

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

BOARD OF COMMISSIONERS MEETING

MINUTES OF June 16, 2011

Chair Lobo called the meeting of the Housing Authority of the County of Butte to order at 2:03 p.m.

1. ROLL CALL

Present for the Commissioners: Patricia Besser, Christine Boyle, Rebecca Graham, Larry Hamman, Clarence “Bino” Lobo, Gene McFarren and Laura Moravec.

Present for the Staff: Ed Mayer, Executive Director; Roy Peters, Deputy Executive Director; Sue Kemp, Finance Officer; Larry Guanzon, Housing Director; and Tamra Young, Executive Assistant.

Others Present: Doug DeSoto and Angel McCurdy, HACB Employees/Union Representatives (5.11 Budget Discussion only).

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Commissioner Hamman moved that the Consent Calendar be accepted as presented. Commissioner McFarren seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

- 4.1 HACB sewer rate increase protest letter to the City of Chico – Executive Director Mayer wrote a letter to the City of Chico on behalf of the HACB protesting the timing of the City’s sewer rate increase. The sewer rate increase was passed by the City Council without much discussion. The sewer rate increase will cost the HACB the equivalent of eight (8) Section 8 Housing Choice Voucher holders. A copy of the letter was provided to the Commissioners as information.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Family Self-Sufficiency Graduate – The HACB wishes to recognize the graduates of the Family Self-Sufficiency Program. Charisse Fox successfully completed her contract of participation effective June 1, 2011. Therefore the Board approved the Resolution to congratulate Ms. Fox on her successful completion of the program.

RESOLUTION NO. 4400

Commissioner McFarren moved that Resolution No. 4400 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE CHARISSE FOX.” Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.2 Family Self-Sufficiency Graduate – The HACB wishes to recognize the graduates of the Family Self-Sufficiency Program. Christopher Seghetti successfully completed his contract of participation effective June 1, 2011. Therefore the Board approved the Resolution to congratulate Mr. Seghetti on his successful completion of the program.

RESOLUTION NO. 4401

Commissioner Hamman moved that Resolution No. 4401 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE CHRISTOPHER SEGHETTI.” Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.3 Admissions and Continued Occupancy Policy (ACOP) and Administrative Plan (AP) – As a public agency administering the HUD Public Housing and Section 8 Housing Choice Voucher programs, HACB is required to submit to HUD applicable agency and administrative plan documents 75 days prior to the end of HACB’s fiscal year. Draft revisions of the ACOP and AP were accepted by the Board at the April meeting and the required 45 day public comment period has expired. Legal Services of Northern California provided the only feedback received. Legal Services complimented the HACB on the new format of the documents. There were no recommended changes to the plans. The draft documents distributed to the Board on April 21st were ready for adoption as is. Public Hearing was opened at 2:14 p.m. There were no members of the public in attendance. The Public Hearing was closed at 2:14 p.m. The Board elected to adopt the Plans as presented.

RESOLUTION NO. 4402

Commissioner Moravec moved that Resolution No. 4402 be adopted by reading of title only: “ADOPTION OF PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY PLAN (ACOP) AND SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN (AP)”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.4 Agency Annual Plan/Capital Fund Program – Draft revisions of the One-Year Agency Plan and Capital Fund Program were also accepted by the Board at the April meeting and the required 45 day public comment period has expired. Public Hearing was opened at 2:16 p.m. There were no members of the public in attendance and the Public Hearing was closed at 2:16 p.m. The Board elected to adopt the Plans as presented.

RESOLUTION NO. 4403

Commissioner Hamman moved that Resolution No. 4403 be adopted by reading of title only: “ADOPTION OF THE ONE-YEAR AGENCY PLAN OF THE HOUSING AUTHORITY OF

THE COUNTY OF BUTTE”. Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.5 Family Self-Sufficiency (FSS) Action Plan – The original FSS Action Plan was adopted on July 5, 1995. A revision was submitted to HUD for approval in December 2008. This was the first time the Plan was presented to the Board for approval. The Plan outlines how the HACB administers the Family Self-Sufficiency program.

RESOLUTION NO. 4404

Commissioner Hamman moved that Resolution No. 4404 be adopted by reading of title only: “ADOPTION OF ACTION PLAN FOR SECTION 8 HOUSING CHOICE VOUCHER FAMILY SELF-SUFFICIENCY PROGRAM”. Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.6 2012 2000A Bonds Budget – The 2000A Bonds budget is for the five properties purchased by the 2000 bond issuance. Four (4) of the properties are managed by RSC, while Park Place is managed by the HACB. The budget is due to the Trustee by July 1st. Therefore, the proposed budget is a “placeholder” subject to the approval of the HACB consolidated budget; any changes as a result of the final consolidated budget will cause a revised Bonds budget to be forwarded to the Trustee. The proposed Bonds budget was prepared “status quo”, including capital improvements remaining in line with previous years. There have been no significant rent increases over the last ten (10) years due to rental market conditions. The proposed budget projects a positive cash flow of \$25,000 overall; Kathy Court and Park Place have negative cash flows with the other three projects subsidizing those two properties. There was a typo on Resolution No. 4405; Resolution No. 4405 was incorrectly numbered as 4407. The typo was corrected before adoption of the Resolution.

