



Eureka Housing Development Corporation

735 West Everding Street
Eureka, California 95503
(707) 443-4583 / FAX (707) 443-4762

AGENDA

ANNUAL BOARD MEETING

APRIL 25, 2023
7:30PM

LOCATION

Housing Authority of the City of Eureka
735 W. Everding St., Eureka CA

PUBLIC PARTICIPATION

Public access to this meeting is available at the location above.

Persons wishing to address the Board of Commissioners are asked to submit comments for the public speaking portion of the agenda as follows:

- Send an email with your comment(s) to heatherh@eurekahumboldtha.org prior to the Board of Commissioners meeting.
- Call and leave a message at (707) 443-4583 ext. 219.

When addressing the Board on agenda items or business introduced by Commissioners, members of the public may speak for a maximum of five minutes per agenda item when the subject is before the Board.

1. Roll Call

2. Public Comment (Non-Agenda):

This time is reserved for members of the public to address the Committee relative to matters of the County of Humboldt Housing Authority not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

3. Approve minutes of the Board of Commissioners meetings:

4a. Regular meeting of December 21, 2022

EUREKA HOUSING DEVELOPMENT CORPORATION
ANNUAL BOARD MEETING
APRIL 25, 2023

4. New Business:

- 4a. Resolution 04-2023, Authorization to Transfer EFH Project limited partnership interest to the Housing Authority of the City of Eureka
Recommended Board Action: Approve and Adopt
- 4b. Annual Meeting and Election of Officers
Recommended Board Action: Elect Officers

5. Adjournment

* * * Note * * *

Documents related to this agenda are available on-line at:
<https://eurekahumboldtha.org/governance/>

Know Your RIGHTS Under the Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review.

The Eureka Housing Development Corporation Board of Officers met on Wednesday, December 21, 2022. This session was held via conference call and Zoom with the Board members due to the Covid-19 pandemic.

President Escarda calls the annual meeting to order at 12:45pm.

1. Roll Call:
Present: Kay Escarda -President
Kali Serotta – Vice President
Cheryl Churchill – Secretary/Treasurer
Absent: None
Staff: Cheryl Churchill, Heather Humphreys, Dustin Wiesner

2. Brown Act, Remote Session Authorization, Resolution 12-2022
Recommended Board Action: Accept and Adopt for Approval

RESOLUTION NO. 12-2022

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EUREKA HOUSING DEVELOPMENT CORPORATION MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, AND AUTHORIZING THE CONTINUED USE OF VIRTUAL MEETINGS

WHEREAS, as a result of the COVID-19 pandemic, the Governor issued Executive Order Nos. N-08-21, N-25-20 and N-29-20, which suspended certain provisions of the Ralph M. Brown Act to allow the Eureka Housing Development Corporation Board to conduct public meetings without strict compliance with the teleconferencing provisions of the Brown Act;

WHEREAS, Assembly Bill 361, which was signed into law on September 17, 2021, amended Government Code section 54953, to provide relief from the teleconferencing provisions of the Brown Act under certain circumstances provided the Eureka Housing Development Corporation Board makes certain findings;

WHEREAS, as a result of the COVID-19 pandemic, the Governor proclaimed a state of emergency on March 4, 2020, in accordance with the section 8625 of the California Emergency Services Act, and the state of emergency remains in effect;

WHEREAS, as a result of the COVID-19 pandemic, the Humboldt County Health Officer has imposed and has recommended measures to promote social distancing;

NOW, THEREFORE, the Eureka Housing Development Corporation Board does hereby find and resolve as follows:

1. That the Board has reconsidered the circumstances of the previously declared and existing state of emergency arising from the COVID-19 pandemic;

2. That the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person, and further that local officials continue to impose or recommend measures to promote social distancing;
3. That the Board and its subordinate Committees, Commissions, and Boards may continue to conduct public meetings in accordance with Government Code section 54953(e);
4. That the Board will reconsider the above findings within 30-days of this Resolution.

Motion to approve the Resolution 12-2022 made by Vice President Serotta.

Second – Secretary Churchill

Roll Call:

Ayes: Escarda, Serotta, Churchill
Nays: None
Abstain: None
Absent: None

President Escarda declared the motion carried and the Resolution 12-2022 approved.

3. Public Comment (Non-Agenda): None heard.

4. Approve minutes of the Board of Officers meetings:
4a. Regular meeting of January 18, 2022

Vice President Serotta made a motion to approve the minutes of January 18, 2022.

Secretary Churchill seconded the motion.

Roll Call:

AYES: Escarda, Serotta, Churchill
NAYS: None
ABSTAIN: None
ABSENT: None

President Escarda declared the motion carried and the minutes of January 18, 2022, approved.

5. New Business:

5a. Resolution 01-2022 Approve and Accept Audit of Financial Statements for FYE December 30, 2021 and December 31, 2020.

Recommended Board Action - Review for Approval and Acceptance

Resolution 01-2022

To Accept Agency Audit Reports
Fiscal Year ending December 31, 2021 and December 31, 2020

WHEREAS, It is a requirement of the United States Department of Housing and Urban Development that the Housing Authority have an independent audit of Compliance and Internal Control Over Financial Reporting based on Audit of Financial Statements Performed in Accordance with Government Audit Standards; and

WHEREAS, It is a requirement of the United States Department of Housing and Urban Development that the Housing Authority have an independent audit of Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133; and

WHEREAS, The Housing Authority has contracted with Harshwal & Company LLP, Certified Public Accountants, to complete the audit; and

WHEREAS, Annual Audit has been completed and the Auditors Report has been submitted to the members of the Board for review and approval; and

WHEREAS, The Board has reviewed the audit report and found it to be substantially correct.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Eureka Housing Development Corporation do hereby accept the Audited Financial Statements for the fiscal year ending December 30, 2021 and December 31, 2020.

