

SUTTER COMMUNITY AFFORDABLE HOUSING

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

March 19, 2024

TO:

Manny Cardoza, President	Sutter County Board of Supervisors
Gustavo Becerra, Secretary/Treasurer	City Council, Yuba City
Diane Hodges, Board Member	City Council, Live Oak
Richard Grant, Board Member	Brant Bordsen, Legal Counsel
Martha Griese, Board Member	Appeal-Democrat
Kimberly Butcher, Board Member	
Brynda Stranix, Board Member	
Suzanne Gallaty, Board Member	

NOTICE OF REGULAR MEETING March 26, 2024

You are hereby notified that the Sutter Community Affordable Housing Board Meeting is scheduled for **Tuesday, March 26, 2024, at 12:00 PM at the Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.**



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, March 26, 2024
12:00 PM**

AGENDA

- A. CALL TO ORDER: ROLL CALL
- B. PLEDGE OF ALLEGIANCE
- C. PUBLIC PARTICIPATION: Members of the public shall be provided with an opportunity to address the Board on items of interest that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring something before the Board that is not on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda. Persons who wish to address the Board during public comment or with respect to an item that is on the agenda, will be limited to three (3) minutes.
- D. AWARDS AND PRESENTATIONS: NONE
- E. EXECUTIVE SESSION: NONE
May be held under California Government Code regarding pending and/or anticipated litigation, property acquisition, and/or personnel issues.
- F. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that the Board votes on the motion unless members of the Board request specific items to be discussed or removed from the Consent Calendar for individual action.
 - 1. Recommend Approval of Minutes – October 9, 2023 pg. 1
 - 2. Resolution 24-55 – Town Center Collection Loss Write-Off pg. 3
- G. OLD BUSINESS: Discussion/Possible Action: NONE

H. NEW BUSINESS: Discussion/Possible Action:

3. Recommend Approval of Operating Budget for Fiscal Year Ending 2025 pg. 5

Marco Cruz, Chief Financial Officer

4. Recommend the Approval of Updated Omnibus Schedule A and B pg. 8
Marco Cruz, Chief Financial Officer

I. ADMINISTRATIVE REPORT:

5. Maintenance Update on Maple Park Phase I, Town Center Senior Manor, and Yolo/Heiken pg. 12

Tom Goodwin, Operations Manager

6. Occupancy/Eligibility Update on Maple Park Phase I, Kristen Court Phases I, II and III, Town Center Senior Manor, New Haven Court and Yolo/Heiken pg. 13

Pattra Runge, Occupancy Manager

7. Finance Update pg. 14
Marco Cruz, Chief Finance Officer

J. DIRECTOR'S COMMENTS:

K. NEXT MEETING: April 23, 2024

L. ADJOURNMENT:

SUTTER COMMUNITY AFFORDABLE HOUSING
Minutes
Special Board Meeting
October 9, 2023

ITEM NO. A - CALL TO ORDER:

President Brynda Stranix called the meeting to order at 9:40 AM.

ITEM NO. A - ROLL CALL:

Board Members present were President Brynda Stranix, Members Diane Hodges, Kimberly Butcher, Richard Grant, Martha Griese, and Manny Cardoza. Board Members Vice-President Suzanne Gallaty and Board Member Gustavo Becerra were absent.

ITEM NO. B. – PLEDGE OF ALLEGIANCE:

Board Member Richard Grant led the pledge of allegiance.

ITEM NO. C. – PUBLIC PARTICIPATION: NONE

ITEM NO. D. – AWARDS AND PRESENTATIONS: NONE

ITEM NO. E. – EXECUTIVE SESSION: NONE

ITEM NO. F.1-F.2. - CONSENT CALENDAR:

Board Member Manny Cardoza made a motion to approve the Consent Calendar as submitted. Board Member Kimberly Butcher made the second. All were in favor by voice vote. Board Member Richard Grant abstained.

