

BANYARD MANAGEMENT
Board of Directors Meeting
2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

November 17, 2016
2:00 p.m.

The Board of Directors welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable Banyard Management to make reasonable arrangements.

NEXT RESOLUTION NO. 16-5B

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT

- 5.1 Chico Commons Budget – Adopt FY2017 Chico Commons' budget.

Recommendation: Resolution No. 16-5B

- 5.2 Chico Commons Apartments, Property Management – Transition of property management for Chico Commons Apartments, Chico.

Recommendation: Motion

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5.3 Banyard Management – Adopt signing authority resolution.

Recommendation: Resolution No. 16-6B

5.4 Banyard Management – Recommend change meeting dates.

Recommendation: Motion

6. MEETING OPEN FOR PUBLIC DISCUSSION

7. MATTERS CONTINUED FOR DISCUSSION

8. SPECIAL REPORTS

9. REPORTS FROM DIRECTORS

10. MATTERS INITIATED BY DIRECTORS

11. EXECUTIVE SESSION

12. DIRECTORS' CALENDAR

Next meeting – January 19, 2017.

13. ADJOURNMENT

24 ✓
November 10, 2016

M E M O

To: Banyard Management Board of Directors

From: Larry Guanzon, HACB Deputy Exec. Director
Sue Kemp, Banyard Mgt CFO 

Subject: Chico Commons, LP Proposed 2017 Operating Budget

Attached please find a proposed Operating Budget for Chico Commons calendar year 2017. The budget was prepared in house with consideration for the proposed costs of a new management company.

We anticipate higher maintenance payroll costs offset by reduced contracting. The budget may be modified after a management company is selected and costs reviewed by both parties. A well-managed and maintained property is the priority while also maintaining a positive cash flow.

If you have any questions we will gladly answer them at the Board Meeting.

Recommend motion to approve Resolution No. 16-5B

BANYARD MANAGEMENT

RESOLUTION NO. 16-5B

APPROVAL OF THE OPERATING BUDGET FOR F/Y 2017
FOR CHICO COMMONS APARTMENTS, CHICO, CA

WHEREAS, Banyard Management approves its Operating Budget on an annual basis; and

WHEREAS, Banyard Management, as Managing General Partner of Chico Commons LP, itself owner of the Chico Commons Apartments, Chico, California, prepares the budget for Chico Commons Apartments in conjunction with costs projected by its Managing General Partner agent, Housing Authority of the County of Butte; and

WHEREAS, the Board of Directors of Banyard Management has reviewed the budget as proposed and found the budget to be in the best interest of the Chico Commons Apartments property and Banyard Management;

THEREFORE, BE IT RESOLVED by the Board of Directors of Banyard Management, acting as Managing General Partner of Chico Commons LP, the owner of Chico Commons Apartments, Chico, California, to hereby approve and adopt the Operating Budget for fiscal year 2017 for Chico Commons Apartments, Chico, California, such Operating Budget attached to and made a part of this Resolution No. 16-5B.

