

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

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

OTHERS PRESENT: Jennifer Barb, Bryce Bunker, Barbara Correa, Michele Guindani, Andrew Herndon, Ron Reid, Robyn Stelk, Pamela St. Pierre, 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 September 12, 2018.

**EXECUTIVE SESSION**

The Board went into Executive Session to discuss Human Resource matters.

**REPORT ON OPERATIONS**

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

Asset Manager Reid announced that 83 street lights outlined in the reserve study would be tested.

Director Correa said the History of ICHA and University Hills video would premiere at the upcoming Fall Fiesta and that ICHA will organize a screening for Board members.

Andrew Herndon invited Board members to Fall Fiesta 2018, scheduled for October 14.

Manager Bunker reported that the Las Lomas Apartments Roof Repair Project has been completed.

CEO Victor Van Zandt updated the board on the Rental and Sales departments:

- Annual maintenance inspection of Santiago, Gabrielino and Alturas apartments is underway
- Director of Sales & Marketing George is on maternity leave through 2018.
- Area 11-2 closed escrow on 12 of the 42 homes.

### **NUTS & BOLTS**

Andrew Herndon gave a presentation, "Understanding HRB roles listed in the Ground Lease." HRB Chair Hobart Taylor also contributed. The presentation covered the following:

- The ICHA ground lease stipulates that the Architectural Review Board (ARB) is responsible for overseeing architectural control in the community.
- Seeking to do more than architectural review alone and become a voice for the community, the ARB was renamed the Homeowners Representative Board (HRB) in 1989.
- The HRB supports subcommittees including Entertainment, Transportation, Sustainability (landscaping and tree management, recycling and compost, nontoxic pest control) and has helped organize residents to negotiate discounted solar panel installation.
- The HRB also helped develop custom homes, plans for Garden Park and Knoll Garden and the Dispute Resolution process.
- Today, the HRB works in close collaboration with ICHA to build community through event planning and collaborative governance.
- The HRB budget is \$65,000 for the current fiscal year.

### **NEW BUSINESS**

#### **Area 11-3 Contract Authorization**

Manager of Planning & Construction Bryce Bunker distributed and discussed handouts previously emailed to the Board. He reviewed the Area 11 contract structure and budget estimates for Area 11-3, which are anticipated to be higher than Area 11-2.

- **Area 11-3 Addendum No. 4 to Area 11 Construction Contract and Area 11-3 Infrastructure Work GMAX (Amendment No. 1)**

The first resolution gives authorization to execute the Area 11-3 Contract Addendum No. 4 (adding the Area 11-3 project to the Area 11 master contract) and Amendment No. 1 to that Addendum (authorizing the Area 11-3 infrastructure at a specified Guaranteed Maximum Price).

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the above entitled resolution attached to these Board minutes.

- **Area 11-3 – Not to Exceed GMAX – Full Scope of Work**

The next resolution reviewed addressed authorization to execute a future amendment to the Area 11-3 construction contract for the full scope of work. Manager Bunker explained that in order to satisfy a precondition from the lender for the construction loan origination, the Board will need to authorize the contract amendment for construction of the full scope of work for Area 11-3 now. The overall project cost, once received, will be subject to the Guaranteed Maximum Price specified in this resolution, or will be brought back to the Board for further authorization.

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the above entitled resolution attached to these Board minutes.

#### **Area 11-3 Financing Agreement Authorization**

Manager Bunker then discussed the resolution regarding the Area 11-3 Construction Loan. He highlighted that the builder, not ICHA, is the construction loan borrower, and that in order to originate the Area 11-3 construction loan, the builder's lender, Housing Capital Company, needs ICHA's Board to approve a resolution authorizing corporate execution of these documents, evidenced by a Certificate of Corporate Authorization signed by ICHA officers.

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the above entitled resolution attached to these Board minutes.

#### **Final Report from Audit Committee**

Board and Audit Committee member Christy Teague reported on the audit on behalf of the Committee, which also includes Board members Greg Jue and Yong Chen. She noted that the Committee's chief considerations are whether the accounting figures and key assumptions are reasonable and free of material misstatement and whether internal control deficiencies exist. The Committee, along with CEO Van Zandt and Director of Finance Barb, met with representatives from the audit firm Haskell & White earlier in October to review the final audit report. The auditor team had done considerable fieldwork while on site at ICHA. The auditors had several minor recommendations and reported no material weaknesses or significant deficiencies in ICHA's internal controls. The auditors' review was positive, noting that ICHA's financial statements have the extraordinary distinction of perennially showing no variance from Generally Accepted Accounting Principles.

Director Barb distributed to the Board the annual audit report and noted that the auditors confirmed that ICHA's financial statements fairly represented the corporation's financial position in conformity with Generally Accepted Accounting Principles. She also distributed and

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reviewed with the Board the audited financial statements reflecting ICHA's fiscal year-end assets and liabilities as well as revenues and expenses. She identified the most significant factors accounting for the changes from prior year results. She also distributed and discussed ICHA's budget to actual comparison for fiscal year ending June 30, 2018 with annotations. She invited Board members to contact her at any time should they have questions.

**RESOLVED:** That the Board receive the 2017-2018 Auditor's Report as presented and that Management is authorized to forward the report to the Chancellor.

**ADJOURNMENT**

The meeting adjourned at 5:30 pm.