drawing. She also talked about how applicants were handled after prior drawings.

She reiterated that there is only one waitlist and that all new recruits are encouraged to complete an application and put their name on that list when they come in for their recruit visit, since applicants are placed on the waitlist by application date.

A couple of months before the New Home Drawing eligible recruits on the waitlist, as defined above, are sent a new home application packet to enter the drawing. They remain on the waitlist, by application date. When the new home drawing is complete and all new homes have been assigned, those applicants that got a home in the drawing are removed from the waitlist. Applicants who do not get a home can remain on the waitlist for a resale, by application date, or, as permitted by the Ground Lease and reiterated in the Ground Sublease, be designated by the Provost for a resale home.

After discussion the Board decided that as a rule, applicants who do not get a home in the 2017 New Home Drawing will remain on the waitlist by application date, with the Provost retaining the right to designate certain individuals for priority.

- **Area 11-1 Options and Upgrades Policy Discussion**

President Laning gave a digital presentation on and discussed the Options and Upgrades Policy. Buyers purchase the options and upgrades from the builder's design center before close of escrow. This process allows buyers to individualize their home and, most importantly, include these costs in the purchase price and mortgage.

For the first 15 years of the housing program, there were no constraints on money spent at the design center, which led to many homeowners purchasing extensive selections of options and upgrades. The home's cost component for these items escalated over the years since they are included in the purchase price and therefore escalate with the highest index as part of the Maximum Resale Price calculation, regardless of worth factors such as obsolescence or diminishing useful life.

In 2000 the Board became concerned about future price affordability and accordingly limited the range of options and upgrades available from the design center while including some popular upgrades in standard construction specifications to accommodate buyers and achieve scale economies. The Board later revisited the policy and capped the cost of options and upgrades that could be included in the purchase price to 10% and later to the current 7% of the new-home base price.

Board meeting participants originated a number of questions and comments regarding various aspects of capital improvements. Management will come back to the Board next month with recommendations for the Area 11-1 Options and Upgrades Policy as part of the new home pricing discussion.

EXECUTIVE SESSION

The Board went into Executive Session to discuss human resource matters.

ADJOURNMENT

The meeting adjourned at 4:45 p.m.