

IRVINE CAMPUS HOUSING AUTHORITY

Board of Directors' Meeting

February 8, 2024

BOARD MEMBERS PRESENT: Jennifer Aaron, Yong Chen, Nancy Da Silva, Samara Larson, Tyrus Miller, Heike Rao, Barbara Sarnecka, and Michelle Thrakulchavee.

OTHERS PRESENT: Jennifer Barb, Mike Cannan, Barbara Correa, Karlie George, Dodie Gilbert, Andrew Herndon, Susan Pearlman, Ron Reid, Hobart Taylor, Victor Van Zandt and Elaine Vatakis.

CALL TO ORDER: Jennifer Aaron called the meeting to order.

REPORT ON OPERATIONS

- Director Reid reported that ICHA maintenance staff member, Romiro Perez, has revived the teak furniture in the parks and at the community center. He restored, stained and fixed 75 pieces of teak furniture throughout University Hills.
- Director Correa announced that payment processing for renters has transferred to an online payment system through Yardi. Renter resident portals were set up a couple of years ago for maintenance requests, and now the same resident portal will be used for online payment processing. Additionally, the rental team has added a check scan system that recognizes the check and processes it in Yardi.
- Vice President Herndon shared that University Hills tree trimming for the season is complete and a total of 1,500 trees have been trimmed. The community sustained recent storms, high winds and only lost one pine tree, which was already slated to be removed. The team finished tree trimming just in time for the nesting season.
- HRB member Taylor stated that the HRB Sustainability Committee is working collaboratively with ICHA to find ways to bring plants to the community that are consistent with ecological change and working toward sustainability. He also noted that the HRB plans to bring a plan for renter's representation forward in about a year. The HRB had the opportunity to review legal options that are consistent with the University

Hills Ground Sublease. Additionally, he noted that the HRB election just concluded. There were six candidates for four open positions. Lastly, the HRB is looking forward to discussing the topic of Aging in Place at the HRB and ICHA Board workshop next month.

- Vice President Barb stated that the team is working on addressing outstanding homeowner delinquencies. The recent ground rent split from University Hills dues required patience from homeowners for all the changes, therefore management extended a four-month grace period. There are only 16 homes outstanding, and the team will be following up next week with the goal of getting this number down by the next meeting.
- Vice President Vatakis reported that the annual benefits enrollment period was opened this month. ICHA has a new health broker that is offering the same plans. The renewal was under budget and the team completed open enrollment in a newly launched Human Resources system, Ease. This online system allows employees to select their benefit options and complete open enrollment online. Additionally, the team has also contracted Bamboo HR for online timekeeping.
- Director Cannan shared that the Los Trancos Park and Pool renewal will be completed alongside the construction of Area 12-1 and is anticipated to be delivered when the final homes are closing. To prepare for the project, ICHA met with the HRB representative to study the Los Trancos Park and Pool community survey results. The team vetted the results for amenities that were plausible, and the draft was sent to the landscape architect to create the conceptual plan. The landscape architect has reviewed the plan with management and the builder and after a second round of comments, the team plans to share results next month. Management is looking forward to having displays at the 2025 Fall Fiesta to share with the community.
- Manager Gilbert reported that the Real Estate Sales team continues to sell homes. Twenty homes have sold this fiscal year and notably of the 20 homes, six are eligibility cases. In addition to sales, the team is supporting the University's recruiting efforts by providing a University Hills tour to candidates. The team has completed 9 tours so far this month.
- Vice President Vatakis updated the Board that ICHA completed annual appraisals on the four rental properties. This practice helps prevent residents from incurring imputed income consequences. The appraisal is useful to determine rental rates that do not fall below the threshold for imputed income requirements. Additionally, the Rental team leaned on their preventative program that reduces deferred maintenance during the recent storms. The team took precautions by cleaning gutters and removing 20 trees from Alturas. The trees never rooted and became a liability. The team plans to replace them with more trees. CEO/President Van Zandt added that creating a resilient future

includes one key thing, which is to make sure that the infrastructure in place works. An example of this in the greater community is that every year Director Reid hires a company to jet the entire sewer system. The task of clearing the system is something that we do silently in the background.

- Vice President Vatakis reported that all corporate insurance policies are bound, the premium is paid, and all have been renewed.

OLD BUSINESS

Area 12-1 Update

Director Cannan provided an updated project schedule for Area 12-1. The construction loan is in the final stages and is projected to be signed by the end of the month. The construction team has added fencing to the site and is working through plans to prepare the site for grading. California Pacific Homes is bidding out the above-ground work for GMAX 2 and anticipates to have pricing for the full GMAX in the upcoming months.

NEW BUSINESS

FYE 2023 Audit

Board member Miller provided an overview of the audit committee's review of the audit, as presented by Haskell White. He reported that the committee reviewed a power point presentation and the full report. Six pages of the 25 pages provided an annotated explanation, which included the stance of the auditor and presented in a summary version. Haskell and White reviewed financials, exercised judgement, tested various things, asked further questions of management, made observations, question internal controls. Haskell and White stated that there was no perception of lack of cooperation or interference or withholding of information. In conclusion, the numbers add up and procedures are being followed within the standards of accounting. CEO/President Van Zandt added that the construction loan requires unqualified audited FY 2022-2023 financials. Haskell White stated that it was not a significant change in position. Board member Miller added the significant transaction from changing plans in Area 12 and writing off those costs in the amount of \$1.3M. He added that overall, there were no material weaknesses identified.

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

Resolution No. 2024-01 Fiscal year 2022-2023 Final Statements and Independent Auditors' Report Authorization

RESOLVED: That the Board receive the 2022-2023 Financial Statements and Independent Auditors' Report as presented and,

FURTHER RESOLVED: The Board hereby directs Management to forward the Auditor's Report to the Chancellor.

New Homes Option Policy

Executive Vice President George reviewed the program's historical new home option policy, provided the Board with the list of specific options that were allowed to be added to the final sales price in the past and based on the projected Area 12-1 sales prices, recommended a reduction in the option percentage from 7% to 5%. The Board discussed allowable options and how the allowance of options at the time of purchase impacts future pricing. Board member Sarnecka inquired if new home options should be removed. After discuss, the Board decided to keep allowable options, but accept management's recommendation in the reduction of percentage.

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

Resolution No. 2024-02 Area 12-1 New Home Sales Option Policy

RESOLVED: That the Board reviewed the Area 12-1 New Home Sales option policy,

FURTHER RESOLVED: The Board hereby directs Management to approve up to 5% of the base price to be included as options selected at California Pacific Homes design center for specific upgrades. The allowable options may be added to the final sales price. Any includable upgrades above the 5% or non-includable options will be an out-of-pocket cost to the buyer.

ADJOURNMENT

The meeting adjourned at 3:15 pm.