

MINUTES

Nevada County Habitat for Humanity Board of Directors Meeting Tuesday, January 28, 2020

Grass Valley United Methodist Church, 236 South Church Street, Grass Valley, CA

Meeting Chair: John Scott

Recorder: Katherine Hudson

Directors Present: Rick Ballantyne, Gordon Beatie, Bill Croker, Dan Halloran, SR Jones, Andy Kramer, Terry Lowell, Andy Owens, Dina Rubino

Directors Absent: None

Staff Present: Lorraine Larson, Executive Director; Jim Phelps, Fund Development Manager

John called the meeting to order at 4:03 p.m.

1. **Opening Prayer:** offered by Rick.
2. **Consent Agenda:** John requested approval for a modified the consent agenda, with the addition of an oral report on construction projects by Andy Kramer, and including the current meeting agenda and the minutes of the December meeting.
 - Finance: November 2019 Summary Actuals
 - Mortgage Arrears Report (December)
 - Executive Director's Summary Report
 - Fund Development Report
 - Construction Committee Report
 - Homeowner Support Committee Report
 - ReStore Committee Report

Approval of the modified consent agenda was moved by Terry, seconded by Dan, and adopted by unanimous voice vote.

3. **Mission Moments:** Dina described the very favorable comments about NCHFH expressed at the Grass Valley City Council meeting of January 14, at which the Council considered the plan for Heritage Oaks II. Bill recounted his interaction with a gentleman whom he invited to visit the ReStore after reading his comments about the difficulty of recycling a refrigerator. Dan called the Board's attention to the unexpected passing of Steve Sarantopolus.
4. **Finance**
 - a. **Financial Reports:** Lorraine reported that results for both November and December were good, despite the penalty imposed by CalHome (reported in Item 8 below). She noted that the Affiliate's expenses were lower than projections while fundraising and sustainable income were both above expectations. She noted that the "round-up" program at the ReStore had netted \$574 in December.
 - b. **Mortgage Status:** Lorraine also advised that, although payment on one of the mortgages in arrears had slipped a bit, there is a forbearance agreement in place and the homeowner is keeping up with payments currently due and making additional payments to work down the balance.

Lorraine gave much credit to Lisa for the substantial progress made on mortgage delinquencies since September of 2018, when the total was \$11,600 in arrears.

- 5. Fund Development:** Jim handed out a graph illustrating his hopes regarding sources of support for the Capital Campaign, especially from four matching donors. Bill suggested installing some sort of sign at the ReStore (perhaps a thermometer) to define the goal and dramatize progress toward it. Jim explained his feeling that the chief focus should be on individual donors, with identification of the 140 who have been the biggest supporters and development of a plan for how to ask for additional donations. So far he knew little about new donors and grants, observing that Wells-Fargo is now emphasizing affordable housing. And he outlined his intent to focus more attention on local businesses, especially those having employees who are Habitat homeowners.

Lorraine announced that there will be a separate page on the website for the Capital Campaign, as well as a “kick-off” event at the Heritage Oaks II site in April. She also mentioned that the website will show the impact of Habitat homeownership, with some \$700,000 in property taxes paid since 1996.

Jim also reported that the Winter Appeal realized an 18% increase over last year’s effort, with fewer donors contributing larger amounts.

- 6. Construction Project Updates** Andy Kramer regretfully reported that the building permit for Park Place #1 was not granted, as the plans were submitted late and contained errors. Moreover, the City has decided the entire development needs enhanced drainage provisions. Nevada City Engineering will work up the necessary plans. Designs for the second and third homes were submitted before December 31 and are therefore not subject to the new code requirements.

With regard to lot #4, Lorraine explained the multiple problems making it infeasible to build two homes, especially the potential conflicts that could arise with two owners of duplex homes. She said, however, that having flexibility for the design of that home is an advantage for homeowner selection, since the dwelling can be planned to meet the specific needs of the prospective owner. (Andy Kramer raised the possibility of incorporating ADA requirements into the plan.) The decision to plan only one home for lot #4 was made by consensus.

Terry reported that the second reading of the rezoning ordinance for Heritage Oaks II was scheduled for this night and that negotiations with SCO regarding extra work are in the final stages. John noted that infrastructure costs have already been budgeted, so Board approval will not be sought for each item. He said he will be tracking these expenses, however, and will incorporate them into financial reports.

John also affirmed that the Capital Campaign is needed to fund completion of the project. He asked for information that would support a Plan B for Heritage Oaks II in case the infrastructure needs to be developed in stages. Andy Kramer advised that the development can be treated as three separate projects if necessary. And he noted that progress will be driven primarily by homeowner selection because all homes will have the same footprint.

Lorraine reported having talked with Barbara Dean about her committee’s plan to select three homeowners next, one for Park Place and two for Heritage Oaks II.

7. Executive Committee

- a. Election of Officers: Lorraine presented the slate of officers recommended by the Executive Committee for 2020:

President—Rick Ballantyne
Vice President—Bill Croker
Treasurer—John Scott
Secretary—Dan Halloran

Terry moved that

The Nevada County Habitat for Humanity Board of Directors approves the the Executive Committee recommendation of officers to serve in 2020.

Dina seconded the motion, which was approved by unanimous voice vote.

Ayes: 10, Noes: 0, Abstentions: 0, Absent: 0

- b. Strategic Planning: John reported briefly on the Board's Strategic Planning Session of C, at which issues needing focused attention were identified. As President, John announced the formation of Ad Hoc committees:

Truckee Expansion: Gordon Beatie chair
Home Repair: Bill Croker chair
Construction Capacity: Andy Kramer to chair; plans in the works
Funding: Gordon and Jim Phelps to lead; work already in progress

8. New Items

- a. CalHomes Report: Lorraine reported that NCHFH had to repay \$20,000 to CalHomes because completion of Heritage Oaks home #16 was delayed by wet weather and other factors. She also advised that an issue with the "silent" third mortgage had been identified, relating to the computation of property taxes. A policy must be developed that addresses the issue; Lorraine indicated she would start by consulting with County Assessor Sue Horne, with the intent of determining if there is a way to comply with CalHome requirements without significantly increasing Habitat homeowners' property tax liability. Terry asked whether inflation affected the amount of the deferred "balloon payment" due at the end of the mortgage loan; Lorraine assured him it did not.
- b. Annual Calendar: Lorraine referred the Directors to a spreadsheet which is also included on the NCHFH website showing holidays, committee meetings, and other events.

9. **Closing Prayer**: offered by Andy Owens.

10. **Adjournment**: The meeting was adjourned by John at 5:13 p.m. The next meeting will be held January 25, at 4:00 p.m.

Respectfully submitted by Katherine Hudson, Recorder