

MINUTES

Board of Directors Regular Meeting
City of Douglas Community Housing Corporation

Thursday, January 7, 2021 at 9:30 a.m.

Rancho La Perilla Apartments
Community Room
1201 E. Fairway Drive
Douglas, AZ 85607

A public meeting of the City of Douglas Community Housing Corporation was convened on Thursday, January 7, 2021, at 9:38 a.m., in the Community Room of Rancho La Perilla Apartments, 1201 E. Fairway Drive. Present at the meeting were the following members of the City of Douglas Community Housing Corporation: Debra Wendt, Frank Moro, Desiree Rice, Luis Pedroza, Denise Machado, Belen Durazo, Vicky Merritt, Ana Salazar, and Tammy Moro. The following matters were discussed, considered, and decided at the meeting.

2. Roll Call.

Board members present were Debra Wendt, Frank Moro, Desiree Rice, Luis Pedroza, Denise Machado, Belen Durazo, Vicky Merritt, Ana Salazar, and Tammy Moro.

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

None

4. Conduct swearing in of new Member: Ms. Denise Machado.

Luis Pedroza conducted the swearing in of new Member: Ms. Denise Machado.

5. Discussion/Decision on approval of meeting minutes for October 22, **2020**.

Motion by Debra Wendt to approve the meeting minutes for October 22, 2020, second by Desiree Rice. The motion was approved unanimously by the members.

6. Management Report and presentation of current Financial Reports for the CHC and Facility to include the October, November, and December 2020 Monthly Owner Report(s), to include Balance Sheets, Rent Rolls and 12-month trailing(s), and any related facility valuation, loan, tax matter or property condition.

The financial statement was examined by Frank Moro. He began by noting the last 12 months (January 2020 through December 2020) the cash statement after the debt service adjustment showed that \$80,895 was made. This was a result of refinancing in October and having seen a trend over the last year of increasing income. Mr. Moro noted they have had a relatively strong year with the effective gross income generally within the \$58,000 to \$59,000 range monthly.

Ana Salazar reported that occupancy at the facility has overall been full. Frank Moro inquired if the Covid-19 Pandemic has impacted the property; Mrs. Salazar reported that the Covid-19 Pandemic has not affected rent payments and reported that rent was raised. Mr. Moro and Mrs. Salazar attributed the occupancy to the new generation of renters as well as the wall construction employees who are renting.

Mr. Moro confirmed with Mr. Pedroza that they were on a normal payment schedule for paying back the city loans.

Mr. Moro referred to the balance sheet and noted that PPE loans were applied for and granted in the amount of \$16,685.47 and rationed out to each property. The money has been set aside in a Payroll Reserve in case they have to be paid back. Mr. Moro noted that the money is being kept there until the PPE program is forgiven and will then be converted to cash and can be used. The board will later decide the use of money. Mr. Pedroza inquired if there were restrictions on the use of cash; Mr. Moro advised no.

Mr. Moro briefly discussed that there are adequate funds in the replacement reserves fund to replace all major components of the property. The funds in the Replacement Reserves amounts to \$333,261.91.

Mr. Moro concluded his report. There were no further questions from the members.

7. Standing Report from management regarding ongoing marketing efforts and general results of these efforts for the CHC and Facility, to include possible Discussion/Decision on any related marketing concept and considerations on rental rate related concepts.

The Standing Report was presented by Ana Salazar. She reported that the Facebook page has been a successful marketing effort and Mr. Moro added that geo-fencing efforts are being implemented. Move-outs are being anticipated towards the middle of the year, but there is a waiting list of replacements. It was reported that there has been 97% to 100% occupancy of the property. Frank Moro inquired how many TDYs they had to which Ana Salazar advised there are 7 TDYs. Frank Moro provided further explanation to the members regarding TDYs. Mrs. Salazar concluded saying all is well and proceeded to answer questions from members. Vicky Merritt asked if the individuals on the wait list were wall related to which Mrs. Salazar reported not all of them were. Mrs. Salazar also explained the process of contacting individuals on the waiting list after being questioned by members.

8. Discussion/Decision on approval of the 2020-2021 Budget for the CHC and acceptance of the 2019-2020 Audit & reports pursuant to recent activity performed by management, and to ratify the signed audit related certification dated 11/25/2020, as provided by Board President, Vicky Merritt.

Board members reviewed documents and briefly discussed them.

A motion was made and approved unanimously by the board members to approve the 2020-2021 Budget for the CHC. A motion was made and approved unanimously by the board members to ratify the signed audit.

9. Discussion/Information for the Board on the Notes owed to the City of Douglas by the CHC for loans to the Rancho La Perilla Apartment facility with a possible Decision to modify, ser or modify the monthly repayment amount.

Luis Pedroza advised as of November 2020 the amount owed was approximately \$64,000. Vicky Merritt inquired if there was a timeline for the PPE forgiveness. Tammy Moro provided limited information regarding the PPE forgiveness process and advised there is still many unknown pieces of information. Vicky Merritt stated it would be best to wait until they know what the requirement is for the PPE forgiveness process. No decision was made.

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

Members of the Board looked at and informally approved April 8, 2021, July 1, 2021, and October 7, 2021 as the next meeting dates. No suggestions were made for future agenda items.

11. Adjournment

Motion by board members to adjourn the meeting at 10:30 a.m. Unanimously approved.

Prepared by Jesalen Luna
Deputy City Clerk