

BOARD OF DIRECTORS
REGULAR MEETING
CP 250 CONFERENCE ROOM
3:30 PM DECEMBER 15, 2009

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

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

Excused: Bill Barrett, Henoc Preciado.

I. CALL TO ORDER

Chair Mark Stohs called the meeting to order at 3:50 p.m.

II. APPROVAL OF MINUTES

Bill Dickerson moved, Pat Carroll seconded and motion carried to approve the minutes of the November 17, 2009 Board of Directors meeting. All present Board members approved, with Pat Carroll abstaining.

III. TREASURER'S REPORT

Jim Alexander reported that cash balance is \$677K; on 12/01/09 a \$550K check to Elks was paid which leaves us with over \$100K in the bank right now. To date, we are behind on net profit; the report does not include depreciation. To date we have \$133k in depreciation and note that we could not depreciate until the homes were leased.

IV. EXECUTIVE DIRECTOR'S REPORT

Bill Dickerson reported that University Heights (UH) owners and tenants had a Homeowners Advisory Council (HAC) meeting that went very well; future meetings are anticipated to be held biweekly. A vehicle was almost towed at UH; the patrol noticed a vehicle with many outstanding tickets and called for a tow. When the tow appeared, the owner came out and paid all fees. Last weekend, the Elks club had an event that attracted lots of people who parked in the UH visitors lot. We reminded the Elks that UH can and does tow. At University Gables (UG), the final two homes are in escrow and are expected to close by 12/30/09. This will bring 11 homes total resold this year and 40 since inception. The Workforce Housing Consortium will meet again this week and will have a presentation by the Olson Company who is making the same presentation to the Fullerton City Council tonight. A home at UH (1405 University Circle) was vacated. The credit union indicated that the first payment is delinquent and they will start the foreclosure process on 02/01/10. Mr. Dickerson reminded the credit union that the Housing Authority has to cure any defaults.

A board member asked what our obligation was; Mr. Carroll said to indemnify the credit union so they don't lose money. Mr. Mumford added that if we don't have title, we can't

lease/rent it. Mr. Dickerson said that \$500K is presently owed on it and that we can rent it for \$2600/month. There was some discussion on whether the Housing Authority should take assignment on the loan; Mr. Dickerson suggested a meeting next week with Fred Farrell of the credit union to remedy this situation.

V. RESOLUTION: UH MAINTENANCE FEE DEFERRAL

Jay Bond 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 transferred Aasim Dewji to Toronto, Canada and the Dewjis have relocated to Toronto; 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; and

WHEREAS, the Board of Directors of the CSU Fullerton Housing at their April 7, 2009 meeting approved a six (6) month maintenance fee deferral expiring January 1, 2010; and

WHEREAS, the Dewjis are requesting a deferral extension for an additional three (3) months or until suitable employment is found by Sabira Dewji; therefore

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Authority hereby approves the request to extend the Dewjis’ Property monthly maintenance dues deferral; and

BE IT FURTHER RESOLVED that the maintenance fee deferral shall be extended from January 1, 2010 until the earlier of either the date Sabira Dewji finds suitable employment or three (3) months elapse; and

BE IT FURTHER RESOLVED that all fees deferred thru this action and previous actions shall be due and payable, plus interest calculated at five percent (5%), no later than three (3) months after the expiration date of this extension.

The approval was unanimous.

VI. REPORTS

A. FISCAL AUTHORITY

This item was tabled for a future meeting.

B. UH LEASE RENEWAL FEE INCREASE

Jim Alexander and Bill Herbert reported that \$64K (\$5300/month) was reserved for UH on an annual basis. Homeowners pay \$28.8K/month; the total project income is \$183K. The Housing Authority has been paying various maintenance, insurance, etc from those collections and are upside-down annually by \$28K. The recommendation is that \$45K be added to reserves.

Mr. Alexander said that all renters received a value of \$2400 either in free rent for one month or \$100 off for two years. Mr. Dickerson noted that considering CSU employees took a 10% reduction, whether the Housing Authority would want to keep the employees at the current rate and increase everyone else. He also said that median income sales prices are going up; if home sales are predicted to go up in 2010, how much does the rental market lag? Prof. LaCour-Little said he wasn't sure how the markets correlate, but certainly the markets affect each other. Mr. Bremner noted that we're not likely to see a 10% variance within a two-year period and doubts that the market will change that much.

Mr. Dickerson asked what incentives do we want to consider for two-year, one-year and month-to-month leases? Prof. LaCour-Little suggested \$25 increase for a two-year lease; \$50 increase for a one-year lease and \$100 increase for month-to-month leases.

Dealing specifically with the first four (lots 43, 3, 9 and 28), Prof. LaCour-Little moved to accept the above increases, with new terms to begin when the increases take effect; Mr. Dickerson seconded the motion. Board members unanimously approved the recommendation.

VII. OTHER BUSINESS

There was no other business.

VIII. ANNOUNCEMENTS

Tuesday 01/12/09 @ 3:30 pm

IX. ADJOURNMENT

Chair Mark Stohs adjourned the meeting at 5:00 p.m.

Approved by the Board of Directors, February 17, 20010.

Jay W. Bond, Secretary