

Minutes of the Meeting of the Board of Directors

Tuesday, August 16, 2016

Our Lady of Tahoe Catholic Church Parish Hall

1 Elks Point Road, Zephyr Cove, Nevada

Opening prayer was led by Francie Alling, Secretary.

President Barnett called the meeting to order at 5:37PM. He asked that Items numbered 9 and 13 of the agenda be interchanged and that applicant interviews for the volunteer position of Resident Liaison occur after the introduction of David Rutledge of Community Revitalization and Development Corporation (CDRC). He asked that items requiring a vote be postponed until after the arrival of Monsignor Wallace.

David Rutledge, President, of CDRC introduced himself to the Board. His non-profit organization is based in Redding, California, and has served as a partner in several low-income housing projects throughout the state. Its sole mission is to provide housing to households earning 60% of the area median income, and lower. His company has partnered with four to five developer groups outside of the Redding area. Mr. Rutledge explained that he has been with CDRC since 1998 and has a great deal of experience in tax credit transactions.

Barnett gave a description of the service area of Saint Joseph CLT (California and Nevada sides of the Lake Tahoe Basin). He further described the national CLT model and the Tallac House Demonstration Project. Barnett also provided overviews of the programs SJCLT is involved in at this time. Motel to Housing Program, homeowner education, identity theft and basic finances. Riley provided background on the local crusade for affordable housing.

Barnett performed roll call and it was determined that a quorum of the Board was in attendance.

Board Members present: Alling, Barnett, Riley, Walker and Wallace.

Other guests in attendance: John Bacigalupi/Pacific Development Group, Bucky Fong, Marlene Duran/Sierra Garden Apartments, Paul Camacho, David Rutledge and Shelby Rutledge, Dominic Celado/resident/Sierra Garden Apartments.

Barnett opened the floor to public comment. Interim Executive Director Kope asked for clarification on the intent of Resolution No. 38/2007-04 adopted by the Board of Directors on December 6, 2007 which authorizes the Executive Director to execute all necessary documents and contracts on behalf of SJCLT, or if it was specifically authorizing only Cindy Hannah to sign. The Board agreed that the intent was for the Executive Director to sign, and not just one specific individual. Seeing that no one else asked to speak, Barnett closed the open floor.

Barnett noted the minutes from the Board of Directors Meeting held on March 16, 2015, should be changed by deleting the words "from Pam" in the attendance section. Riley made a motion to approve all of the minutes, with the noted correction, which was seconded by Wallace. Motion passed unanimously.

Barnett nominated Paul Camacho to fill the vacancy on the Board of Directors (per Article III.E.2 of the Bylaws). Camacho stated that he is a Founding Member of SJCLT and would be pleased to fill the vacancy until the term expires in Spring 2017. Alling declared that Camacho, in the past, has always been

ready and willing to perform responsibly as a Board Member. Alling made the motion to elect Camacho to fill the Board of Directors vacancy. Motion seconded by Walker. Motion passed unanimously.

Dominic Celado, resident of Sierra Garden Apartments since age 11, was the only applicant to appear before the Board for the position of Resident Liaison. Barnett stated that the Board is looking for someone to attend all Board Meetings and to provide a voice for residents other than property management, and to relay to the Board what residents communicate

Discussion followed as to the process for noticing residents about this position, since only one applicant was present. Kope informed the Board that the other applicant, Dugan Kelly, was unable to attend due to unforeseen circumstances. Kope stated that the application and job description were delivered to Marlene Duran of Interstate Realty Management, property management firm for Sierra Garden Apartments. Mrs. Duran advised the Board that each tenant received copies of the application and job description by posting on the door of each unit. Camacho made the motion to appoint Dominic Celado to the volunteer position of Resident Liaison on an interim basis and that the position be re-evaluated and revised as needed. Motion seconded by Wallace. Motion carried unanimously.

Barnett turned the meeting over to Mr. Bacigalupi of Pacific Development Group who informed the Board that the application for the California Tax Credit Allocation Committee is due October 14, 2016, for allocation of tax credits to be awarded in December 2016. The goal is to begin construction in early 2017 with completion slated for the end of November 2017. Barnett inquired about the current concept for the community room to which Mr. Bacigalupi responded that it might be a second story addition on top of the existing laundry area due to land coverage issues.

