

BOARD OF DIRECTORS
REGULAR MEETING
CP 250 CONFERENCE ROOM
3:40 PM OCTOBER 27, 2009

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: Henoc Preciado.

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES

A. SEPTEMBER 22, 2009

Michael LaCour-Little moved, Jay Bond seconded and motion carried to approve the minutes of the 09/22/09 Board of Directors meeting.

B. OCTOBER 8, 2009

Pat Carroll moved, Michael LaCour-Little seconded and motion carried to approve the minutes of the 10/08/09 Special Board of Directors meeting.

III. RESOLUTIONS

A. APPROVAL OF 2008-09 AUDIT

Ted Bremner moved, Michael LaCour-Little seconded and motion carried to adopt the following resolution.

Approval of the CSU Fullerton Housing Authority 2008-2009 Audit

WHEREAS, the CSU Fullerton Housing Authority (“Housing Authority”) operates on a fiscal year beginning July 1 and ending June 30; and

WHEREAS, the Housing Authority entered into a contract with the accounting firm of Munson, Cronick & Associates, LLP to conduct an audit for the fiscal year ended June 30, 2009; and

WHEREAS, Munson, Cronick & Associates, LLP certified all audits reports required by the Office of the Chancellor and the federal government; therefore,

BE IT RESOLVED that the Board of Directors of the California State University, Fullerton Housing Authority accepts the audit reports of the Housing Authority for the fiscal year ended June 30, 2009.

The approval was unanimous.

Ted Bremner moved, Pat Carroll seconded and motion carried to adopt the following two fiscal resolutions together.

B. FISCAL ACCOUNT AUTHORIZATION

RESOLVED, that the Executive Director William M. Dickerson, the Treasurer James H. Alexander or Secretary Jay W. Bond, or any one of them acting individually, are hereby authorized to open the necessary accounts with financial institutions for the purposes of (1) investing Housing Authority funds; (2) transferring funds from one financial institution to another; and (3) opening accounts with financial institutions, in order to effect banking relationships.

C. WIRE TRANSFER AUTHORIZATION

RESOLVED, that the Executive Director William M. Dickerson, the Treasurer James H. Alexander or Secretary Jay W. Bond, or any one of them acting individually, are hereby authorized to enter into agreement with Citizens Business Bank, Pacific Western Bank or Morgan Stanley for the transfer of funds from the account or accounts of this Corporation by wire, as shall be mutually agreeable, and, to appoint persons who shall be authorized to order such transfers, in accordance with such agreements or to otherwise act in accordance with such agreement. The authority conferred herein shall continue in full force and effect until written notice of its revocation shall be received by said Banks.

Board members asked to see the procurement and other related policies of the Housing Authority at the next meeting. The approval was unanimous.

IV. REPORTS

A. TREASURER

Jim Alexander reported that the figures provided are for the period ending 09/30/09. The last UH leasing tenant moves in by 11/15/09. We are currently ahead of budget; this is mostly due to the last UG purchased closing escrow in July instead of June.

Michael LaCour-Little asked about the notes receivable; Jim replied that those were silent seconds on UG homes (two for \$30,000 and one for \$3,900).

B. EXECUTIVE DIRECTOR

Bill Dickerson reported that the one year lease renewals are coming up at UH, with a handful paying at the lower price. The leasing of UH homes earlier than anticipated has provided enough money to consider long term plans. One UH homeowner has turned off their utilities and has vacated premises. At UG, we have one home for sale. Workforce housing consortium meets again this Thursday, our first meeting since May.

C. CLOSED SESSION: LEGAL UPDATE – VALEO LAWSUIT

John Jay gave a privileged report.

D. CLOSED SESSION: LEGAL UPDATE – ELKS MEDIATION

John Jay gave a privileged report.

E. UH LEASE RENEWALS

Bill Dickerson reported that the Housing Authority will have to decide at the next meeting the lease rates of the 26 homes at UH. Currently, 16 of 26 are leased at \$100 less than established rates; the question will be whether to change the lease rates. John Jay will develop the lease renewal documents.

Pat Carroll asked whether we should have shorter or longer lease periods or whether we consider offering 2-year leases.

F. UH POSSIBLE FORECLOSURE

Bill Dickerson reported that the home mentioned earlier (vacated and utilities turned off) does not require a decision today. The owner/husband is a faculty member and the wife is employed at a local high school; they have two children and are in the process of getting a divorce. They approached the SchoolsFirst Credit Union to negotiate a short sale, which the Credit Union did not accept. As of last week, they were current on the mortgage; however, they moved out and shut off the utilities to the home. If they become delinquent, we asked the credit union if the Housing Authority could refinance, which would enable the Housing Authority to pay the carrying costs on the mortgage until a lessee can move into the home.

G. POSSIBLE PURCHASE OF JAI HEE CHO'S UG HOME

Jai Hee Cho is a CSUF faculty member who has \$60K equity in a UG home; Prof. Cho purchased a home in the outside market and cannot afford two mortgages. His home was listed right away and has not yet sold. He asked if he could rent the home which the Housing Authority denied. Next month, he will have the right to sell the home to the general public. Twice before, the Housing Authority purchased UG homes to avoid those homes being sold to the public. The Housing Authority currently does not own any other home.

Ted Bremner suggested that we pay the owner on the first loan (\$170k) and the owner carry the second until the house sold.

Pat Carroll moved, Michael LaCour-Little seconded and motion carried to adopt the following resolution.

Approval to Purchase Property at 19 Sycamore, Buena Park, California

WHEREAS, the CSU Fullerton Housing Authority ("Corporation") operates the University Gables faculty and staff housing community located in the city Buena Park, California ("University Gables"); and

WHEREAS, the Corporation owns the underlying land and controls sales at University Gables through a sixty (60) day option to purchase that is incorporated

into the ground lease between each homeowner at University Gables and the Corporation; and

WHEREAS, Jai Hee Cho, the owner of 19 Sycamore, Buena Park, California (“Property”) notified the Corporation of his desire to sell the Property in June 2009; and

WHEREAS, since receiving notice from Mr. Cho, the Corporation has attempted to find a faculty or staff buyer for the Property, but has been unable to do so; and

WHEREAS, the Corporation believes that it will be able to find a faculty or staff buyer for the Property in the near future, but recognizes that if the Corporation does not act to purchase the Property, Mr. Cho will have the right to sell it to someone outside of the CSU Fullerton educational community; and

WHEREAS, Mr. Cho has purchased another home and no longer resides at the Property; and

WHEREAS, the Corporation is prepared to make Mr. Cho an offer to purchase the Property, subject to obtaining board approval; and

WHEREAS, the terms of the sale of the Property provide for a purchase price of \$270,913 plus a ground lease refund amount of \$8,411 less transfer and carry costs estimated at \$22,436; therefore

BE IT RESOLVED that the Board of Directors hereby approves the proposed purchase of the Property in accordance with the terms described above to the Board of Directors, and authorizes and directs the Executive Director or his designee to execute documents and agreements on behalf of the Corporation with respect to the Property purchase

V. ANNOUNCEMENTS

Next meeting: Tuesday 11/17/09

VI. ADJOURNMENT

Chair Mark Stohs adjourned the meeting at 5:27 p.m.

Approved by the Board of Directors, November 17, 2009.

Jay W. Bond, Secretary