ITEM NO. G. – OLD BUSINESS: NONE

ITEM NO. H.2. – RESOLUTION 23-54 – INFILL INFRASTRUCTURE GRANT PROGRAM FOR RICHLAND VILLAGE PROJECT IN YUBA CITY:

Chief Financial Officer Marco Cruz stated the application this resolution is for is due later this week. He said the funding application is for the Richland Village project. Mr. Cruz explained staff is attempting to apply for as much funding as possible to lower the amount of State tax credits that will be needed. He said there is \$7.5 million available with the infill infrastructure grant. Mr. Cruz stated all the documents are reviewed by an attorney before bringing them for approval to the board.

Board Member Manny Cardoza made a motion to approve Resolution 23-54 – Infill Infrastructure Grant Program for Richland Village project in Yuba City. Board Member Richard Grant made the second. The following roll call vote was taken:

Vote: Ayes: President Brynda Stranix, Board Members Diane Hodges, Kimberly Butcher, Richard Grant, Manny Cardoza, and Martha Griese
Nays: None
Abstain: None
Absent: Vice-President Suzanne Gallaty and Board Member Gustavo Becerra

ITEM NO. H.3. – ACCEPTANCE OF AUDIT INTO RECORD:

Mr. Cruz went over the audit provided in the packet. He shared the opinion of the auditor which was; “the accompanying financial statements present fairly, in all material respects”. Mr. Cruz stated there were no findings and the audit was very solid.

Board Member Martha Griese made a motion to accept the audit into record. Board Member Manny Cardoza made the second. The following roll call vote was taken:

Vote: Ayes: President Brynda Stranix, Board Members Diane Hodges, Kimberly Butcher, Richard Grant, Manny Cardoza, and Martha Griese
Nays: None
Abstain: None
Absent: Vice-President Suzanne Gallaty and Board Member Gustavo Becerra

ITEM NO. H.4. – ELECTION OF OFFICERS:

Board Member Richard Grant nominated Manny Cardoza for President and Kimberly Butcher for Vice-President through March 2025. Board Member Diane Hodges made the second. All were in favor by voice vote.

ITEM NO. I. – ADMINISTRATIVE REPORT: NONE

ITEM NO. J – DIRECTOR’S COMMENTS:

Board Member Martha Griese asked about the housing project on Walton Avenue. Mr. Cruz stated the Regional Housing Authority, and this board were not involved, that was a Habitat for Humanity project. Board Member Brynda Stranix asked if Habitat for Humanity could be invited to the next meeting to talk about the new project.

ITEM NO. K – NEXT MEETING: October 24, 2023

ITEM NO. L - ADJOURNMENT: The meeting was adjourned at 10:08 AM.

**SUTTER COMMUNITY
AFFORDABLE HOUSING**

RESOLUTION 24-55

A RESOLUTION OF THE BOARD OF DIRECTORS OF SUTTER COMMUNITY AFFORDABLE HOUSING, INC. AUTHORIZING TOWN CENTER SENIOR MANOR COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$731.75

WHEREAS the Sutter Community Affordable Housing operates affordable housing projects Town Center and Yolo/Heiken pursuant to the laws of California and the City of Yuba City's Regulatory Agreement; and

WHEREAS operations of affordable housing include the collection of monthly rental amounts; and

WHEREAS the Sutter Community Affordable Housing makes every attempt to collect outstanding balances; and

WHEREAS Exhibit A provides a list of uncollectible accounts for the period ending March 31, 2024 and is made a part of this resolution.

BE IT THEREFORE RESOLVED that the Board of Directors of the Sutter Community Affordable Housing

Authorizes the President to write-off as collection losses the tenant receivables listed on Exhibit A totaling \$731.75.

This Resolution is to take effect immediately.

