

# SUTTER COMMUNITY AFFORDABLE HOUSING

1455 BUTTE HOUSE ROAD  
YUBA CITY, CA 95993  
(530) 671-0220

February 22, 2017


TO:

Martha Griese, President  
Gustavo Becerra, Secretary/Treasurer  
Diane Hodges, Board Member  
Richard Grant, Board Member  
Charles Epp, Board Member  
Kimberly Butcher, Board Member  
Brynda Stranix, Board Member

Sutter County Board of Supervisors  
City Council, Yuba City  
City Council, Live Oak  
Duane Oliveira, Legal Counsel  
Appeal-Democrat

## NOTICE OF REGULAR MEETING FEBRUARY 28, 2017

You are hereby notified that the Sutter Community Affordable Housing Special Board Meeting is scheduled for **Tuesday, February 28, 2017, at 12:00 PM at Richland Community Center, 420 Miles Avenue, Yuba City, CA 95991.**

  
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Gustavo Becerra  
Secretary/Treasurer

# **SUTTER COMMUNITY AFFORDABLE HOUSING**

Regular Meeting of Board of Directors  
**Richland Neighborhood Center**  
420 Miles Avenue, Yuba City, CA 95991

Tuesday, February 28, 2017  
12:00 NOON

## AGENDA

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Public Participation: Members of the public shall be provided with an opportunity to address the Board of Directors on items of interest that are within the subject matter jurisdiction on the Board.
5. Approval of Minutes – November 29, 2016
6. Approval of Fiscal Year Ending 2018 Operating Budget
7. Maintenance Update on Maple Park Phase 1, Town Center and Yolo/Heiken
8. Occupancy/Eligibility Update on Maple Park Phase 1, Town Center and Yolo/Heiken
9. Director's Comments
10. Adjournment

SUTTER COMMUNITY AFFORDABLE HOUSING

Minutes

Special Board Meeting

November 29, 2016

1. Call to Order: President Martha Griese called the meeting to order at the Maple Park Community Center, 2340 Gum Street, Live Oak, CA 95953 at 12:05 PM.
2. Roll Call: Board Members present were President Martha Griese, Members Gustavo Becerra, Kimberly Butcher, Richard Grant, Charles Epp, Brynda Stranix and Diane Hodges.
3. Pledge of Allegiance: President Martha Griese led the Pledge of Allegiance.
4. Public Participation: Yuba County Supervisor John Nicoletti attended the meeting.
5. Approval of Minutes – October 25, 2016: Board Member Diane Hodges made a motion to approve the minutes of the October 25, 2016 meeting as submitted. Board Member Brynda Stranix made the second. Board Members Charles Epp and Richard Grant abstained. All were in favor by voice vote.
6. Maintenance Update on Maple Park Phase 1, Town Center and Yolo/Heiken: Board Member Gustavo Becerra stated there are a few vacancies here at Maple Park Phase 1. He shared staff are working on preventative maintenance such as pruning, leaf pick up and gutter cleaning.
7. Occupancy/Eligibility Update on Maple Park Phase 1, Town Center and Yolo/Heiken: Occupancy Manager Pattra Runge mentioned both the Town Center and Yolo/Heiken properties are full. She said there would be a small rent increase for Yolo/Heiken. Mrs. Runge stated there were a few vacancies coming up including a 4-bedroom vacancy which tends to be a little more difficult to fill since there needs to be a minimum of seven (7) people.
8. Director's Comments: Board Member Gustavo Becerra stated the main reason for the meeting was so everyone could tour the new property, Kristen Court Apartments.

Board Member Diane Hodges asked if there was any contact with law enforcement. Mrs. Runge said it is pretty quiet but staff do not receive call logs for the properties located in Live Oak.

Board Members Charles Epp and Richard Grant welcomed Board Member Brynda Stranix.

President Martha Griese shared she met with Chaya Galicia who works for Yuba County on the homeless issues. She said they spoke about real estate and affordable housing for the homeless population.

Board Member Gustavo Becerra shared the programs ran through the Housing Authority are not customized to solve the homeless problem. The programs are all permanent housing and unfortunately there are waiting lists for all them. He shared staff is working with the consortium on an upcoming project on Garden Highway.

Board Member Brynda Stranix stated there are many agencies that share information, ideas and resources for the areas homeless population through the consortium.

Supervisor Nicoletti explained how staff and community members came together to provide housing for the homeless in Marysville and were able clean up some of the homeless camps in the area. He shared the 14 Forward Project has 40 beds available for the homeless population.

