President/CEO Van Zandt introduced Mike Cannan, the newly hired Director of Planning and Construction. Director Cannan was a former Assistant Superintendent for California Pacific Homes during the construction of Area 11 and has the skills, talents and understanding of the Real Estate and Construction world along with being apart of the ICHA world.

President/CEO Van Zandt reported on Asset Management in Manager Reid’s absence. He informed the Board that ICHA recently completed the project of repainting the Community Center. He added that part of the reason the common facilities look good is that we care for them. The Community Center is a heavily used building and it cost $8300 to paint all three buildings, the community center room, lounge and media room.

Director Correa updated the Board of the completion of the 2022 Community Survey. During the summer the ICHA Newsletter provided links to the summary data and the links were the most heavily clicked amongst all e-mail blasts sent by ICHA in the last three months. In coming months, the ICHA newsletter will include topics based on the Community Survey findings and will be analyzed by Ken Chew, a University Hills homeowner. He will focus on the demographics and overall community satisfaction in the articles.
• Vice President Herndon reported to the Board of the recent Red Cross Life-Saving ceremony for a University Hills resident. The HRB, ICHA and the Chief of UCI Police Department had the opportunity to acknowledge a youth in the community for an event that happened last year. The incident was at the Urey Pool. A young child was separated from her family and became non-responsive. The mother of the child started life-saving measures and a teen rushed to the mom’s assistance, called 911 and performed CPR exercises which saved the young girl’s life. The award recipient is a senior girl scout and completed lifesaving classes eight months earlier.

• HRB Chair Taylor provided an update on the University Hills neighborhood block parties. The block parties allow new neighbors to get to know each other and are part of National Night Out. Streets can assemble data about their neighbors and their contact information. Additionally, HRB Board member McCoy is hosting a forum with representatives from OC Power Authority to explain the upcoming power provider change. Residents in the City of Irvine are being pushed over to OC Power Authority unless an individual takes action. The Power Authority will present at the Let’s Talk forum next week present and answer questions so resident can decide on their power provider.

• Vice President Barb reported on ICHA loan obligations. ICHA holds three loans, two with Jackson Life for Miramonte and Alturas and Santiago’s loan is with the UC Regents. The current loan balances as of Aug. 31 are $9M for Santiago, $14M for Alturas and $19M for Miramonte. The rates for all three are fixed and are between 3.6% to 4.6% for the interest rates.

• Vice President Vatakis notified the Board that the company has resumed in-person company wide training. There have been four meetings held since May with the most recent training being held by UCI Police Department. Sergeant Albert Zhang provided active shooter training. ICHA will continue to make every effort to get together safely for training and team building.

• Director Cannan reported on Area 12 and the work to name the streets. The list of potential street names has been compiled and sent to the Board on September 7. The Board has until September 12 to respond.

• Vice President George updated the Board that ICHA has launched the Sabbatical Home webpage. This resource provides additional information to Homeowners who are seeking to rent their home when they are away on Sabbatical or approved leave from campus. It also provides a portal for potential tenants. Applications are now digital and managed by the Real Estate Sales and Administration department. This allows the
department to enhance enforcement on permitted rentals for homes in University Hills.

- Vice President Vatakis provided a Rental update on off-campus furnished rental opportunities. The department has expanded the short- and long-term options. Sonesta Suites recently acquired several local hotels that offer apartment like amenities and can accommodate faculty and staff long term. UCI negotiated rates with a few locations and ICHA added additional locations. In addition, ICHA was able to negotiate discounted rates with a shuttle service with Mainstay Suites by the John Wayne Santa Ana Airport. Additionally, Vice President Vatakis updated the Board on Risk Management. The lender for Alturas and Miramonte requested an increase in insurance by 20%. ICHA is well insured and has a blanket policy which provides far greater coverage than breaking each asset out individually. Property insurance is $88M and ICHA’s insurance broker and policy underwriting group feels this is appropriate. With this additional information, the lender is recalculating.

**NEW BUSINESS**

*2022 ICHA-HRB Workshop discussion*

President/CEO Van Zandt requested to set the date for the 2022 ICHA/HRB workshop. The HRB is advisory to the ICHA Board and the groups come together annually. The Board agreed to meet on December 8. Victor will send the Board the invitation and the agenda. HRB Chair Taylor added that he feels it’s important that the ICHA Board, especially the new members, understand the importance of being in touch with concerns of residents. A topic of interest is ageing in place and thinking about this as an important mission. President/CEO Van Zandt asked the Board if they have any topics to discuss with the HRB.