This Resolution is presented at the Regular Meeting of the Board of Directors, passed, and adopted this 26th day of March 2024 by the following vote:

AYES:
NAYS:
ABSTAINED:
ABSENT:

ATTEST: _____
Manny Cardoza, President

**Town Center - Yuba City
Collection Loss Write Off
Period: March 2024**

Tenant I.D.	Address	Move In	Date	Move Out	Monthly Rent	Rent Owed	Late Fee's	Damages	Utilities	Legal Fee's	Total Owed	Payback Agreement
T0008466	506 Plumas Street #04	10/26/2017	09/30/2023		\$ 315.00	\$ -	\$ -	\$ 333.00	\$ -	\$ -	\$ 333.00	No
T0012640	506 Plumas Street #26	04/17/2019	01/10/2024		\$ 398.00	\$ -	\$ -	\$ 398.75	\$ -	\$ -	\$ 398.75	No
											\$ 731.75	Total Write Off

R
3/18/24

Deceased *

Tenants listed with Payback Agreement's failed to honor the Agreement.

Utility costs incurred by PHA from tenant move-in date until transferred to tenant's name. Those charges are then billed to the tenant.

Exhibit A

**SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT (BUDGET)**

Date: March 26, 2024
To: Board of Directors
From: Marco Cruz, Chief Financial Officer

SUBJECT: Fiscal Year Ending 2025 Operating Budgets
RECOMMENDATION: Approve Operating Budgets

Background:

In accordance with sound fiscal management and programmatic requirements the staff of Regional Housing Authority (RHA) creates Sutter Community Affordable Housing’s (SCAH) annual budget for the Board of Directors to review and approve. Revenues and expenses for the upcoming fiscal year are analyzed and estimated. While the most up to date projections are presented here actual performance may vary.

What are our programs, number of units and designations?

Town Center Senior Manor

This is a 28-unit senior complex located in Yuba City, CA. Town Center is directly owned by SCAH and managed by the staff of RHA. Operating revenues provided by tenant rent and Housing Choice Voucher assistance. Town Center accepts Housing Choice Voucher that are *tenant-based*. These vouchers move with the tenant.

Yolo-Heiken

This is a 5-unit family complex located in Yuba City, CA. Yolo-Heiken is directly owned by SCAH and managed by the staff of RHA. Operating revenues provided by tenant rent and Housing Choice Voucher assistance. Yolo-Heiken has Housing Choice Voucher *project-based* units. These vouchers stay with the project.

Low Income Housing Tax Credit (LITCH) Developments

SCAH has partnered with various developers to build or rehabilitate low-income projects in Sutter County. These developments are funded with federal tax credits and local funding. Except for Maple Park Phase 1, these developments are managed by an outside firm. Their budgets are not included with SCAH’s operating revenue that includes tenant rents and Section 8 rental assistance subsidies.

Maple Park Phase-1	56 units (SCAH is a co-manager)
Kristen Court Phase-1	56 units
Kristen Court Phase-2	24 units
Kristen Court Phase-3	32 units
New Haven Court	40 units

2024 Budget Highlights

Revenues

SCAH’s revenues are derived from tenant rent payments and rental subsidies from Section 8 vouchers. There is a small amount of vending machine income and reimbursements for tenant damages. For FYE 2025 we anticipate an 8% increase to rents for Yolo-Heiken and 5% for Town Center’s non-HOME units. Town Center’s HOME rents will increase about 2%. For FYE 2025 the expected vacancy rate for Town Center and Yolo-Heiken is 3% and 10% respectively.

Salaries and Benefits

SCAH directly reimburses RHA’s staffing salaries and benefits to manage the property. The budget includes 6% wage increases and a 11% increase to health insurance. California’s minimum wage has increased to \$16.00/hr increasing our onsite manager costs. Maintenance staffing is reimbursed through per visit trip charges and an 8% increase is expected.

Insurance

Insurance continues to rise at a rapid pace due to recent wildfires and a lack of reinsurers. SCAH’s insurance rose 30% over prior years which continues its double-digit trend. 11% of the increase was due to raising the per foot coverage from \$210 to \$250 to keep up with California replacement costs.

