

BOARD OF DIRECTORS
REGULAR MEETING
CP 250 CONFERENCE ROOM
APRIL 7, 2009 :: 3:30 P.M.

Present: Jim Alexander, Bill Barrett, Jay Bond, Ted Bremner, Pat Carroll, Bill Dickerson, Michael LaCour-Little, Mark Stohs.

Staff/Guests: Ann Ehl, Bill Herbert, John Jay, Frank Mumford.

Excused: Jay Carvin.

I. CALL TO ORDER

Chair Mark Stohs called the meeting to order at 3:40 p.m.

II. APPROVAL OF MINUTES

Bill Dickerson moved, Michael LaCour-Little seconded and motion carried to approve the minutes of the 03/10/09 Board of Directors meeting.

III. REPORTS

A. TREASURER

Jim Alexander reported that the financials were distributed a couple weeks ago and show that we are still upside down. The March statement will be out next week; Mr. Alexander agreed to send all future reports with the board packet and not separately.

The Housing Authority still owns \$1.1M in five Creekside units.

Regarding the report on payroll, Jay Bond asked whether John Jay and Robert Farrell are employees of the Housing Authority. Mr. Alexander replied that Bob Farrell is a part-time employee as is John Jay; Mr. Dickerson clarified that the Housing Authority has no employees, but reimburses the ASC a portion of theirs—along with Jim Alexander's and Bill Herbert's—salaries.

B. EXECUTIVE DIRECTOR

Bill Dickerson reported that the commercial paper has been refinanced, with very good rates resulting in lower payments. In May, we will hopefully be finishing the Elks Lodge at approximately \$400,000. At Creekside, we are down to two units; Adam Brett indicated that there has been interest, but no offers. As of last week, another unit has been leased at University Heights. The \$200/month reduction in lease rates has increased interest and Bob Clark indicated that there is continued interest. Ten UG for-sale homes that were extended to the educational community resulted in 40 serious inquiries; Mr. Clark fully expects to sell five to six. Lastly, Mr. Dickerson distributed the flyer on the OC Housing Summit to be

held at UCI. He asked those board members interested in attending inform him so that we can process early registration.

IV. RESOLUTIONS

A. DEWJI REQUEST FOR FEE DEFERRAL

Mr. Dickerson reported that except for her husband Aasim, Sabira and rest of her family are still here; they will move and join her husband in Toronto, Canada as soon as their UH home is leased.

She expects it will take time before she finds a job and asked we defer her maintenance fees until she is employed. It costs the Dewjis \$3600/month to carry the home (including impounds and fees). The resolution is structured so that once she leaves UH, she has six months to find a job and resume payments.

Pat Carroll asked whether it makes sense to defer costs *with* interest, since they're already "under water"; the interest may make a difficult situation even more so.

It was also pointed out that by deferring the \$245, we're reducing the Housing Authority's cash flow. On the other hand, if we deny their request, there's a possibility of default. John Jay advised that if the owners default, we would negotiate with the Credit Union.

Bill Barrett moved, Ted Bremner seconded and motion carried to adopt the following resolution.

Dewji Request for Fee Deferral

WHEREAS, Sabira and Aasim Dewji ("Dewjis") are the owners of 1410 Educator's Way at University Heights ("Property"); and

WHEREAS, the US Department of Homeland Security recently transferred Aasim Dewji to Toronto, Canada in January 2009 and it is the desire of Sabira Dewji and the rest of the family to join him in Toronto as soon as possible; and

WHEREAS, the Dewjis are in the process of leasing the Property in order to provide a revenue stream to partially offset the ongoing costs of the Property until such time as the Property is ultimately sold; and

WHEREAS, the monthly maintenance fees of \$245/month will cause a significant burden on the Dewjis, until such time that Sabira Dewji is able to find suitable employment in Toronto; therefore

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Housing Authority hereby approves the request to defer the monthly maintenance dues of the Dewjis.

BE IT FURTHER RESOLVED that the effective date of such maintenance fee deferral shall begin the date the Dewjis vacate the home at 1410 Educator's Way and the fee deferral shall continue until either a tenant moves into the property at 1410 Educator's Way or six (6) months elapse.

BE IT FURTHER RESOLVED that any fees deferred thru this action shall be due and payable, plus interest calculated at five percent (5%), no later than six (6) months from the effective date.

The approval was unanimous.

B. PATTON/BOWSER REQUEST FOR \$60,000 BRIDGE LOAN

Mr. Dickerson recalled that the last time loans to faculty were discussed was years ago, when four silent seconds were provided to those purchasing at University Gables. Of those, three silent seconds still remain. UG owners John Patton and Brenda Bowser (husband and wife) have made an offer on a La Habra Heights home and need \$60,000 for down payment. (they originally put over \$70,000 down on their Gables Home). Mr. Patton is concerned that this home may not be on the market by the time his UG home is sold and would like the Housing Authority to advance \$60k based on his UG home. Once his UG home is sold, those proceeds would be used to pay back the advance.

Bill Barrett asked how the loan would be funded; Jim Alexander replied cash, through the line of credit. Mr. Alexander added that if the offer is not accepted, then the cash would not be necessary; if accepted, it would go into escrow.

Ted Bremner noted that we would be acting as a bank on borrowed money.

Pat Carroll asked if they would have any motivation to complete the sale of the UG home (if we loaned the \$60k) and said that if they can't borrow money from the bank, then we should not as well.

Bill Dickerson added that the owners approached the Credit Union, but the appraised home value wasn't as much a factor as home equity and so the Credit Union did not approve the loan.

Mr. Bremner advised that this could be considered borderline subprime lending. He and John Jay expressed concern saying that we lack the authority to do this. Mr. Jay also noted that a loan to buy into a Housing Authority home is much different than a loan to purchase a home on the open market.

Mr. Dickerson acknowledged the general discomfort of the Board members in going forth with this resolution; **the Board decided not to take any action on the request for the \$60,000 bridge loan.**

V. DISCUSSION: PENDING LITIGATION UPDATE

John Jay gave a legal update on the Valeo litigation.

VI. ANNOUNCEMENTS

Next meeting: 05/12/09 @ 3:30 pm.

VII. ADJOURNMENT

Chair Mark Stohs adjourned the meeting at 4:50 p.m.

Approved by the Board of Directors, May 12, 2009.

Jay W. Bond, Secretary