

**IRVINE CAMPUS HOUSING AUTHORITY**  
**Board of Directors' Meeting**  
**January 10, 2018**

BOARD MEMBERS PRESENT: Jennifer Aaron, Yong Chen, Sandra Irani, Ken Janda, Greg Jue, Diane O'Dowd, Heike Rau, Barbara Sarnecka, Christy D. Teague.

OTHERS PRESENT: Jennifer Barb, Barbara Correa, Karlie George, Laura Grady, Nahid Greger, Richard Haier, Andrew Herndon, Gerald Parham, Victor Van Zandt, Elaine Vatakis.

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

**APPROVAL OF MINUTES** The Board approved the minutes of November 8, 2017.

**REPORT ON OPERATIONS**

The Chair opened the Operations Report for questions and comments. President Van Zandt invited ICHA managers to present reports for their respective departments:

- Director/Asset Manager of Rental Housing Elaine Vatakis reported that rental unit turnover was higher than usual in December due to renters moving to new Area 11 homes. Typically, 9-12 units turn over on a monthly basis, compared to 25 in December, 2017.
- Director Vatakis added that she is continuing to work with a real estate assessor to ensure that rental rates remain compliant with IRS requirements. Rental income must be 5% or greater of the total appraised value of the property to avoid being defined as an imputed taxable employee benefit.
- Incoming Director of Finance Jennifer Barb explained that water and sewer bills fluctuate during July and August due to annual estimated water and sewer adjustments. The estimated water charge appearing on monthly statements sent to homeowners is a fixed monthly rate for water service based on average usage for the prior fiscal year. At the close of each fiscal year, the actual amount used is reconciled with the estimated amount paid.
- Vice President of Community Development Andrew Herndon announced that the annual Homeowner Representative Board elections will take place in February.
- Incoming Director of Sales & Marketing Karlie George reported that 70% of Area 11-2 closings have been completed, with 100% completion projected for September.

- The sales department completed paperwork transferring the Broker/Officer of Record for the corporation to Director George.
- The Entertainment Home program has been cancelled after consultation with the campus in November 2017.

### **OLD BUSINESS**

- **Area 11-2 Project and GMAX Update**

President Van Zandt explained that the overall project cost for Area 11-2 is expected to increase from the cost of Area 11-1 due to the adoption of a more stringent California Building Code. The Guaranteed Maximum Price budget from California Pacific Homes, expected later this month, is subject to the Board-authorized amount specified in the resolution adopted in November. In the event the project cost comes in over the authorized amount, management will come back to the Board for additional authorization.

President Van Zandt added that the first Area 11-2 home is projected to be delivered after Labor Day, and that the Area 11-2 New Home Drawing for 42 homes will be held on May 30.

Board members requested data on the number of applicants and percentage of those applicants purchasing homes in recent new home drawings to assist deans and chairs when discussing housing expectations with potential new recruits to the University.

### **NEW BUSINESS**

- **Authorization to sign Sales Documents on behalf of ICHA**

Paperwork has been filed with the California Bureau of Real Estate transferring the Broker-Officer of Record on the corporate license from Nahid Greger to Karlie George. Elaine Vatakis and Jennifer Barb are anticipating completing requirements to become licensed as Real Estate Brokers for the purpose of maintaining operations in the absence of the Broker-Officer of Record. Additionally, President Van Zandt will have authority to sign documents in the absence of a Broker-Officer per Section 10133 of the Business and Professions Code.

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the resolution attached to these minutes titled "ICHA Board Resolution to Designate Substitute Broker-Officer and Additional Brokers, and Authorize Execution of Documents On Behalf of ICHA."

- **Area 11 Excess Dirt**

President Van Zandt gave a presentation explaining the process for managing excess dirt produced during the mass grading for Area 11. Following the grading, there was 6% more dirt on the Area 11 site than predicted by geotechnical analysis and engineering. The builder, California Pacific Homes (CPH), notified ICHA of the excess dirt in early 2017. At that time, CPH found other projects to haul the dirt away at no cost to ICHA. However, those projects were delayed. Four months ago, Cal Pac reported back to ICHA that removing the excess dirt could cost approximately \$2 million. A project on the former Tustin Marine Base site agreed to accept the dirt. The cost to haul this dirt is estimated at approximately \$970,000. The hauling will begin in late January.

ICHA is reviewing various mechanisms to cover the majority of the cost of moving the dirt. The net cost is expected to be \$80,000. The Board supported the strategy.

**EXECUTIVE SESSION**

The Board went into Executive Session.

**ADJOURNMENT**

The meeting adjourned at 5:15 p.m.