Other Expenses

For FYE 2025, general and administrative expenses increased by 5%. Maintenance supply and contract costs 5-8% with some items such as paint increasing by 15%.

Capital Expenditures

Town Center

Exterior Paint:	\$ 6,000
Bathtub Cutaways:	\$ 25,200
Fire Sprinkler repairs:	\$ 60,000
<u>Elevator Repair:</u>	<u>\$125,000</u>
Total	\$216,200

Yolo-Heiken

Miscellaneous:	\$15,000
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RECOMMENDATION:

It is recommended that the Board of Directors of Sutter Community Affordable Housing approve the FYE 2025 operating budget.

Prepared by:

Submitted by:



Marco A. Cruz, Chief Financial Officer



Gustavo Becerra, Executive Director

Town Center Senior Manor

Period = Apr 2024-Mar 2025

		Trailing 12 Months	PTD Budget	Variance
3000-00-000	INCOME			
3199-00-000	NET TENANT INCOME	275,485.81	290,232.00	14,746.19
3699-00-000	OTHER INCOME	20,752.93	21,312.00	559.07
3999-00-000	TOTAL INCOME	296,238.74	311,544.00	15,305.26
4000-00-000	EXPENSES			
4199-00-000	ADMINISTRATIVE EXPENSES	57,169.15	60,337.00	3,167.85
4299-00-000	TENANT SERVICES EXPENSES	8,462.57	9,804.00	1,341.43
4399-00-000	UTILITY EXPENSES	40,119.43	41,914.00	1,794.57
4499-00-000	MAINTENANCE EXPENSES	68,258.17	80,896.00	12,637.83
4599-00-000	GENERAL EXPENSES	35,193.48	4,944.00	-30,249.48
4899-00-000	FINANCING EXPENSES	59,908.68	59,908.68	0.00
5999-00-000	NON-OPERATING ITEMS	96,600.29	101,430.30	4,830.01
8000-00-000	TOTAL EXPENSES	365,711.77	359,233.98	-6,477.79
9000-00-000	NET INCOME	-69,473.03	-47,689.98	21,783.05
	CASH FLOW ADJUSTMENTS		-\$77,573.00	
	ANNUAL CASH INCREASE (DECR)		-\$125,262.98	

Yolo Heiken

Period = Apr 2024-Mar 2025

		Trailing 12 Months	PTD Budget	Variance
2999-99-999	Revenue & Expenses			
3000-00-000	INCOME			
3199-00-000	NET TENANT INCOME	63,576.50	63,128.00	-448.50
3699-00-000	OTHER INCOME	39.58	192.00	152.42
3999-00-000	TOTAL INCOME	63,616.08	63,320.00	-296.08
4000-00-000	EXPENSES			
4199-00-000	ADMINISTRATIVE EXPENSES	10,656.55	12,547.00	1,890.45
4399-00-000	UTILITY EXPENSES	6,840.95	7,136.00	295.05
4499-00-000	MAINTENANCE EXPENSES	8,460.94	10,692.00	2,231.06
4599-00-000	GENERAL EXPENSES	2,625.95	2,592.00	-33.95
5999-00-000	NON-OPERATING ITEMS	7,590.44	7,969.97	379.53
8000-00-000	TOTAL EXPENSES	36,174.83	40,936.97	4,762.14
9000-00-000	NET INCOME	27,441.25	22,383.03	-5,058.22
	CASH FLOW ADJUSTMENTS		-\$10,269.00	
	ANNUAL CASH INCREASE (DECR)		\$12,114.03	

**SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT**

Date: March 26, 2024
To: Board of Directors
From: Marco Cruz, Chief Financial Officer

SUBJECT: Omnibus Assignment and Assumption Agreement Amendment

Background

On August 24, 2021, the Board of Directors approved an Omnibus Agreement with Regional Housing Authority (RHA). This instrument defined the reimbursement of development expenses and fees pass through from Sutter Community Affordable Housing to RHA.

