

IRVINE CAMPUS HOUSING AUTHORITY

Board of Directors' Annual Meeting

June 8, 2023

BOARD MEMBERS PRESENT: Jennifer Aaron, Yong Chen, Nancy Da Silva, Tyrus Miller, Diane O'Dowd, Suzanne Sandmeyer, Barbara Sarnecka and Christy Teague.

OTHERS PRESENT: Jennifer Barb, Mike Cannan, Barbara Correa, Karlie George, Andrew Herndon, Ron Reid, Hobart Taylor, Michelle Thrakulchavee and Victor Van Zandt.

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

APPROVAL OF MINUTES: The Board approved the minutes of May 11, 2023.

REPORT ON OPERATIONS

- Manager Reid updated the Board that the audio and visual improvement to the Media Room in the Community Center will commence next week. The room will be enhanced to become a Zoom Room, which will include an 80" smart television. The project will take approximately two weeks to complete, and the Lounge and Media Room will be closed during the project.
- Director Correa reported on the 2023 annual Academic Workforce Housing Conference that was recently held in New York City. It was the largest attended conference in 17 years. The conference was co-hosted by New York University and Columbia University. Attendees toured the faculty housing apartments at both universities and joined in discussions on how different programs are administered with the other universities in attendance. There were some new universities that joined the conference this year, including Boise State and San Jose State.
- Vice President Herndon reported on the volume of architectural applicants that the Community Development department is receiving. To date, the team has processed 332 after-market solar additions to University Hills homes. The solar improvements are tied to the OC Goes Solar program in which the community pooled their purchasing power to obtain a wholesale price on solar. The department continues to see many landscaping change applications and they are working with IRWD to help homeowners obtain rebates when applicable. The implementation of the new software

program for homeowners, Enumerate, will help the team with the processing of online architectural applications from homeowners.

- HRB Chairperson Taylor reported that while the Homeowner's Representative Board was originally an architectural review board, it morphed into community building and that the group feels that it's important that people feel welcomed and that the community is a pleasant place to live. Chairperson Taylor reported that recent HRB events included Pride, Juneteenth, Emergency Preparedness, and the group is providing community members with scholarships to attend upcoming CPR training.
- Vice President Barb reviewed the loans that the corporation holds on existing assets. Each loan was reviewed, including the principal, interest due and total payments. She explained that the loans appear in different parts of the budget. The principal is equity and therefore doesn't change the corporation's net position, while interest is a cost to the corporation.
- CEO/President Van Zandt reported that Vice President Vatakis is away at a national rental conference and in her absence, he provided the Board with an update that the corporation has contracted with Edge to Learn for online training, which will include regulatory required trainings and best practice courses. The training will roll out to all employees as an online resource.
- Director Cannan updated the Board on the success of the Area 12 webinar for all University Hills community residents. The webinar was held to explain the design change and the timeline for the project. There were 80 attendees on the Zoom call and an additional 43 have watched the presentation online following the meeting. Based on website data analytics, a lot of people are spending time on the Area 12 site. During the meeting there were great questions that ICHA was able to answer live in the webinar.
- Vice President George reported that Provost Stern recently approved the ICHA Board's recommendation regarding the new recruit class definition for resale housing in University Hills. Provost Stern added some additional clarifying language to the resolution. The department will reach out to all individuals who are impacted by the redefinition to explain and answer questions.
- CEO/President Van Zandt updated the Board that air conditioning units have been installed on all Gabrielino rental units. The units were pre-plumbed at the time of construction and because of the building's proximity to the University Hills Montessori school, residents desired to keep their windows closed during summer months to mitigate noise during the day.

OLD BUSINESS

Final Budget Presentation and Approval

Vice President Barb provided an overview to the Board of the actions already taken to prepare for final budget approval, including approved resolutions for rental rates, rental reserves, and the University Hills reserves. The remaining approvals will include the University Hills Maintenance Assessment, Townhomes reserves and the ICHA Operating Budget.

Townhomes

Vice President Barb updated the Board that the Community Development department completed a townhome analysis and reserves for these homes is limited to future projects related to painting stucco and roof repairs based on the Ground Sublease easement that ICHA has for maintenance. It's recommended that \$55,080 is placed into reserves. This placed the community at 95% funded based on the reserve study.

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

Resolution No. 2023-04

Resolved: To authorize the recommended reserve funding for townhomes for Fiscal year 2023-2024: \$55,080.

University Hills Maintenance Assessment

Vice President Barb reviewed last year's maintenance assessment increase, logic for increases and the impact to homeowners. Increased operational costs in the community and historical maintenance assessment increases guided the corporation to a reasonable rate increase for homeowners.