*North Irvine Staff Housing*

Director Correa updated the Board on the work ICHA has completed to prepare for the opportunity, if presented, to develop and maintain the North Irvine Staff Housing project.

1. Modernizing the existing Ground Lease- ICHA staff and outside counsel have reviewed the University Hills Ground Lease and found areas of potential improvement. Input from campus is needed in three areas: the business structure, retirement for homeowners/renters and clarifying the priority categories. ICHA is waiting on these three areas before finalizing a draft of the Ground Lease, MOU and Development Agreement.

2. Working with the State of California to set up an LLC for NISH that would operate under ICHA.

3. Campus has asked ICHA to take part in writing an RFP that will be released to
Area 12 Update

Director Cannan reported that Area 12 planning was at different stages.

1. Demolition - The Las Lomas apartment east side demolition was delayed, but fencing is going up over at Las Lomas and the University Design and Construction Services is managing the demolition of all buildings and parking lots. ICHA has sent communication to residents and the update that the surrounding walkways will still be available during demolition.

2. Funding – The interest rate increased. President/CEO Van Zandt and Vice President Barb confirm this was near other ICHA loan rates and less than the market. The loan amount has also risen which accounts for an increase in hard costs and the interest increase, due to a delay in start.

3. Timeline – Site work, including wet and dry utilities, is anticipated to begin in late December. Much of the site work is completed in Phase 1. Vertical construction is projected to start in March 2023 through September 2023 with February 2024 deliveries of homes. Then the second phase of construction will begin in late 2023 through early 2025.

Area 12 Construction Contract Review and Authorization

CEO/President Van Zandt requested the Board’s approval to provide staff with authorization to sign the construction contract with California Pacific Homes.

1. Process - The contract is based on the American Institute of Architects contract and ICHA hasn’t signed a new contract with California Pacific Homes since 2016. The builder, fee and profit are the same as the 2016 contract and it provides the same Regental protections. Anything that has impact on the Regents as the landowner, the contract provides protection for. Either party can walk away from the framework until agreement of cost and scope of work. Those addendums items will be embed into the contract.

2. Timing – ICHA is requesting Board authorization for the construction contract now because the Area 12 Construction Loan will be executed in early November. The bank, Farmers and Merchants, would like to see the formal contract with the builder. ICHA will then ask the Board for authorization to sign the tri-party agreement and sign the Ground Lease in October.

RESOLVED: the Corporation approves and authorizes the officers of the Corporation to execute the Area 12-1 Phase 1 Construction Contract; provided that the form of the Area 12-1 Phase 1 Construction Contract is reasonably satisfactory to the Corporation President/CEO and legal counsel.
Long Term Infrastructure

CEO/President Van Zandt updated the Board that ICHA holds long term infrastructure reserves in STIP. The reserve account was created in 2011 and added to in 2013 to fund the future obligations of replacing underground infrastructure. Replacement of underground systems is estimated to occur at years 50 to 80. The total replacement costs through Area 8 were projected to be approximately $30M in 2011. ICHA believes the replacement fund is no longer needed, however an emergency fund is necessary as a solution for future replacement as emergencies occur. There were recent diagnostics on the oldest underground infrastructure and a 38-year-old storm drain and it’s looking good based on the videos from the professionals. ICHA will plan for replacement and doesn’t believe it will occur in the next 10-20 years. At that point, the company can leverage the apartment properties if necessary to pay for underground infrastructure. Therefore, ICHA recommends leaving $1M in a fund and changing the name from Long Term Infrastructure to Emergency Fund. This will free up $1.55M to move to operating funds. Management would have access to these funds for additional equity contribution. Board Chair Aaron added that balancing the use of resources well and leveraging resources was important. Financially this allows for leveraging the funds, getting the Area 12 project going, which will generate more money. Vice President Barb added that the STIP interest rate is so low that the funds are not generating much revenue from interest. Considering recent natural disaster events, Board members recommended a resiliency study for University Hills.

RESOLVED: the Board approves a $900,000 transfer of long-term infrastructure funds into the operating cash account; and
FURTHER RESOLVED: the Board authorizes Management to use the $900,000 for Area 12-1 project and to be returned to the long-term infrastructure reserves by future Board resolution.

ADJOURNMENT
The meeting adjourned at 3:29 pm.