

ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
MONTEREY COUNTY HOUSING AUTHORITY
DEVELOPMENT CORPORATION
HELD JANUARY 28, 2013

Directors met at 123 Rico Street, Salinas, CA 93907. The meeting was called to order by Chair Alan Styles at 6:09 p.m. Present: Directors Alan Styles, Tom Espinoza, Elizabeth Williams, Kevin Healy and Charmaine Scott. Absent: Director Andrew Jackson. Also Present: Starla Warren, President/CEO. Also in attendance HACM staff: Lynn Santos, Director of Finance. HDC Staff: Carolina Sahagun, Senior Community Development Planner; Marilyn Rose, Senior Finance Officer and Ray Helali, Senior Construction Manager. MCHI Staff: John Rose, President. Recorder: Kimmy Nguyen

COMMENTS FROM THE PUBLIC: None

CONSENT AGENDA

- A. Minutes—Approval of Minutes of the Regular Board Meeting held December 17, 2012

Upon motion by Director Williams, seconded by Director Healy, the Board approved the minutes for the Regular Board Meeting held December 17, 2012. Motion carried with the following vote:

AYES: Styles, Espinoza, Williams, Healy, Scott
NOES: None
ABSENT: Jackson

NEW BUSINESS

- A. Appointments

Chair Styles stated that he will be making appointments to the Finance and Development Committee. He mentioned that the Board has already decided that the Personnel Committee will meet on an Ad Hoc basis as necessary. Chair Styles appointed Director Williams as Chair for the Finance and Development Committee and Director Scott will be serving on the Committee. He stated that he will make another appointment when new members arrive. After the Board's discussion, it was decided that the Finance and Development Committee meeting will be held on the 3rd Wednesday of every month at 1:00pm before the HACM Personnel Committee Meeting which meets at 1:30pm.

INFORMATION

- A. Monthly Development Report

Ms. Warren reported that we are in the process of closing Phase I Oak Park. She commented that she is hoping to sign on Thursday, record on Friday and fund on Monday. At the same time, Ms. Warren stated that we are trying to complete the construction for Haciendas which is wrapping up warranty and punch list issues as well as trying to lease up and getting the people from Phase II over to Phase I site. She also mentioned that we will have to reach the construction loan closing for Haciendas Phase II by April 1st. Ms. Warren commented that equity, construction and perm lender have been selected and we are working on our due diligence list. She further commented that while we are trying to close one, we are starting up another.

Ms. Warren commented that there have been so many subcontractors going out of business that pricing is going up due to lack of competition and pricing points are higher here because of

the demographic. She stated that there are a lot of changes that we have to deal with but our budgets should be on target which we will find out on Haciendas Phase II. Ms. Warren mentioned that the TCAC application will need to go out on March for Oak Park 2. She further mentioned that we responded to an RFP for Brockton Massachusetts Housing Authority as a developer consultant along with our financial advisor and thought that the interview went quite well and that we were one out of two selected nationally.

To Director Healy's queries, regarding Paso Robles, Ms. Warren responded that she will not be mobilizing any contractor before close. She explained that the bank had scheduled its credit committee on a date certain, and the very next day they pushed that back 3 days. Ms. Warren commented that she will correct the date and make the change to reflect 2/4/13 on the report. Regarding Tynan Village, Ms. Warren explained that there were a couple of water leaks and she had met with property management to do some investigating and did not find any evidence that the pipes were compromised. She stated that we are keeping an eye on this issue. Ms. Warren commented that with the concern of having mold issues; sheet rock removal, sheet rock replacement and remediation had to be done. Ms. Warren further commented that she has property management checking on each unit turn to find out if something was not done the right way. She stated that they will do a small amount of deconstruction in specific areas for testing.

Director Healy commented that he just finished a meeting about H2A. He thanked Ms. Warren for having the marketing firm approach Grower Shipper. Director Healy stated that at this point in time the conversation continues again about this tremendous opportunity. He thinks that we will be the first one with this approach and commented that it is going to be a good place to start. Director Healy thanked Ms. Warren again for pursuing this and he looks forward to speaking with the marketing firm.

To Director Espinoza's query regarding the water system at Haciendas, Ms. Warren responded that we are working on that issue. She commented that it is quite complicated when there are four different people coming together to provide heat and water sources. She explained that the water flows into the unit and heats instantly and depending on the readings that it has in the interior of the house and its draw demand on the plumbing, it will either decide to divert the water for heat, or heat the water for use. She stated that there are several settings that have to be only within 10 degrees of each other. Ms. Warren mentioned that Navien has come out here four times during construction and since construction, and has delivered training to HACM maintenance. She further mentioned that since we are not familiar with this operationally, there will be a learning curve. Ms. Warren commented that she really believes that the problem has to do with the 10 degree differential because if it's just a degree higher or lower, it could impact what it thinks it needs to do. She further commented that one of the reasons why she went with Navien was because they had a stainless steel tank and it will need to be maintained a certain way. HACM has been given the operational materials on what they have to do.

Relative to marketing our services and as a result of getting this heating system online, Director Healy commented that this would help the property management group to develop specialized skill set. Ms. Warren responded that she believes so and thinks that this is going to be the cutting edge going forward. She mentioned that we exceeded Title 24 by 40% on this site which is very significant. Ms. Warren commented that as soon as we have some time, she will do a report on energy initiatives. Director Healy expressed that HDC could possibly provide direction to an entity that wants to develop projects like this. He stated that this would be the cutting edge of technology since now we are developing the capacity to manage these systems such as the drainage parking lot and hydronic heating system that a lot of people in the greater areas don't have.

Chair Styles thanked Ms. Warren for having the Tynan newsletter in the report.

B. Property Management Report

January 28, 2013

Ms. Warren commented that everything is in the report.

DIRECTOR COMMENTS

Director Espinoza commented that he has a better understanding of how busy HDC is in relation to the projects that they are working on as well as the impact it has on HACM. He greatly appreciates it.

Director Williams thanked staff and a commented what a great job they are doing.

Director Healy thanked Ms. Warren regarding Castroville and H2A. He commented that he is really pleased with the direction we are going with this marketing campaign.

Director Scott liked the greenness part of our work and commented that we have to be so careful of how we use the resources and environment.

Director Styles commented great job to staff and wished everyone a Happy New Year. He further commented that he is looking forward to Year 2013.

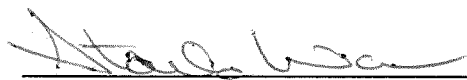
ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:35 p.m.



Chairman

ATTEST:



President/CEO



Date