9. Tour of Kristen Court Apartments: The Board Members had the opportunity to tour the Kristen Court Apartments in Live Oak, CA.
10. Adjournment: The meeting was adjourned.

**SUTTER COMMUNITY AFFORDABLE HOUSING  
STAFF REPORT**

**Date:** February 28, 2017  
**To:** Board of Directors  
**From:** Gail Allen, Chief Financial Officer

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**SUBJECT:** Fiscal Year Ending 2018 Operating Budgets  
**RECOMMENDATION:** Approve Operating Budgets

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***Background:***

The Regional Housing Authority of Sutter and Nevada Counties (RHASNC) manages Town Center Senior Manor and Yolo Heiken for the Sutter Community Affordable Housing (SCAH) while Community Housing Improvement Program (CHIP) and SCAH co-manage Maple Park - Phase 1. All three projects (Town Center, Yolo Heiken, Maple Park – Phase 1) receive funding from several different sources - HUD (Federal), HCD (State), Low Income Housing Tax Credits and cities and counties (local). Kristen Court was also developed using Low-Income Housing Tax Credits, but is managed by an outside firm and relies solely on tenant rental income, some of which is subsidized by the Housing Choice Voucher program, aka Section 8.

**Continuing Budget:**

Staff is requesting the FYE 2018 be approved with minor Line Item adjustments and increases to:

- Yolo Heiken rent -- \$12 (1-bedroom), \$15 (2-bedroom) and \$22 (3-bedroom)
- Town Center rent – no increase for FYE 2018
- Management Fee -- 5% to cover operating costs
- Staff payroll -- 5% to cover MOU mandated salary increases.

***What was included in FYE 2017 Report?***

- Net Residual Receipt Summary (see attached chart)

***What factors do you use when preparing a budget (Town Center and Yolo Heiken)?***

- Income Annualized average or prior year budget
- Expenses Annualized average or prior year budget
- Adjustments Managers recommend adjustments to expenses based on anticipated needs and to reconcile to anticipated revenue

***What are some of the specifics of each budget?***

- All programs, excluding Kristen Court
  - Where available, Capital Needs Assessments
  - Levee bond tax for all Sutter County properties
  - Utility budgets are being brought more into line with actual costs

- Income
  - Rent
    - HUD may prorate rent payments which will decrease available revenue
    - Town Center is a Housing Choice Voucher tenant-based unit (voucher will migrate with tenant)
    - Yolo Heiken and Maple Park - Phase 1, are Housing Choice Voucher project based units (vouchers stay with project)

***What costs are included in the budget (not an inclusive list):***

- Administration Wages/benefits, legal, training/travel, dues/subscriptions/publications, advertising, supplies, computer parts, telephone/Internet/cell phones, postage, answering service, printing, management and accounting fees
- Tenant Services On-site manager wages/benefits, tenant functions
- Utilities Water, sewer, gas, electric, trash removal
- Maintenance Work order charges, outside vendors-units/operations (alarm, unit maintenance, pest control, elevator upkeep, roofing)
- General Insurance, levee taxes/special assessments, security, major repairs, tenant bad debt

***What are our programs, number of units and designations (restricted/unrestricted)***

- Town Center Senior Manor 27 senior housing units and one manager unit
- Yolo/Heiken 5 family units
- Maple Park - Phase 1 55 family units and one manager unit
- Kristen Court 55 family units and one manager unit

***What factors may affect this budget?***

- Lower occupancy resulting in tenant income decrease.
- HUD proration resulting in rental assistance decrease.
- Major building repairs due to unforeseen conditions.

Staff closely monitors expenditures for cost savings as well as potential revenue streams for additional sources of income. Board of Directors are updated at scheduled meetings.

*Net Residual Receipt Summary*

	<i>Revenue</i>	<i>Expenses</i>
<i>Town Center</i>	\$171,907	\$171,484
<i>Yolo/Heiken</i>	\$43,231	\$42,711

**RECOMMENDATION:**

It is recommended that the Board of Directors of the Sutter Community Affordable Housing approve the attached FYE 2018 operating budget.