2023 Additions/Deletions

Between Regional Housing Authority and Sutter Community Affordable Housing, Inc.:

Deletions: None

Additions: Richland Village-SCAH, LLC

Recommendation

Staff recommends that Sutter Community Affordable Housing Board of Directors approve the 2023 Schedule A and B for the Omnibus Assignment and Assumption Agreement with Regional Housing Authority.

Prepared by:

Submitted by:



Marco A. Cruz, Chief Financial Officer



Gustavo Becerra, Executive Director

2023 SCHEDULE A

-Signature Page-

Effective for Calendar Year ending December 31, 2023

ASSIGNEE

REGIONAL HOUSING AUTHORITY

By: _____

Name: Gustavo Becerra

Title: Executive Director

ASSIGNOR(S)

NEW HAVEN-SCAH, LLC,

a California limited liability company

By: Sutter Community Affordable Housing,
a California non-profit public benefit corporation

Its: Manager

By: _____

Name: Manny Cardoza

Its: President

KRISTEN COURT III-SCAH, LLC,

a California limited liability company

By: Sutter Community Affordable Housing,
a California non-profit public benefit corporation

Its: Manager

By: _____

Name: Manny Cardoza

Its: President

RICHLAND VILLAGE-SCAH, LLC,
a California limited liability company

By: Sutter Community Affordable Housing,
a California non-profit public benefit corporation

Its: Manager

By: _____

Name: Manny Cardoza

Its: President

SUTTER COMMUNITY AFFORDABLE HOUSING,
a California non-profit public benefit corporation

By: _____

Name: Manny Cardoza

Its: President

2023 SCHEDULE B

-Assignor and Project Listing-

Assignor	Project
NEW HAVEN-SCAH, LLC	New Haven
KRISTEN COURT III-SCAH, LLC	Kristen Court Phase 3
RICHLAND VILLAGE-SCAH, LLC	Richland Village
SUTTER COMMUNITY AFFORDABLE HOUSING	New Haven Maple Park Phase 1 Kristen Court Phase 1 Kristen Court Phase 2 Kristen Court Phase 3 Richland Village

Sutter Community Affordable Housing

DATE: March 26, 2024
 TO: Board of Directors
 FROM: Tom Goodwin, Operations Manager

SUBJECT: Maintenance and Operations Update

- Total work orders for October, November, December 2024 were 151. Break down as follows:
- Total number of work orders by projects:

Priority & Category	Maple Park	Town Center	Yolo	TOTAL
Emergency	8	4		12
Make Ready's		1	1	2
Routine	74	58	7	139
Scheduled				0
Pest		1	2	3
Cancelled				0
HQS		28		28
Total Property	82	63	8	153
Pending	2			2
Completed	80	63	8	151

Prepared By:

Tom Goodwin

Tom Goodwin, Operations Manager

Submitted By:



Gustavo Bécerra, Executive Director

SUTTER COMMUNITY AFFORDABLE HOUSING

STAFF REPORT

Date: March 26, 2024

To: Board of Directors

From: Pattra Runge, Occupancy Manager

SUBJECT: Quarterly Occupancy (Q3 2023-2024) report for quarter ending December 31, 2023

RECOMMENDATION: None - Update Only

FISCAL IMPACT: None - Informational Only

Sutter Community Affordable Housing

Development	Units Available	Units Leased October	Units Leased November	Units Leased December
Town Center (Yuba City)	27	26	26	26
Yolo-Heiken (Yuba City)	5	5	5	5
Maple Park I (Live Oak)	55	54	55	55
Kristen Court I (Live Oak)	55	50	53	54
Kristen Court II (Live Oak)	24	21	23	24
Kristen Court III (Live Oak)	32	31	32	32
New Haven Court (Yuba City)	39	38	38	37

Currently, the following property waitlists are open: Kristen Court (all phases). Vacancies continue to be filled within an approximate 30-day turn-around period.