Dated: November 17, 2016.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

CHICO COMMONS, LP
PROPOSED OPERATING BUDGET
January 1, 2017 to December 31, 2017

	2016 Approved Budget	2016 Estimated Actuals	2017 Proposed Budget	Change	Notes
REVENUES					
Potential Dwelling Rent	631,200	637,154	649,008	17,808	
Vacancy Loss	-31,574	-43,914	-32,450	-876	
Manager's Unit (expensed)	0	0	0	0	
Net Dwelling Rent	599,626	593,239	616,558	16,932	
Tenant Charges	25,000	6,297	12,480	-12,520	
Laundry Revenue	10,000	8,732	10,000	0	
Investment Income	200	142	200	0	
TOTAL REVENUES	634,826	608,411	639,238	4,412	
EXPENSES					
Advertising & Leasing Expenses	1,000	0	1,000	0	
Audit Fee	4,350	4,350	4,568	218	
Credit & Collection Expense	3,500	1,050	3,500	0	
Franchise Tax Board	800	800	800	0	
Insurance-Liability/Property	8,885	9,800	10,290	1,405	5% increase
Legal Fees	2,000	80	2,000	0	
Management Fees	30,284	29,598	35,424	5,140	
Misc. Admin. Costs	2,500	12,458	4,500	2,000	
Office Supplies	800	3,977	1,800	1,000	
Partnership Fee	12,960	12,960	12,960	0	
Property Taxes	5,760	3,874	7,535	1,775	7 over income
Resident Activities	3,600	260	3,600	0	
Telephone & Internet	1,400	1,400	1,440	40	
Training & Travel	1,200	1,200	1,200	0	
Total Admin Costs	79,039	81,806	90,617	11,578	
Site Manager	19,800	25,264	40,452	20,652	includes free rent \$771/mo
Site Maintenance	28,008	33,912	33,280	5,272	
Payroll Taxes & Benefits	14,237	18,774	24,527	10,290	
Total Payroll	62,045	77,950	98,259	36,214	
Electricity	5,000	8,328	8,000	3,000	
Gas	12,800	12,615	12,800	0	
Water & Sewer	38,500	35,893	38,500	0	
Total Utilities	56,300	56,836	59,300	3,000	
Landscape Maintenance	12,600	15,000	18,150	5,550	
Maintenance Materials	4,150	5,585	7,000	2,850	on-site maint.
Other Maintenance Contracts	8,425	22,679	35,000	26,575	
Trash Removal	4,800	4,800	4,800	0	
Unit Turnover Maintenance	15,427	5,000	0	-15,427	offset by FT maint. employee
Total Maintenance Costs	45,402	53,064	64,950	19,548	
Total Operating Expenses	242,786	269,657	313,126	70,340	
Net Operating Income	392,040	338,754	326,113	-65,928	
Depreciation & Amortization	135,500	135,500	135,500	0	
Capital Improvements (expensed)	62,431	41,247	40,000	-22,431	
Interest Expense-Chico RDA	31,250	31,250	31,250	0	
Interest Expense-HACB	22,252	22,252	22,252	0	
Tenant Bad Debt	25,011	25,000	25,011	0	
Total Other Expenses	276,444	255,249	254,013	-22,431	
TOTAL EXPENSES	519,230	524,905	567,139	47,909	
RETAINED EARNINGS	115,596	83,505	72,100	-43,497	
+ Deprec & Amort	135,500	135,500	135,500	0	
+ Transfer from Reserves	75,000	75,000	75,000	0	siding/paint
- Capital Improvements (Assets)	-75,000	-75,000	-75,000	0	
- Debt Payments	-133,713	-133,713	-133,713	0	
- Transfer to Reserves	-30,000	-30,000	-30,000	0	
NET CASH FLOW	87,383	55,292	43,887	-43,497	

Note: Costs estimated based upon proposals and estimated actuals. Actual costs may vary after new management company inspection

MEMO

Date: November 10, 2016

To: Boards of Directors

- Banyard Management
- Butte County Affordable Housing Development Corporation (BCAHDC)

From: Larry Guanzon, Deputy Executive Director
Ed Mayer, Executive Director 

Subject: Transition of Property Management – US Residential Group to AWI Property Management

- Chico Commons Apartments, Chico (Banyard)
- Walker Commons Commons Apartments, Chico (BCAHDC)

US Residential Group (USRG) assumed property management at the subject properties January 1, 2016. Both these properties were previously managed in-house, by the HACB.

USRG initially proposed budgets at the properties showing that they would be able to operate at a lower cost than that accomplished by HACB. What looked like a “win-win” for both the HACB and USRG has been compromised by ensuing events, leading USRG to indicate they cannot deliver as promised – they are seeking to be replaced.

- 1) Shortly after being retained, USRG was ***purchased by a larger, national property management firm***, whose corporate policies are substantively different than USRG’s. Significantly, USRG now relies on a third-party contractor to vet vendors at the properties, charging the vendors \$90 annually for such “service”, and requiring unreasonable levels of liability insurance. While this addresses risk, it establishes bars to local providers that are unreasonable. Consequently, local vendors are lost, and more vendors are sourced from Sacramento and the Bay Area, resulting in increased cost structures to the properties. USRG has lost its “local” sensitivities.
- 2) Both USRG’s Site Manager, and Regional Asset Manager, serving both the Chico Commons and Walker Commons Apartments properties, were hired away by WINN Residential in the last 30 days, leaving a void where these two former employees of USRG had only recently been placed. This transition has caused a void in USRG capacity, requiring USRG to “backfill” from other properties. This change alone has caused a negative ripple effect in the operations of both the Chico Commons and Walker Commons properties.
- 3) Given the management transitions, the HACB is now finding overall issues with vendors not being paid, resident’s needs not being addressed, issues with maintenance, in short, operational instability at both properties.

Dan Lisenby, USRG regional VP, has indicated that USRG seeks to withdraw from management of the Chico Commons and Walker Commons Apartment properties at our earliest convenience. USRG seeks to complete such transition by the end of the year, by December 31, 2016.

