

**MEETING MINUTES FOR THE BOARD OF DIRECTORS
CITY OF DOUGLAS COMMUNITY HOUSING CORPORATION**

WEDNESDAY, APRIL 7, 2016, AT 9:30 A.M.

**RANCHO LA PERILLA APARTMENTS
COMMUNITY ROOM
1201 E. FAIRWAY DRIVE
DOUGLAS, AZ. 85607**

1. Call to Order:

Rancho La Perilla Board members held their quarterly meeting on Thursday, April 7, 2016 in the community room at Rancho La Perilla Apartments, 1201 East Fairway Drive, and the meeting was called to order at 9:43 a.m., in the community room at Rancho La Perilla Apartments, 1201 East Fairway Drive.

2. Roll Call:

Board Members present were, Vicky Merritt, Veronica Abrigo and newest Member Michael Gutierrez. City Staff member present was Juan Pablo Flores, City Attorney. Present from First West Management Company was Frank Moro, Shannon Glasser and Ana Salazar, the property manager.

Absent Board Members were Frank Melgoza and Felix Soto)

3. Persons wishing to address the committee in writing or verbally on any item not on the agenda:

(None)

4. A. Discussion/Decision to Approve new appointment (Michael Gutierrez) as Member to the CHC. (The entire item #4 was presented as item 1, prior to the Roll Call-after this item the meeting agenda was resumed)

Motion made by Veronica Abrigo to approve the appointment and seconded by Vicky Merritt. (Motion Passed Unanimously)

B. Swearing in by Administering Oath of Office new member Michael Gutierrez

Not an action item – other than the swearing in of the new Board Member, no action was taken. Michael Gutierrez was warmly welcomed by the Board.

C. Discussion and possible Decision to nominate and approve new Officers, or possibly delay process until July meeting as called for by the CHC's corporate bylaws.

No action taken, as matter was postponed by popular acclamation to consider matter at the July 2016 regular quarterly meeting. Vicky Merritt is currently President, Frank Melgoza as Secretary, with Veronica Abrigo acting as Treasurer.

5. Approval of Minutes:

Motion made by Veronica Abrigo to approve meeting minutes from January 13, 2016 and seconded by Michael Gutierrez. **(Motion approved unanimously)**

6. Management Report and Presentation of related Financial Reports:

Mr. Moro gave some background on the loan structure being about \$4.9 million, and gave a background on state grants. The loan is higher than the worth of the asset and that occupancy has to be at about 85% to sustain the operations. There is a reserve replacement as noted on the balance sheet of about \$313,000 of replacement reserves and how that functions. The CHC operates generally as a for-profit with very little favorable property tax treatment from the County, as they claim the project is not fully for a public purpose. Currently only 8 units fulfill the low income housing public benefit function. Management will reapply next year for a property tax reduction. First West reported on the unit financials for the month last quarter noting that cash flow remains negative but occupancy seems to be creeping back up.

There is currently a strong marketing campaign with many golf course use amenities offered to the tenants, as well as rental fee reductions as incentives. There are executive apartments available for short term rentals. Monthly revenue figures range from \$42K to just over \$50K, with March figures showing revenue at around \$48K. Frank Moro from FW explained that the entity (CHC) been dealing with a negative cash flow since the last report and that in the current month occupancy is at 81%. The break-even point is at about 85% occupancy for the property.

This item was revisited toward the end of the meeting to go over advertising/marketing expenditures that amount on average under \$550 per month. A referral fee or finder's fee was discussed for the amount of \$75 or \$100 for real estate agents that place tenants at the facility for a prolonged lease commitment. Cochise was reported to be losing population at significant rates.

7. Information/Discussion and possible update regarding the CHC Audit performed for the 2015 Budget year and the accompanying report:

Frank Moro from FW explained and reported that the audit findings were all under the normal range.

8. Discussion/Information and possible Decision(s) by Board regarding recent capital outlays by the City of Douglas to the CHC as a loan to assist in cash flow in the approximate amount of \$25,000, and obtain status and amounts to date of subsidy during City FY 2015-2016 & discuss progress on reimbursements/payments:

Mr. Frank Moro explained to the Madam Chair and Board Members that the cash flow infusion/loan was roughly in the amount of \$20K along with some utility fees from water being floated by the City. It was reported that on this date, another \$2000 and change has been paid back to the City by FW. The amounts paid were reported to be \$1200 for the loan and the remainder represents utility fee payments. The Board saw no need for further action on this matter.

10. Scheduling and/or confirmation of next Meeting date(s), and suggestions for future agenda items.

No action was taken here other than to set the next quarterly meeting on July 7, 2016 at 9:30 a.m. This was accomplished through popular acclamation.

11. Adjournment:

(Motion to adjourn made by Veronica Abrigo and seconded by Michael Gutierrez to adjourn meeting.)

(Motion Passed and meeting adjourned at 10:17 a.m.)

Prepared By:

J.P. Flores Esq.,
