

IRVINE CAMPUS HOUSING AUTHORITY

Board of Directors Meeting

May 8, 2019

BOARD MEMBERS PRESENT: Jennifer Aaron, Alan Barbour, Sandra Irani, Greg Jue, Diane O'Dowd, Barbara Sarnecka.

OTHERS PRESENT: Jennifer Barb, Bryce Bunker, Brad Conley, Barbara Correa, Karlie George, Andrew Herndon, Hobart Taylor, Victor Van Zandt and Elaine Vatakis.

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

APPROVAL OF MINUTES: The Board approved the minutes of April 10, 2019.

REPORT ON OPERATIONS

CEO & President Victor Van Zandt notified the board that the Homeowner Representative Board has approved the ICHA Dispute Resolution Policy. The policy will be formally adopted at an upcoming board meeting and then posted on the ICHA website. President Van Zandt asked ICHA managers to present their operations reports:

- President Van Zandt reported that community street signs are in the process of being replaced.
- Director Correa reported progress on the implementation of Yardi property management software. ICHA is entering vendor invoices and preparing for the first monthly billing. Staff also have installed and are using a mobile phone app to approve invoices.
- Vice President Herndon presented a slideshow from the April 27 Earth Day event, featuring an electric vehicle rally, drug giveback, shredding and e-waste recycling.
- Director Barb updated the board on the new addition to her family (daughter Camella was born in January). She also noted that Lina Caldwell left ICHA in April and Lyn Cook joined the department. Upcoming projects for the Finance Department include the annual budget and audit.
- Manager Bunker reported that street paving is in process in Area 11-3 and 11-4.
- Vice President Vatakis said Las Lomas kitchen and bathroom renovations begun 11 years ago are nearing completion.
- Director George said the sales department has sent 59 applications for new home drawings and it has 89 pending verifications.

OLD BUSINESS:

- **Update on CAWH**

CEO & President Van Zandt and Director Correa presented an update on the [Conference on Academic Workforce Housing, May 2-3 at Stanford University](#). There were 40 attendees from 19 academic institutions, and the University of California Office of the President, City of Bellevue, Washington, Landed Private Down Payment Assistance and SabbaticalHomes.com. Presentations included the following:

- Facebook, Chan-Zuckerberg Initiative and Housing Trust Silicon Valley discussed affordable workforce housing.
- Stanford presented its housing program, transportation plan and General Use Permit and interaction with the county on developing affordable housing.
- Providing Academic Workforce Housing in Established Urban Locations with presentations from Harvard, Princeton and University of Toronto.
- Karlie George of ICHA presented our housing allocation policy.
- Solutions from partners outside the academy: Landed (private down payment assistance) and SabbaticalHomes.com (house sharing tool for academics)

- **Mailbox Discussion**

At the April board meeting, CEO & President Van Zandt presented a plan for managing the mailbox preference process in University Hills. Today he reported the most recent results from the Mailbox Preference Survey, launched April 15, 2019. Of approximately 375 responses from homeowners, about 61% elected to keep individual mailboxes, versus 39 percent who elected to switch to cluster mailboxes, suggesting an outcome of maintaining the status quo. The survey was originally scheduled to end on May 12. At the HRB's request, the survey was extended until the end of May. In addition to the survey, ICHA and the HRB have sent three email blasts to the community containing information about mailboxes and Q&A documents responding to questions raised on the listserv. After discussion, the board agreed to continue the survey through the end of May and proceed with the process as previously defined.

NEW BUSINESS:

- **Rental Rate Recommendations for FY 2019-20**

Vice President Vatakis gave a digital presentation on proposed rental rate increases for Gabrielino Apartments, Santiago Apartments, and Alturas Rental Townhomes for the next fiscal year. She discussed the factors that determine rate increases, including Las Lomas rates set by UC Irvine, market trends and conditions, operational expenses, and reserve funding. She also discussed the current Irvine rental market and presented an area map of comparative properties. She announced that, based on these factors, ICHA is proposing a 2.9% to 3.1% increase in rental rates for Gabrielino, Santiago and Alturas properties for 2019/20. That range is in line with average ICHA rental rate increases of 3% for the past several years.

After discussion, and upon motion duly made and seconded, the Board unanimously adopted the following resolutions:

RESOLVED: that the rental rates for the Gabrielino Apartments will increase by 3.0-3.1%, effective July 1, 2019.

FURTHER RESOLVED: that rental rates for the Santiago Apartments will increase by 2.9-3.1%, effective July 1, 2019.

FURTHER RESOLVED: that rental rates for Alturas Rental Townhomes will increase by 2.9-3.1%, effective July 1, 2019.

- **Reserve Funding Review and Recommendations**

Director of Finance Jennifer Barb gave a PowerPoint presentation on reserve funding and expenditures. She reviewed the various reserve accounts for each of the University Hills components, including their respective current fund levels, budgeted expenditures and contributions to these accounts for the upcoming fiscal year. She noted that Annual Reserve Studies prepared by outside consultants are an important budgeting and scheduling tool for ICHA and the basis for budgeted reserve expenditures and contributions. She further noted that the reserves funding levels for University Hills common areas and Townhomes and rentals comfortably exceed 70%, which is generally recognized as a healthy funding level.

In accordance with Reserve Study recommendations along with internal assessment and discussion, management proposes total contributions to reserves of \$1,433,332 for fiscal year 2019-2020, an increase over the previous fiscal year due to the addition of the Community Center facility and a recognition that the University Hills facilities are both growing in size and aging. Transfer of contributions from ICHA's operating account to the specified reserve accounts will occur following Board approval. She said that a draft budget will be sent to Board members on May 24 and that the fiscal year 2019-2020 budget will be presented to the Board, along with assessment increases and reserve funding recommendations, at the June 12 Board meeting. She invited Board members to contact her with questions.

- **Future Construction**

CEO & President Van Zandt gave a presentation about potential sites for future development of additional faculty and staff housing. He explained that new recruits are opting to purchase in University Hills is at a higher rate than in the past. In response to the growing demand, ICHA has identified alternative construction sites and is offering to present them to the University at the Board's request. After discussion, Board members asked ICHA management to arrange a meeting with the Provost to discuss next steps.

ADJOURNMENT

The meeting adjourned at 5:25.