The HACB does not recommend a return to HACB management of the properties. HACB has identified and solicited two (2) other property management firms in the area, both of whom specialize in tax-credit management. Both firms are new to Banyard/BCHADC, though not new to staff.

After careful consideration of costing and management approaches, the HACB recommends use of “AWI Property Management”. AWI has extensive experience in managing multi-family affordable housing. They have specific expertise in Low Income Housing Tax Credit properties (LIHTC), USDA-RD and other affordable programs. AWI’s corporate headquarters are located in Auburn, CA. Please see attached information outlining AWI’s credentials.

AWI has reviewed and inspected both the Chico Commons and Walker Commons properties. They recommend use of on-site managers and dedicated maintenance personnel at both properties. With capacity to perform most routine maintenance in-house, use of AWI is anticipated to achieve savings in reducing use of maintenance contractors. Limiting use of outside vendors, and use of dependable local vendors without “Compliance Depot” vetting, will also reduce costs. At this time of management transition it is imperative we have knowledgeable, expert, and professional management to benefit not only each property but also the residents who reside at the property.

Proposed 2017 budgets are enclosed for Board discussion and approval, as well.

The HACB recommends AWI Property Management be retained to assume 3rd- party Property Management duties at both the Walker Commons and Chico Commons Apartments properties, as of January 1, 2017.

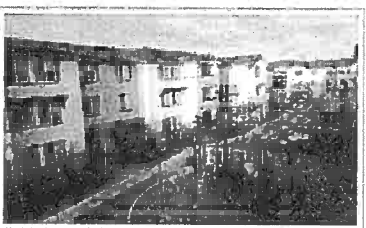
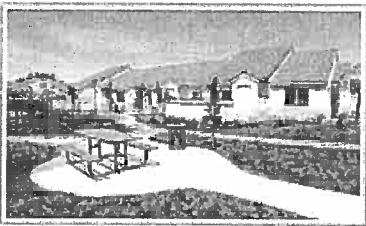
Recommended: Motion authorizing change in 3rd-party Property Manager, from USRG to AWI, at the subject properties, effective January 1, 2016.



AWI

Management Corporation
Always With Integrity

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About Us

MISSION STATEMENT

AWI stands for "Always With Integrity." Our name exemplifies how we treat our clients, how we set and reach our goals and the consistency with which we operate and make decisions. With "Integrity" at the forefront, we strive to perpetuate positive and lasting business relationships. We fully support and are committed to promoting the principles of the Fair Housing Act and strive to ensure that all have an equal opportunity to access and enjoy the housing provided.

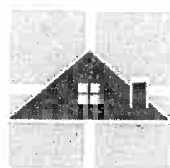
Tina Williams - President/CFO

Ms. Williams is a licensed real estate broker with a distinguished background in affordable housing management that spans more than 30 years and over 10,000 units managed. She served as President and Director of the California Council for Affordable Housing where she played an active role in promoting changes in State and Federal legislation to promote the needs of affordable housing participants. She has had the honor of receiving the Rental Housing Industry Award from the Human Rights/Fair Housing Commission of the City and County of Sacramento for her contribution to providing accessible housing to individuals with a disability. She has earned a solid reputation and is well respected by owners, her peers and the state and federal agency personnel that she's worked with over the years. She holds a California Real Estate License and a California Contractor's License. She has earned the CARH Rural and Affordable Housing Executive Designation and the Spectrum Enterprises Credit Compliance Professional C7P Designation. In 2008 she received the Spectrum Companies Lifetime Achievement Award for Excellence in the affordable housing industry.

Michael F. Burke - Vice President

Mr. Burke has an extensive background in sales management and customer service that began in 1981. He has also been a principal in several business sectors including retail and service related businesses. Since entering the affordable housing industry in 1997 he has been a major contributor in the operation policies and procedures that have perpetuated the

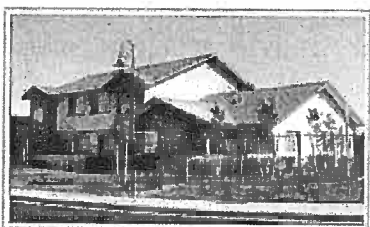
success of AWI. In addition, he has used his experience in employee management to support and implement the management philosophy of the firm by encouraging growth and education of the property management staff. He holds a California Real Estate License and California Contractor's License. He served as a Board Member and Management Committee Chairperson for the National Council for Affordable and Rural Housing and has earned the CARH Rural and Affordable Housing Executive Designation and the Spectrum Enterprises Credit Compliance Professional C7P Designation. Michael received his Credential for Green Property Management (CGPM) from National Affordable Housing Management Association (NAHMA), meeting the requirements of the HUD Office of Affordable Housing Preservation (OAHP) Green Initiative.



