

IRVINE CAMPUS HOUSING AUTHORITY

Board of Directors' Meeting
October 14, 2021

BOARD MEMBERS PRESENT: Jennifer Aaron, Yong Chen, Sandra Irani,
Samara Larson, Tyrus Miller, Diana O'Dowd,
Heike Rau, Suzanne Sandmeyer, Christy Teague.

OTHERS PRESENT: Jennifer Barb, Bryce Bunker, Barbara Correa, Kim
Encinas, Karlie George, Chrissy McCormick, Hobart
Taylor, Victor Van Zandt and Elaine Vatakis.

CALL TO ORDER: Jennifer Aaron called the meeting to order.

APPROVAL OF MINUTES: The Board approved the minutes of September 9, 2021.

NUTS & BOLTS

Vice President Vatakis provided an update on the COVID-19 Vendor Protocol. She added that the Irvine Campus Housing Authority website has been updated with the document. The Vendor Protocol was reviewed and update to allow the information in the agreement to be expanded, if needed. The additional requirement of the vendor's signature provides greater accountability. The updated Vendor Protocol aligns with industry best practices and recommendation from the Center for Disease Control and Occupational Safety and Health Administration. In addition, the agreement links to CDC, OSHA and Orange County Health Department websites. Each vendor is required to complete a self-check prior to working in University Hills.

REPORT ON OPERATIONS

- Manager Reid reported that the pergola at the Los Trancos Pool recreation area was inspected and after review, it was determined that dry rot had damaged the wood structure significantly. The best course of action was to remove the damaged structure for safety measures. Since the park is going through redevelopment planning phases, replacing the pergola was placed on hold until future plans are finalized as a cost-savings measure.

- Director Correa reviewed the plans to enhance the website with a section devoted to Sabbatical home listings and renter resources for the interim housing. The webpage is currently being built out and the intention is for it to be complete in the next couple of months. In addition, new software has been selected for the use of the Real Estate Sales and Administration and Community Development departments to better manage the 1,226 homeowners in University Hills. The software provides a resident portal for homeowners to interact with ICHA, update their personal information and track Architectural application submissions.
- Director Barb provided the update that the annual financial audit is being wrapped up and the Board Audit Committee will be sharing with the Board the outcome from this year's report. She also announced that the IRS Form 990 is in progress, and she expects for it to be completed in November, but the corporation will still file an extension.
- Manager Bunker reported that the Irvine Unified School bus stops have been utilized in the community and there is opportunity to add benches and bike racks at other locations, similar to the stop by Coltrane Pool. During the planning phases, ICHA will work with the HRB to find opportunities to add art to the stops. They are exploring having community members decorate tiles to add to those locations.
- HRB Chair Taylor updated that Board that on Sunday, Oct. 24 the HRB is holding an Emergency Preparedness event at the University Hills Community Center and virtually. The event will cover personal preparedness for fire safety and how to protect your home. It will also incorporate information on wild fire preparedness, including ICHA's fuel modification zones. The group will discuss CERT training and the importance of UCI Zot alerts.
- Manager Encinas announced that ICHA has hired their thirtieth employee with the addition of Arnie Bengo. She was hired as the community events coordinator and her first day will be on October 18. She comes from the non-profit work and will be a great fit. The position was a request from the HRB, ICHA was able to budget for the role and advertise the position over the summer.
- Vice President Vatakis reported that in September ICHA released fifty Las Lomas units to UCI for interim use to accommodate a need for COVID-19 student quarantine and isolation space if needed. UCI wasn't in position to quickly turn the units and requested ICHA's assistance. The rental Maintenance team completed fifty Las Lomas unit turns and fourteen ICHA property unit turns in thirty days.
- Vice President George provided the update that the Tierney University House Ground Sublease extension was up for its ten year renewal and all documents have been executed by UCI and ICHA to continue the lease. ICHA proactively reached out to UCI prior to the deadline of the current term and requested their confirmation if they would like to extend the lease for another ten years. The Ground Lease began in November 2001 and runs through November 2071 but requires UCI's confirmation that the Regents intends to extend the lease every ten years.

OLD BUSINESS

Area 12 Update (project, loan, etc.)