Motion to approve the Resolution 01-2022 by Vice President Serotta.

Secretary Churchill seconded the motion.

AYES: Escarda, Serotta, Churchill
NAYS: None
ABSTAIN: None
ABSENT: None

President Escarda declared the motion carried and the Resolution 12-2022 approved.

6. Adjournment

There being no further business to come before the Board of Officers, the meeting was adjourned at 12:56pm.

Kay Escarda, President

Kali Serotta, Vice President

Eureka Housing Development Corporation

Board of Commissioners Meeting

April 25, 2023

Agenda Item 4a

Memorandum

To: Commissioners

From: Dustin Wiesner, Director of Finance, Administration and Technology

Subject: Authorization to transfer the Eureka Family Housing Project limited partnership interest to the Housing Authority of the City of Eureka (the "Authority").

BACKGROUND AND HISTORY:

Eureka Family Housing, L.P. (the "Partnership"), a California limited partnership, was formed on February 7, 2007 between the Eureka Family Housing, LLC (an affiliate of the Authority) and Merritt Community Capital (the "Limited Partner") to acquire, rehabilitate, own and operate a 50-unit affordable housing complex located in Eureka, California, which is currently operating under the name of Eureka Family Housing (the "Project"). The project was financed, in part, with low-income housing tax credits. The tax credit allocation date is March 21, 2007.

There is an option to acquire the project from the limited partner after the end of the 15-year tax credit compliance period (2022) and expiring 18 months thereafter (option period).

The current limited partner has or will soon have received all of the tax and other economic benefits originally anticipated and is willing to transfer its interest in the partnership.

We believe it is in the best interest of the project and to the Authority to acquire such limited partnership interest to maintain control of the project and to continue to provide affordable housing opportunities to the residents of Eureka, CA.

Impact to Personnel:

Designated personnel will be required to perform the transfer of limited partner interest process.

Fiscal Impact:

Staff does not anticipate a significant net cost of transferring the limit partnership interest.

Alternatives:

Waiting to transfer the limited partnership interest may result in higher transfer cost, or the possible expiration of the option period. Not transferring the limited partnership interest would result in loss of control of the project. Staff does not recommend either alternative.

STAFF RECOMMENDATION:

Staff recommends that the Board approve the transfer of limited partnership interest to the Housing Authority of the City of Eureka.

RESOLUTION NO. 04-2023

*(Limited Partnership Transfer Resolution —
Eureka Family Housing)*

A RESOLUTION of Eureka Family Housing, LLC authorizing (i) the approval to transfer of the Eureka Family Housing Project Limited Partnership interest to the Housing Authority of the City of Eureka (the “Authority”); and (ii) the approval, execution and delivery of all documents necessary to effectuate the foregoing.

WHEREAS, Eureka Family Housing, L.P. (the “Partnership”), a California limited partnership, was formed on February 7, 2007, to acquire, rehabilitate, own and operate a 50-unit affordable housing complex located in Eureka, California, which is currently operating under the name of Eureka Family Housing (the “Project”). The tax credit allocation date is March 21, 2007.

WHEREAS, the Partnership is controlled by its general partner, Eureka Family Housing LLC (EFHL), an affiliate of the Housing Authority of the City of Eureka, with a single non-profit member, the Eureka Housing Development Corporation (“EHDC”).

WHEREAS, Eureka Family Housing, L.P. is a legally separate entity from the Housing Authority of the City of Eureka formed as a partnership between EHDC and Merritt Community Capital Fund X, L.P. (“Limited Partner”).

WHEREAS, the Project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California.

WHEREAS, EFHL has an option to acquire the project after the end of the 15-year tax credit compliance period (2022) and expiring 18 months thereafter (option period).

WHEREAS, EFHL has determined that the Limited Partner has, or will soon have received all of the tax and other economic benefits originally anticipated by such Limited Partner; the Limited Partner is expected to be willing to transfer its interest in the applicable Partnership; and it is in the best interest of EFHL and its affiliate, the Authority, to acquire such Limited Partnership Interest in the Project.

WHEREAS, the Officers of the EHDC support the acquisition of the aforementioned Limited Partnership interest from the current Limited Partner by the Authority and deems it desirable and in the best interests of the Project, EFHL, and the Authority to acquire the Limited Partnership interest in the Partnership.

NOW, THEREFORE, BE IT RESOLVED, that EFHL approve the Authority’s acquisition of the aforementioned Limited Partnership interest for such terms and conditions as the Executive Director and Director of Finance of EFHL, may, in their discretion, deem advisable.

RESOLVED FURTHER that EFHL approves admitting the Authority to the limited partnership upon execution of the limited partnership agreement by the Authority and the assumption of all responsibilities of the limited partner in the partnership.

RESOLVED FURTHER, that the Executive Director and/or Director of Finance are hereby authorized, directed, and empowered to execute, for and on behalf of EFHL and in its name, any and all documents, negotiations, or other actions required in connection with the acquisition of the Limited Partnership interest in the Partnership, by the Authority, with no limitation.

Name

Name

Title

Title

Signature

Signature