Prepared by:


Pattra Runge
Occupancy Manager
Regional Housing Authority

Submitted by:


Gustavo Becerra
Executive Director
Regional Housing Authority

**SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT**

Date: March 26, 2024
To: Board of Directors
From: Marco Cruz, Chief Financial Officer

SUBJECT: Financial Review (April 2023-December 2023)

Town Center Senior Manor

INCOME STATEMENT APRIL-DECEMBER

	Town Center Actual	Town Center Budget	Town Center Variance
REVENUE	\$206,232	\$198,461	\$7,771
OPERATING EXPENSES	\$149,349	\$203,654	\$54,305
OPERATING REVENUE	\$56,883	(\$5,193)	\$62,076
NON-OPERATING EXPENSES	\$0	\$73,467	\$73,467
NET INCOME	\$56,883	(\$78,660)	\$135,543

TOWN CENTER BALANCE SHEET

	Mar 2023 Balance	Dec 2023 Balance	Net Change
CASH	\$303,394	\$362,397	\$59,003
ACCOUNTS AND NOTES RECEIVABLE	\$23,371	\$21,761	(\$1,611)
OTHER CURRENT ASSETS	\$8,214	\$13,195	\$4,981
FIXED ASSETS (NET)	\$681,581	\$681,581	\$0
TOTAL ASSETS	\$1,016,560	\$1,078,934	\$62,374
CURRENT LIABILITIES	\$1,486,565	\$1,492,056	\$5,491
NONCURRENT LIABILITIES	\$1,996,956	\$1,996,956	\$0
RETAINED EARNINGS	(\$2,466,961)	(\$2,410,079)	\$56,882
TOTAL LIABILITIES AND EQUITY	\$1,016,560	\$1,078,934	\$62,374

Town Center’s revenues are slightly above budget due to low vacancy. Administrative costs are in line with budget, with low administrative salaries offset by unlawful detainer expense. Utility expenses are 13% below budget, driven by lower electrical costs. Maintenance and capital improvement costs are 45% less than expected. Total cash increased by \$59,003 year to date.

Yolo-Heiken

INCOME STATEMENT APRIL-DECEMBER

	Yolo-Heiken Actual	Yolo-Heiken Budget	Yolo-Heiken Variance
REVENUE	\$47,788	\$43,503	\$4,285
OPERATING EXPENSES	\$21,952	\$25,956	\$4,004
OPERATING REVENUE	\$25,836	\$17,547	\$8,289
NON-OPERATING EXPENSES	\$0	\$5,814	\$5,814
NET INCOME	\$25,836	\$11,733	\$14,103

YOLO-HEIKEN BALANCE SHEET

	Mar 2023 Balance	Dec 2023 Balance	Net Change
CASH	\$103,890	\$129,172	\$25,282
ACCOUNTS AND NOTES RECEIVABLE	\$17	\$0	(\$17)
OTHER CURRENT ASSETS	\$1,162	\$1,882	\$720
FIXED ASSETS (NET)	\$130,862	\$130,862	\$0
TOTAL ASSETS	\$215,758	\$261,917	\$46,159
CURRENT LIABILITIES	\$4,428	\$4,577	\$149
NONCURRENT LIABILITIES	\$160,000	\$160,000	\$0
RETAINED EARNINGS	\$71,504	\$97,340	\$25,836
TOTAL LIABILITIES AND EQUITY	\$215,758	\$261,916	\$46,158

Yolo-Heiken’s revenues are slightly higher than expectations due to low vacancy. Administrative and maintenance expenses are slightly below budget. Its cash position has increased by \$25,282 since the start of the fiscal year.

RESERVE ACCOUNTS:

	Mar 2023	Dec 2023	Inc/(Decr)
TC Operations Reserve	\$173,447	\$227,340	\$53,893
TC Replacement Reserve	\$98,484	\$98,499	\$15
Yolo-Heiken Operating Reserve	\$91,415	\$113,874	\$22,459

Prepared by:



Marco A. Cruz, Chief Financial Officer

Submitted by:



Gustavo Becerra, Executive Director