Lengthy discussion ensued about soils analysis, property reclassifications, SEZ boundaries, the possibility of a challenge to TRPA and land coverage "shadow" reductions for hot water heaters as established by TRPA. More talk followed concerning the current use of individual BBQs, the potential risk of fire danger and the disposal of hot ashes, and the potential installation of future dedicated BBQ area(s). SGA property management agreed to research regulations on BBQs and lease conditions.

Walker asked about the status of the Residential Relocation Plan to which Mr. Bacigalupi answered that the draft has been completed and will become more refined as the construction date nears. Barnett thanked Mr. Bacigalupi for his update on the project.

Barnett read into the record: "Adoption of Resolution Authorizing President to Execute Fee Agreement with the Law Offices of Patrick R. Sabelhaus for Services Provided to the Proposed Rehabilitation and Refinance of Sierra Garden Apartments." Mr. Bacigalupi explained that, as the project progresses, costs are being incurred and paid by Pacific Development Group and reimbursement will come when the financing closes. SJCLT is not being asked for any money at this point in time. Walker made the motion to adopt this resolution. Riley seconded the motion. Motion to adopt this resolution passed unanimously.

Barnett read into the record: "Adoption of Resolution Authorizing President to Execute California Tax Credit Allocation Committee (CTCAC) Application and Any and All Documents Reasonably Required for

the Acquisition, Refinancing, Rehabilitation and Operation of Sierra Garden Apartments.” Mr. Bacigalupi explained that the adoption of this resolution will facilitate the execution of future standard documents required to obtain financing, such as loan agreements, filings, any amendments to the limited partnership agreement, etc. to be signed by the Board President without calling a meeting of the Board of Directors. Wallace made the motion to adopt this resolution and was seconded by Walker. Motion to adopt the resolution passed unanimously.

Barnett read into the record: “Adoption of Resolution Approving Ownership Structure, Equity Distribution, Developer Fee Distribution, Work-in-Progress Payment Structure, and Responsibilities of Pacific Development Group in the Acquisition, Refinancing, Rehabilitation and Operation of Sierra Garden Apartments.”

Mr. Bacigalupi stated that the property is being sold with approximately \$700,000 in equity, of which SJCLT owns 51%, plus a developer fee of around \$1.5 to \$1.6 million total. The developer fee will be split equally between SJCLT (1/3), Dave Michael (1/3) and Bucky Fong (1/3). All soft costs incurred in the predevelopment budget will be reimbursed through the permanent financing. These costs will not be deducted from the developer fee owed to SJCLT, nor out of the equity. CDRC is not involved in any distribution; however, it will receive a management fee.

Barnett suggested that the last two paragraphs of the resolution be reversed in order. Riley expressed his desire to have specific contributions set out more fully in the resolution for future auditing purposes, and that he would feel more comfortable adopting the resolution once legal and accounting expertise was obtained. Barnett suggested that Riley work with the SJCLT attorney and CPA to come up with acceptable verbiage. Riley made the motion not to adopt the resolution at this meeting, and to change the wording of the resolution after sufficient time has been given to obtain legal counsel and CPA opinion. Motion was seconded by Wallace. Motion unanimously carried.

Treasurer Walker presented the 2016/17 fiscal year budget. Discussion followed as to whether to hire an Office Manager or Executive Director from this November through April 2017. Kope suggested that the Board hold a retreat to discuss what needs to be done during this time period and what position would most benefit SJCLT. Barnett proposed that, after the Board retreat, an amended budget be prepared for FY 2016/17 looking at other needs as discussed at the retreat. The Board Retreat was scheduled for September 7, 2016, from 4 to 7PM at the St. Theresa Parish Center.

The next Board of Director’s meeting will be held at Globin Hall at St. Theresa Catholic Church on September 26, 2016, at 5:30PM.

Reverend Monsignor Wallace offered the closing prayer.

The meeting was adjourned at 8:15 PM.

Submitted by Cathy Kope
Interim Executive Director