President Van Zandt presented updates to the Area 12 planning process:

- The Board approved risk reduction measures for Area 12 was reviewed by UC Office of General Counsel.
- Despite the Regents of University of California v. Aubry (1996) prevailing wage exemption, UC Office of General Council informed UCI that pre-purchasing and/or guaranteeing to buy Area 12 homes will require the project to be built with prevailing wage.
- Building stacked flats with prevailing wage will increase pricing that exceeds current single family home pricing in the Irvine marketplace and therefore a non-starter for the project.
- The campus requested further direction to move the project forward and ICHA advised building Area 12 in smaller phases and requested time to confirm loan structure with bank.
- ICHA is hoping to have an updated pro-forma and lender underwriting guidelines before next calendar year.

NEW BUSINESS

Review of Definition of New Recruit Class to Academic Senate

Vice President George distributed and discussed handouts previously emailed to the Board. She reviewed the definition of the New Recruit Class of the Academic Senate for University Hills for-sale waitlist purposes.

- The current definition includes Senate Faculty with appointments from June 1, 2018 to present.
- Revising the definition to Senate Faculty with appointments from June 1, 2019 to present impacts 25 recruits who remain on the waitlist for an opportunity to purchase in University Hills. This is the largest group of unsatisfied recruits in present years. There were 15 Senate Faculty up for review in 2020, ten Senate Faculty in 2019 and six Senate Faculty in 2018.
- Amongst the 25 Senate Faculty up for review this year, nine were offered a single-family home, three were offered only a condo/townhome, eight were not offered and four did not respond to opportunities.
- ICHA suggested that the Board recommend to the EVC/Provost that the "new recruit" status policy be defined as Academic Senate members and potential hires to the

Academic Senate with appointment dates on or after June 2, 2019, excluding applicants who both participated in their designated lottery and were not offered a home and applicants who put their names on the resale list within six months of being hired and have not been offered a resale home.

- Further review of the redefinition was needed by the Board prior to coming to a consensus on the recommendation to the EVC/Provost.

Review FY21 financial results, year in review (report on FYE 2021)

Postponed.

Audit Committee to present Audit to full Board

Board member Teague presented the 2020-2021 fiscal year financial audit report. Audit Committee members Chen, Miller, Teague met with Haskell and White, along with President Van Zandt and Director Barb on September 16 to review the audit. The committee reviewed financial reports and the statement of net position. Total assets increased by \$8 million, and most of the increase was related to the sale of the remaining 11-4 new homes. Liabilities decreased due to construction costs from the prior year, rent increased to \$2.8 million due to bringing Miramonte online. Operations expenses were reduced, but interest expenses increased due to Miramonte's permanent loan. The committee confirmed that there were no contentious matters to disclose. It was noted the potential risk of future write offs that include the Las Lomas decommission. Several observations of control deficiencies include the cut off procedures after the close of the fiscal year, development documentation of formal allocation process of salary and benefits, control and restrict access to journal entry postings, finance has access to positive pay and check writing access and discussion of growing paid time off balances.

RESOLVED: That the Board receive the 2020-2021 Financial Statements and Independent Auditors' Report as presented, and that Management is authorized to forward the report to the Chancellor.

FURTHER RESOLVED: The Board hereby directs Management to forward the Auditor's Report to the Chancellor.

Inclusive Excellence Program

Postponed.

New Treasurer, Finalize Committee members

It was necessary for the Board to conduct an election for the office of ICHA's Secretary/Treasurer in light of the voluntary decision for the incumbent, Barbara Sarnecka, to step down. President Van Zandt informed the Board that she had spoken with Yong Chen (ICHA Board member and UCI Professor of History in the School of Humanities), who has consented to be nominated for the position. The Chair then called for nominations and nominated Yong Chen. There being no further nominations, a vote was taken and Yong Chen was unanimously elected to the office of Secretary/Treasurer.

RESOLVED: Yong Chen is appointed as ICHA's Secretary/Treasurer.

The Board then directed management, in light of her absence, to formally thank Member Sarnecka for her years of service to the corporation as Secretary and Treasurer.

Board Committees were also confirmed. The Audit Committee will now include Board members Christie Teague, Tyrus Miller and Jennifer Aaron. The Benefits and Compensation Committee will be Sandra Irani, Heike Rao and Jennifer Aaron. The Dispute Resolution Committee will include Diane O'Dowd and Barbara Sarnecka.

ADJOURNMENT

The meeting adjourned at 3:35 pm.