

IRVINE CAMPUS HOUSING AUTHORITY
Board of Directors' Annual Meeting
June 13, 2018

BOARD MEMBERS PRESENT: Jennifer Aaron, Alan Barbour, Yong Chen, Sandra Irani, Ken Janda, Greg Jue, Heike Rau, Barbara Sarnecka, Christy Teague.

OTHERS PRESENT: Jennifer Barb, Bryce Bunker, Barbara Correa, Karlie George, Andrew Herndon, Ron Reid, Robyn Stelk, Sandrine Biziaux Scherson, 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 May 9, 2018.

REPORT ON OPERATIONS

The Chair opened the Operations Report for questions and comments. CEO and President Victor Van Zandt updated the Board on several matters:

- The 2018 Conference on Academic Workforce Housing is scheduled for June 13-15 at Chapman University. Registration for this year's conference is the highest it has been since it began in 2007. President Van Zandt will update the Board on the conference at a future Board meeting.
- President Van Zandt and Director of Sales and Marketing Karlie George attended the Academic Senate Council on Faculty Welfare, Diversity and Academic Freedom meeting on June 12. They gave a presentation about University Hills, explaining in detail the waitlist process for prospective residents.

President Van Zandt asked all managers to present reports for their respective departments:

Vice President Andrew Herndon:

- Kim Encinas is ICHA's new Community Relations Manager, a seasoned professional with 23 years of experience working with large planned communities in Irvine.
- The conversion to reclaimed water usage for all landscaping in University Hills is 99% complete.
- In preparation for fire season, brush trimming is underway near the Las Lomas Apartments and the UCI Preserve.

ICHA Board of Directors' Annual Meeting

June 13, 2018

Page 2

- Asset Manager Ron Reid discussed the upcoming Street Slurry Project, adding that communication with the community ahead of the Street Slurry would be modelled on the successful Las Lomas Roof Replacement Project notification campaign.
- Manager Bunker reported good progress on Area 11-2 construction and the Las Lomas Roof Replacement Project. He announced the birth of his second child and said that he will be out for much of July on paternity leave.
- Director George reported that 39 new homes have been offered; to date 24 have accepted, two candidates' appointments were delayed and four declined the offers.
- Director Barb said that the annual audit begins next week and will wrap up in August.
- Director Correa reported that the Summer Newsletter email sent the first week of June was opened by 1,176 residents, with a 21.5% click rate, the second highest ever. The most-clicked article contained architectural renderings of the three planned parks in Area 11.
- Vice President Vatakis reported occupancy rates in the 99 percent range, below the external rental market.

NUTS AND BOLTS

Director George gave a presentation explaining Primary Residency Rules for University Hills:

- Residents are required to reside in their home.
- Long term rentals are allowed in some instances, such as during a Sabbatical, or when there is a demonstrated inability to sell the property. Rentals are coordinated by Cindy Hughes, Rental Consultant/Community Service Coordinator at ICHA. University Hills residents are encouraged to refer rental opportunities to the ICHA Rental Department.
- ICHA discover residents who are not in compliance with the rules when they receive returned mail or find evidence of additional property ownership from property records.
- As University Hills approaches full buildout, ICHA recognizes the increase in demand for housing and is becoming more proactive in notifying residents who are not complying with the residency rules.
- The June newsletter included an educational piece about the rules.
- The formal process for enforcing the rules is as follows: ICHA requests an appointment with the homeowner to discuss the Primary Residency Rules. Next, an initial letter is sent to the resident providing 30 days to come into compliance. The second letter allows a ten-day period to come into compliance. If the homeowner continues to fail to comply, ICHA notifies the University and legal counsel.
- AirBNB-style short term rentals are not allowed in University Hills due to zoning

requirements.

OLD BUSINESS

- **Area 11 Rental Project Update**

President Van Zandt reminded the Board that UCOP has stated its support for a permanent loan of up to \$20M for the Area 11 Rental Project using a delegated authority to the President of the UC system. He reported that UCOP is routing the request through the system and that the loan is expected to be approved before the end of July.

NEW BUSINESS

- **2018/2019 Budget Presentation & Approval**

Director of Finance Jennifer Barb presented and distributed the 2018-2019 budget for final approval, noting that it was the same as the draft previously presented for review, distributed and discussed at the May Board meeting. She also presented and distributed the proposed text of the Budget Approval resolution. After discussion and upon motion duly made and seconded, the Board unanimously adopted the following resolution:

RESOLVED: That the budget for fiscal year 2018-2019 as presented by Management, including a \$5 per unit per month increase in the University Hills maintenance assessment (from \$83 to \$88), effective July 1, 2018, is hereby approved.

- **2018/19 Reserve Funding Approval**

Director of Finance Jennifer Barb presented for approval the reserve funding recommendations for University Hills, the Townhomes, and the Rental Apartments, as previously presented for review and discussed at the May Board meeting. The basis for the recommendations is the reserve studies conducted once a year by an outside consultant. She also presented and distributed the text of the proposed Annual Reserve Funding resolution. Following Board approval, Management will transfer cash from the operating account to the appropriate reserve accounts. After discussion and upon motion duly made and seconded, the Board unanimously adopted the following resolution:

RESOLVED: That the recommended reserve funding for University Hills, the Townhomes, and the ICHA owned rental properties for fiscal year 2018-2019, as presented by Management (and per the reserve study recommendations), is hereby approved.

- **Board Conflict of Interest Statements**

ICHA Board of Directors' Annual Meeting

June 13, 2018

Page 4

President Van Zandt distributed Conflict of Interest Statements and requested that all directors sign and return them to Management.

- **Select Dispute Resolution Committee**

President Van Zandt asked members to consider serving on the Dispute Resolution Committee. Committee membership will be determined at a future Board meeting.

- **Reaffirm Audit Committee**

President Van Zandt invited Audit Committee members Greg Jue, Christy Teague, and Yong Chen to continue serving. The Members unanimously agreed to continue to serve.

- **Reaffirm Compensation and Benefits Committee Members**

President Van Zandt invited Compensation and Benefits Committee members Jennifer Aaron, Alan Barbour, and Sandy Irani to continue serving. The Members unanimously agreed to continue to serve.

EXECUTIVE SESSION

The Board went into Executive Session.

ADJOURNMENT

The meeting adjourned at 5:15 p.m.