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

Resolution No. 2023-05

Resolved: The monthly homeowner assessment increases as presented by Management in the attached table is hereby approved:

University Hills - Fiscal Year 2023-2024 Homeowner Assessments			
	Per door per month		
	FY24 Proposed	FY23 Current	\$ Change
UHills Maintenance Assessment	\$ 125.00	\$ 110.00	\$ 15.00
Landscape Maintenance			
Condos (400 & 500 Series)	\$ 26.50	\$ 24.00	\$ 2.50
Paired Homes (600 & 700 Series)	\$ 25.00	\$ 22.00	\$ 3.00
Courtyard Homes (930 Series)	\$ 24.00	\$ 22.00	\$ 2.00
Townhomes (200 Series)	\$ 24.00	\$ 22.00	\$ 2.00
Hillside Homes (750 series) & Courtyard Homes (970 Series)	\$ 20.00	\$ 19.00	\$ 1.00
Townhome Reserves	\$ 67.50	\$ 62.50	\$ 5.00

Operating Budget

Vice President Barb reviewed the acceptance of the operating budget in its entirety. The proposed budget is a result of hundreds of decisions made by the management team. The corporation reviewed the management of costs, responsible increases in revenue and equity for future deployment.

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

Resolution No. 2023-06

Resolved: That the budget for fiscal year 2023-2024 as presented by Management is hereby approved.

NEW BUSINESS

Area 12-1 Construction Loan Update

CEO/President Van Zandt updated the Board that after Regental approval of the Area 12 redesign, both construction lenders provided an update that they were not able to proceed with a loan for the project at the previous agreed upon terms. Farmers and Merchants was willing to phase the project and require reserves on deposit. US Bank stalled any commitments until August due to rapidly changing banking environment. Other lending options are being explored by the corporation. To move swiftly in the rapidly changing banking environment, the

corporation is requesting that the Board approves in advance the ability for ICHA to sign the Loan Term Letter when approved criteria is presented by a construction lender.

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

Resolution No. 2023-07 ICHA BOARD RESOLUTION TO AUTHORIZE THE SIGNING OF THE LOAN LETTER FOR AREA 12-1 PROJECT June 8, 2023

WHEREAS: the Irvine Campus Housing Authority (the "Corporation") has developed 1,226 for sale homes and 384 rental units in the University Hills neighborhood of the campus of the University of California, Irvine ("UCI") for the principal benefit and convenience of the members of the faculty and academic staff of the University of California (the "Housing Program"); and

WHEREAS: UCI has determined that it needs additional homes to be developed on the UCI campus for sale to the members of the faculty and staff, and desires that approximately 104 for-sale townhomes be constructed on the real property known as Area 12 pursuant to the Housing Program (the "Area 12-1 Project"); and

WHEREAS: the financing for the Area 12-1 Project will require a combination of both ICHA equity and a construction loan; and WHEREAS: there are several lending entities potentially willing to provide construction financing, but no lending entity has yet submitted a term sheet; and

WHEREAS: knowing that time is of the essence and that the need to act on a potential term sheet might not correspond with regularly scheduled Board meetings; and

WHEREAS: a term sheet is a good faith offer from the bank but does not indebt ICHA or its partners in any way but is the first step in starting the construction loan underwriting; and WHEREAS: any construction loan documents that are prepared and negotiated pursuant to a term sheet or loan letter for the Area 12-1 Project would be submitted to the Corporation's Board of Directors for its approval; Now therefore, be it:

RESOLVED: the officers of the Corporation are directed to seek out and communicate with potential lenders and to execute a term sheet or loan letter for Area 12-1 Project for a loan that, with consultation with the Chair and Treasurer, the officers of the Corporation determine will generally provide sufficient construction costs, provide a loan length sufficient for the

current projected project schedule and provide reasonable loan extensions. Additionally, the loan letter may include requirements to place a deed of trust upon ICHA's interests in the ICHA-wholly owned Gabrielino Apartments and/or requirements to put significant sums on deposit with the lending institution.

FURTHER RESOLVED: this Resolution replaces and supersedes Resolution 2021-11-04 for all matters regarding construction loans, which shall be of no further force or effect.

Review and Affirm Board Committee Membership

Vice President George reviewed the ICHA Board Committees and current members on each Committee. Committee members agreed to continue serving. With the upcoming departure of Christie Teague from the ICHA Board, there was review of her committee participation and a call to fill her slot on the ICHA Audit Committee. Board member Teague provided an overview of the Audit Committee responsibilities and Board member Sandmeyer volunteered to fill the open seat.

Board Member Christie Teague Farewell

Chairperson Aaron thanked Board member Teague for her commitment and contributions to the Irvine Campus Housing Authority over the last eight years of service on the ICHA Board. She presented her with an ICHA photo book and a resolution. Board member Teague spoke of her appreciation of the Board and the importance of her non-affiliated UC Irvine seat and the perspective that it provides when Board decisions are made about the housing program.

Resolution in Appreciation

WHEREAS, Christie Teague has contributed generously her time and her ideas to Irvine Campus Housing Authority; and

WHEREAS, the Board of Directors wishes to recognize her years of dedication to providing affordable housing alternatives on the Campus of the University of California, Irvine, now therefore;

BE IT RESOLVED, the Board of Irvine Campus Housing Authority extends to Christie Teague its sincere appreciation for her contributions to the corporation and wishes her success in all future endeavors.

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ADJOURNMENT

The meeting adjourned at 3:25 pm.