

Minutes of the Meeting of the Board of Directors

Monday, September 26, 2016

Saint Theresa Catholic Church in Globin Hall

1041 Lyons Avenue, South Lake Tahoe, CA 96150

Opening prayer was led by Francie Alling, Secretary.

President Barnett called the meeting to order at 5:35PM.

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

Board Members present: Alling, Barnett, Camacho, Riley and Walker. Absent: Wallace is on vacation.

Guests in attendance: John Bacigalupi, Pacific Development Group via iPhone; Paula Lambdin, General Member; Dominic Celado, Lessee Member/Sierra Garden Apartments; and Lauren Morrell, General Member.

Walker made the motion to approve the agenda which was seconded by Riley and passed unanimously.

Barnett opened the floor to members and guests for comment on any item not listed on the agenda. Paula Lambdin, Program Director of El Dorado County Health and Human Services Agency, distributed a flyer to the Board Members announcing the opening of the wait list for the Housing Choice Voucher (HCV) Program (formerly Section 8). She stated that the wait list was last opened eight years ago when approximately 1400 households submitted applications. Of those applicants, about 700 households received assistance. She explained that the process this year will be different from past years in that a lottery will be held. Barnett asked Interim Executive Director Kope ("Kope") to send a copy of the flyer to the membership, along with an email message of explanation. No other guests or members asked to be heard, so Barnett closed the floor.

Alling noted the minutes from the Board of Director's Meeting held on August 16, 2016, should be changed to include today's date as the date of the next Board of Director's meeting. Riley made a motion to approve the minutes of the August 16, 2016, meeting, with the noted correction. This motion was seconded by Alling and approved unanimously.

John Bacigalupi was asked by Barnett to provide an update on the proposed refinance and rehabilitation of Sierra Garden Apartments. Mr. Bacigalupi stated that the application is on track for meeting the California Tax Credit Allocation Committee (CTCAC) deadline of Friday, October 14. The tax credit allocation should be received sometime this December. He reported that a Letter of Intent (LOI) to syndicate the tax credits as Limited Partner had been received from Alden Capital Partners, with whom Pacific Development Group has worked with in the past. The plan is to obtain two additional LOIs from other syndicators. Citi Community Capital has been contacted to provide term sheets for construction and permanent financing based on the tax-exempt bond allocation. The South Lake Tahoe City Council will hear the request to modify the existing HOME and CDBG loans to accommodate the new financing and John will attend that meeting. Brian Shinault is making progress on the architectural plans and should have a site plan, floor plans, and elevations available by mid-October and will be distributed to the Board and posted for residents at the property for review. These plans are part of the CTCAC

financing application; however, they are not subject to approval by CTCAC. The plans may be revised after submission of the application. An application will be made to TRPA for a Land Capability Challenge which will hopefully result in additional coverage that can be used for current and future construction needs. The site investigation work supporting the challenge should be completed during the first full week in October.

Barnett suggested that Item No. 7 of the agenda be reversed with Item No. 6(b) so that Mr. Bacigalupi could leave the meeting. Riley made a motion to interchange the two items. The motion was seconded by Alling and unanimously approved by the Board.

Barnett read the following into the record: "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." Barnett asked Kope to inform the Board as to what actions had taken place since this item was placed on the August 16, 2016, Board of Director's agenda. Kope stated that, in conjunction with Riley, Stephanie Lenstrom, CPA, had been contacted for input to address the concerns aired at the last Board meeting. Ms. Lenstrom was satisfied with the addition of the following verbiage to the final version of this resolution which was prepared by Mr. Bacigalupi: "THAT, the Corporation is conferred a .0051% General Partner interest in the Partnership, consistent with its majority membership interest in the LLC." Since no discussion among the Board Members followed, Walker made a motion to adopt the resolution which was seconded by Alling. The motion passed unanimously.

Camacho stated that he was concerned about filling the position of Resident Liaison at this time since there is such an influx of information with the refinance and rehabilitation of Sierra Garden Apartments. He reinforced that residents can always approach the Board of Director's at any time. Dominic Celado reported that there are too many inspections taking place at the property and this is an issue with many of the residents. Barnett asked Kope to obtain a schedule of anticipated inspections, how many have occurred to date this year, and the purpose of each one. Camacho made a motion that the position of Resident Liaison be put on ice until the first Board of Director's meeting after the Semi-Annual Meeting of the Membership. This motion was seconded by Riley and passed unanimously.

Walker presented the current financial reports and mentioned that the SJCLT budget had increased due to a good annual distribution from Sierra Garden Apartments and second collections from the parishioners and visitors of Saint Theresa Catholic Church. Kope stated that one Motel to Home Program loan had been written off by the bookkeeper and that one other recipient was delinquent on the first loan payment. Barnett directed Kope to renegotiate the loan and revise the repayment schedule.

Walker stated that the original budget for FY 2016/17 had been based on activity from the previous twelve months. The budget proposed now reflects additional staffing for a Term Office Manager and reduced hours for the Interim Executive Director from November 2016 through April 2017, as well as funding for website development. Barnett stated that the interview for Term Office Manager will occur at the end of October. Kope reported that a computer and printer had been ordered through Floppy's.

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Riley made the motion to adopt the amended budget and work plan for FY 2016/17 which was seconded by Camacho and approved unanimously.

Alling made the motion to schedule the next Board of Director's meeting on Monday, October 24, 2016, at 5:30PM in Globin Hall at Saint Theresa Catholic Church, if available, and to hold the Semi-Annual Meeting of the Membership/Spaghetti Dinner on Thursday, November 17, 2016, in Grace Hall at Saint Theresa Catholic Church. The motion was seconded by Walker and approved unanimously.

Secretary Alling offered the closing prayer.

The meeting was adjourned at 6:58PM.

Submitted by Cathy Kope
Interim Executive Director