Prepared by:

Submitted by:

  
Gail L. Allen, Chief Financial Officer

  
Gustavo Becerra, Executive Director

## Sutter Community Affordable Housing

Proposed Budget - FYE 2018

	Town Center		Yolo Heiken		Combined Total	
	Current	Proposed	Current	Proposed	Current	Proposed
<b>Tenant Income</b>	<b>172,547.70</b>	<b>171,906.50</b>	<b>45,087.43</b>	<b>43,230.96</b>	<b>217,635.13</b>	<b>209,602.50</b>
Administrative Expenses	40,558.53	46,283.74	9,591.42	11,597.71	50,149.95	57,281.46
Tenant Services Expenses	15,949.00	12,350.00	101.00	101.00	16,050.00	12,451.00
Utility Expenses	28,455.76	31,099.17	6,108.98	5,080.28	34,564.74	36,353.21
Maintenance Expenses	64,581.48	58,693.99	21,519.86	22,524.64	86,101.34	76,409.42
General Expenses	11,018.62	10,465.36	2,815.00	2,815.00	13,833.62	13,280.36
Non-Operating Items	12,592.00	12,592.00	592.00	592.00	13,184.00	13,184.00
<b>Total Expenses</b>	<b>173,155.39</b>	<b>171,484.25</b>	<b>40,728.26</b>	<b>42,710.64</b>	<b>213,883.65</b>	<b>208,959.44</b>
<b>Net Income</b>	<b>-607.69</b>	<b>422.25</b>	<b>4,359.17</b>	<b>520.32</b>	<b>3,751.48</b>	<b>643.06</b>



**SUTTER COMMUNITY AFFORDABLE HOUSING  
STAFF REPORT**

**Date:** February 28, 2017  
**To:** Board of Directors  
**From:** Gail Allen, Chief Financial Officer

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**SUBJECT:** Financial Review – Income Statement (April-December 2016)

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**Town Center Senior Manor**

Net Income is \$17,367 and allocated to future capital needs improvements and/or operational shortfalls. The project maintains three Reserve savings accounts (Operations, Replacement & Security Deposits) and one combined checking account with Yolo Heiken (see below). It recently spent \$65,000 for Capital Needs improvements.

**Yolo-Heiken**

Net Income is \$5,345 and allocated to future capital needs improvements and/or operational shortfalls. End of month Net Income is transferred out of the SCAH combined checking account and into a restricted Reserve account (see below).

**Maple Park (Phase 1) and Kristen Court**

Both projects are managed by co-developers, therefore, Sutter Community Affordable Housing maintains no revenue or expense statements. However, there are expenses for Kristen Court that have been incurred by the Regional Housing Authority of Sutter and Nevada Counties. These have been/will be reimbursed to RHASNC by the co-developer.

**RESERVE ACCOUNTS:**

All Reserves remain restricted to their individual projects.

*Operations/Replacement Reserves & Checking Account Balances (through 02/16/2017):*

Reserves (Operations) - Town Center Senior Manor .....	\$62,998
Reserves (Replacement) - Town Center Senior Manor .....	\$78,941
Reserves (Operations) - Yolo Heiken .....	\$35,865
Checking Account - Town Center Senior Manor .....	\$66,034
Checking Account – Yolo Heiken.....	\$0


**CALENDAR OF EVENTS:**

- Fiscal year end ..... March 2017
- Financial audit..... May 2017

Prepared by:

  
Gail L. Allen, Chief Financial Officer

Submitted by:

  
Gustavo Becerra, Executive Director

## Sutter Community Affordable Housing

April-December 2017

	Town Center		Yolo Heiken		Combined Total	
	Actual	Budget	Actual	Budget	Actual	Budget
Tenant Income	134,928	129,411	32,245	33,816	167,173	163,226
Other Income	128	0	13	0	141	0
<b>Total Income</b>	<b>135,056</b>	<b>129,411</b>	<b>32,257</b>	<b>33,816</b>	<b>167,314</b>	<b>163,226</b>
Administrative Expenses	41,474	30,419	4,651	7,194	46,125	37,612
Tenant Services Expenses	8,407	11,962	0	76	8,407	12,038
Utility Expenses	21,811	21,342	3,679	4,582	25,490	25,924
Maintenance Expenses	39,720	47,968	17,532	16,140	57,252	64,108
General Expenses	71,008	8,264	1,050	2,111	72,058	10,375
Reserves	0	9,444	0	444	0	9,888
<b>Total Expenses</b>	<b>182,420</b>	<b>129,398</b>	<b>26,913</b>	<b>30,546</b>	<b>209,332</b>	<b>159,944</b>
<b>Net Income</b>	<b>-47,363</b>	<b>13</b>	<b>5,345</b>	<b>3,269</b>	<b>-42,019</b>	<b>3,282</b>
Deferred Maintenance	65,000	0	0	0	65,000	0
<b>Revised Net Income</b>	<b>17,637</b>	<b>13</b>	<b>5,345</b>	<b>3,269</b>	<b>22,981</b>	<b>3,282</b>