

The BOARD of DIRECTORS  
Of the  
City of Douglas Community Housing Corporation  
will meet

Thursday, April 11, 2019 at 9:30 a.m.

At the  
Rancho La Perilla Apartments  
Community Room  
1201 E. Fairway Drive  
Douglas AZ

PURSUANT TO THE AMERICANS WITH DISABILITIES ACT (ADA), THE CITY OF DOUGLAS DOES NOT, BY REASON OF A DISABILITY, EXCLUDE FROM PARTICIPATION IN OR DENY BENEFITS OF SERVICES, PROGRAMS OR ACTIVITIES OR DISCRIMINATE AGAINST ANY QUALIFIED PERSON WITH A DISABILITY. INQUIRIES REGARDING COMPLIANCE WITH ADA PROVISIONS, ACCESSIBILITY OR ACCOMMODATION CAN BE DIRECTED TO ALMA ANDRADE WITHIN 72 HOURS AT (520) 417-7302, FAX (520) 364-7507, 425 10TH STREET, DOUGLAS, ARIZONA 85607.

Agenda  
Board of Directors Regular Meeting  
City of Douglas Community Housing Corporation

Thursday, April 11, 2019 at 9:30 a.m.

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

1. Call to Order.
2. Roll Call.
3. Persons wishing to address the committee in writing or verbally on any item not on the agenda.
4. Swearing in of Member David Hargis and report on next scheduled election of Board officers.
5. Discussion/Decision on Approval of Minutes for the February 7, 2019 Board Meeting.
6. Management Report and presentation of current Financial Reports for CHC and Facility, and report as to when the Management Agreement with FW is due for renewal considerations.
7. Standing Report form management regarding ongoing marketing efforts and general results with a report on Cochise College and ADOC efforts for the CHC and Facility, to include possible Discussion/Decision on any related concept noted herein.
8. Presentation/Discussion regarding possible initiative converting the current CHC facility to an Affordable Housing Program.
9. Scheduling and/or confirmation of next Meeting date(s), and suggestions for future agenda items.
10. Adjournment

Posted by Alma Andrade, Deputy City Clerk on Wednesday, April 10, 2019, at 9:00 a.m. by:

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

Thursday, February 7, 2019 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, October 4, 2018 in the community room at Rancho La Perilla Apartments, 1201 East Fairway Drive, and the meeting was called to order at 9:35 a.m.

**2. Roll Call**

Board Members present were Vicky Merritt, Michael Gutierrez, David Hargis and Arturo Escalante. Absent members was Felix Soto. FW management team members present were Frank Moro and Ana Salazar, with City Staffer Juan Pablo Flores, City Attorney was present. It was noted by the City Attorney that Mr. Hargis would only be observing with exercising a vote today, as he has yet to be sworn in as a Board Member.

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

(NONE)

**4. Discussion/Decision on Approval of Minutes for the October 4, 2018 Board Meeting.**

Vicky Merritt made a motion to accept the minutes of the quarterly meeting held on October 4, 2018 CHC Board meeting as presented. The motion was seconded by Arturo Escalante, and after no discussion, the motion was approved unanimously.

**5. Management Report and presentation of current Financial Reports for CHC and Facility.**

Mr. Moro began the reporting by noting that bills have been paid the last few months after a long spell of 6-8 years of a flat economy and being behind on CHC payables. The Fiscal Year begins July 1, and the Year to Date in January which is essentially 7 months of operation since the start. The current Balance Sheets showing a current balance of reserves at about \$12.8K with Security Deposits being fully funded.

The next financial documents are the 12 month trailing giving us a 12 month trend picture. The Effective Gross Income figures range in the +\$50K figure.

Occupancy is currently at +90% rate; on income and expenses shows \$1,000 for the month which may look insignificant but actually is a very encouraging number when you compare them to previous trends. The reports depict a negative cash flow but in reality it is due to factoring in of the depreciation and net cash flow is reported at +\$21K. At the end of the 7 month period cash flow is reported at +48K and this is a trend in a positive direction. Frank Moro explained that Replacement Reserves were exercised and also provided an explanation to the new member as to how these work and how that despite expenditures the RRs still show a healthy balance currently at \$330K.

Big payments were recently made to the City on the outstanding no interest debt on loan that currently stands at \$16.8K for operating costs losses noted in the aging payables. Occupancy was down in November and December but traffic from the social media campaign will soon have occupancy at 95%. Some discussion then centered on the debt service section of the financial report showing small principal reduction, but should show around \$58 K per year but shows differently and was not easily explained but Frank Moro explained that it may be due to accrual accounting.

**6. Standing Report form management regarding ongoing marketing efforts and results for the CHC and Facility, to include possible Discussion/Decision on any related concept noted herein.**

Staff explained advent of social media marketing campaign some of which is geographically targeted and the monthly cost of roughly being at \$250 per month, with TDY units readily available. Discussion then turned to focus on marketing to the College and possibly raising rent as a revenue gathering tool but the consensus was that the timing may not be right for an increase as you may lose more tenants as a result of potential increases. One bedroom(s) have increased by \$10 per month since the \$50 per month move-in concession program has finished and then the regional market was briefly discussed noticing a slight uptick in occupancy around the county. The 8 units set at 100% of median income for ADOC employees Arizona Housing department grant requirements were discussed as it related to occupancy and possible rent increases and then it was reported that the program is only required through August on 2019 as the grants become forgivable and expire.

**7. Presentation/Discussion/Information and possible Discussion/Decision/Direction regarding converting the current CHC facility to an Affordable Housing Program.**

Frank Moro reported that very little progress has been made on the initiative and gave a background on the process and possible pros and cons for the property to engage in the tax break that could result from a legitimate and successful program. Board discussed their personal perspective and preferences of having the program or not and how occupancy would be affected. Mr. Gutierrez mentioned Board has batted around concept for quite a while and feels it is something Board may not be interested in, and Frank Moro suggested he talk to the County one more time to gather their perspective.

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

The next meeting is to be scheduled for April 11, 2019 with agenda items will be swearing in Mr. Hargis, report on the State Housing Grant, possible election of officers, report on the FW Management Agreement, along with the standing marketing report to include a focus on the College and DOC.

**9. Adjournment**

Motion made by Vicky Merritt and seconded by Arturo Escalante to adjourn the meeting at 10:16 a.m., and motion was approved unanimously.

Posted at:  
City Hall  
Douglas Police Department  
Douglas Library  
<http://www.douglasaz.gov>  
Tuesday, April 9, 2019 @ 4:00 p.m. by: Alma Andrade, Deputy City Clerk