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Property Management Services

AWI Management Corporation is a highly experienced property management firm specializing in providing property management services for owners and developers of affordable housing. AWI is dedicated to providing its clients with exceptional service and experienced representation with an emphasis on integrity, dependability and competence. The principal owners have combined their strength in financial management, marketing and customer service to deliver to their clients the results expected from a top performing, full-service property management firm.

We Specialize in:

- [HUD](#)
- Bond
- Home
- [Tax Credit](#)
- Conventional
- Acquisition/Rehab
- [USDA-RD 515/515-8/538](#)

Our Property Management Services Include:

- Due diligence support for acquisition and development
- Results oriented lease-up services
- Marketing program
- Onsite employee staffing according to client-approved budget
- Property management supervision by qualified District Managers
- Capital improvement planning and construction/rehab supervision
- Accounts receivable and payable
- Financial reporting
- Annual budget preparation
- Annual inspections
- Preventive maintenance
- Collections
- Contracts administration

Compliance supervision, auditing and reporting

- Services coordination
- Tax Credit Compliance

Service Partners:

- Fair Housing Solutions, LLC - Fair Housing and Accessibility Training
- E&A Services - CNA and 504 Inspections
- NAHPA - National Affordable Housing Preservation Associates, Inc.
- The Spectrum Companies
- Sacramento Housing & Redevelopment Agency
- National Equity Fund, Inc.
- Crescent City Police Department
- Self-Help Enterprises - Building Houses, Homes, Communities
- Urban Housing Communities
- Community Services of Arizona, Inc.
- The Danco Group
- Rancho Belago Developers, Inc.
- Grind All, Inc.
- Boston Financial Investment Management, L.P.
- Bay Alarm Medical - 24/7 Medical Alert Systems

BANYARD MANAGEMENT

RESOLUTION NO. 16-6B

AUTHORIZATION FOR SECRETARY TO ACT AS SIGNATORY
ON BEHALF OF BANYARD MANAGEMENT

WHEREAS, Banyard Management must authorize signatories for all financial and business transactions that occur on a day-to-day operational basis; and,

WHEREAS, the Board of Directors of Banyard Management has appointed Edward S. Mayer as the President of Banyard Management; and,

WHEREAS, while acting in his official capacity as President, Edward S. Mayer is the signatory for all financial and business transactions that occur on a day-to-day operational basis; and,

WHEREAS, to ensure continuity of business operations in the absence or incapacity of the President, the Banyard Management has established a Secretary position; and,

WHEREAS, the Executive Assistant of the Housing Authority of the County of Butte (HACB) has traditionally served as Secretary to Banyard Management; and,

WHEREAS, effective November 7, 2016, Marysol Perez, has been retained as the Executive Assistant of the HACB; and

WHEREAS, in the absence or incapacity of the President, the Secretary assumes President duties regarding agency management and administration and acts as the authorized signor for checks and other documents on behalf of Banyard Management;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Banyard Management to authorize Marysol Perez, while acting in her official capacity as Secretary in the absence or incapacity of the President, to be the agency signatory for all financial and business transactions, effective December 1, 2016.

Dated: November 17, 2016.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

MEMO

Date: November 10, 2016

To: Boards of Directors

- Banyard Management
- Butte County Affordable Housing Development Corporation (BCAHDC)

From: Ed Mayer, Executive Director *EGM*

Subject: Quarterly Meetings - Schedule Change

It is recommended the Board of Directors adopt a new quarterly meeting schedule. The current schedule has quarterly meetings of the Board set for the months of January, April, July, and October, on the same days as regular meetings of the Housing Authority of the County of Butte, typically held on the third Thursday of the month. With this meeting schedule, timely quarterly financial reporting is not feasible. For example, December's financials cannot be closed in time to be provided at the January Board meeting.

It is recommended the Board calendar be shifted back by a month, so that more current accounting can be provided, and budget development can occur, without as much need for Special Meetings. The recommendation would set quarterly meetings for February, May, August, and November.

Recommendation: by means of Motion, set the Corporate Calendars for Banyard Management and Butte County Affordable Housing Development Corporation such that meetings be held in the months of February , May, August, and November, on the same days as regular meetings of Housing Authority of the County of Butte.