RESOLUTION NO. 4405

Commissioner Moravec moved that Resolution No. 4405 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2012 BUDGET FOR THE HOUSING AUTHORITY SERIES 2000A BOND PROGRAM”. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.7 2012 Farm Labor Housing Budget – The proposed FLH budget was also submitted as a “placeholder” until the consolidated budget can be adopted. The FLH budget must be submitted to USDA-RD by July 1st with an effective date of October 1st. The draft budget represents where we stand right now. USDA-RD will comment and provide recommendations. The budget includes the rent increased already approved by the Board. Expenses have been minimized to the greatest extent possible. Staff capacity is being shifted to other programs. Flood insurance has been included. Some of the property expenses which are not direct project costs have been shifted to be paid by Demo funds.

RESOLUTION NO. 4406

Commissioner Hamman moved that Resolution No. 4406 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2012 BUDGET FOR THE USDA FARM LABOR HOUSING PROGRAM”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.8 Energy Performance Contract (EPC) Memorandum of Understanding (MOU) – The Board authorized the EPC MOU about a year ago. We have contracted with an energy contract consultant to assemble a procurement package and to make sure the procurement documents are “tight”. The original MOU term was for one year. An extension of one year was requested in order to get through the process of selecting an energy services coordinator. All other terms of the MOU remain the same.

RESOLUTION NO. 4407

Commissioner Boyle moved that Resolution No. 4407 be adopted by reading of title only: “RESOLUTION TO EXTEND TERM OF MEMORANDUM OF UNDERSTANDING FOR MULTI-AUTHORITY JOINT PROCUREMENT OF AN ENERGY SERVICES COMPANY”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.9 Affordable Family Apartments at Harvest Park, Chico – Highlights of development deal outlined in the MOU are: AHDC will take the lead and provides all guarantees; AHDC would also be administering general partner; HACB would provide a \$600,000 loan to the project and earn interest on the loan; and BCAHDC would be managing general partner and provided \$20,000 to retain the consultants who helped draft the MOU with HACB and BCAHDC interests in mind. In 15 years, BCAHDC would own and operate project. Executive Director Mayer asked for Board to authorize him to complete negotiation and finalize MOU. The same MOU will be presented to BCAHDC for approval in July. Commissioner McFarren expressed concerns regarding the design and community perception. Executive Director said that this project is a modest design for affordable housing. In this project our role is not a development role but one of preserving affordable housing. However due to HACB Board and management recommendations, there have been some design modifications and “improvements” including stucco finish which would be more durable and easier to maintain.

RESOLUTION NO. 4408

Commissioner Moravec moved that Resolution No. 4408 be adopted by reading of title only: “MEMORANDUM OF UNDERSTANDING WITH CENTRAL CALIFORNIA HOUSING CORPORATION FOR DEVELOPMENT AND OPERATION OF HARVEST PARK APARTMENTS, CHICO”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.10 Chico Rancheria Housing Corporation – The HACB has the opportunity to enter into a joint contract with Chico Rancheria Housing Corporation (CRHC) to apply

for ROSS grant funds to serve Public Housing clients. Chico Rancheria has 45 units; HACB has 8 American Indian family residents in Public Housing units for a total of 53 families. Fifty units are required for the ROSS grant application. Chico Rancheria will provide services in a culturally sensitive manner to our residents. They will do all the work including retaining the employee and submitting the grant application. The ROSS program is similar in scope and services to the Section 8 FSS program.

RESOLUTION NO. 4409

Commissioner Hamman moved that Resolution No. 4409 be adopted by reading of title only: “MEMORANDUM OF AGREEMENT WITH CHICO RANCHERIA HOUSING CORPORATION AUTHORIZING APPLICATION FOR HUD FISCAL YEAR 2011 ROSS SERVICE COORDINATOR FUNDS”. Commissioner McFarren seconded. The vote in favor was unanimous.

5.11 Budget Discussion – The Budget Review Committee requested input from the entire Board on the direction. Executive Director Mayer is seeking a philosophical discussion. Management is working closely with staff on the MOU, Personnel Policy and budget process. Transparency is the philosophy and an “all in this together” mentality. Two employees requested to be present during the discussion to listen. The Board agreed. Angel McCurdy and Doug DeSoto, Employee Union Representatives, joined the meeting. Due to distressed economic times and a fast changing environment, HUD is changing programs and may see massive changes in Public Housing and Section 8. HACB has healthy reserves which may be used to bridge until next year. He asked the Board to what degree they want to expend reserves. Commissioner Moravec suggested 50% in reserves and 50% budget cuts. Commissioner Boyle felt reserves should only be used if they constitute an investment in future. With a 10% decrease in HUD funding, the projected budget shortfall is approximately \$250,000. A 5% cut in salary is \$139,000. Board members agreed not to cut salary but benefits. CalPERS may be more challenging to modify than the HDV Cafeteria Plan. Management will conduct further research into the details of modifying either contract. Employee survey responses on where they would like to see the cuts take place, if necessary: 1) manage all properties in-house, 2) reduce training budget, 3) cut top execs pay 5% and 4) furlough days. The Board requested a special meeting to discuss budget in further detail.

5.12 Demo – The current rent for the seven (7) Demo units in Gridley is \$500. Management proposed a rent increase to \$595 to match the rent increase approved at Farm Labor Housing. Rent increase to be effective on September 1st with a 60-day notice to the residents.

MOTION

Commissioner Moravec moved that rent increases be approved as presented. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.13 Farm Labor Housing – Executive Director Mayer request Board authorization to spend up to \$100,000, from Demo reserves, over two years’ time to expedite the project management of the rehab effort at FLH through retention of a project management consultant. The unrestricted Demo program reserves total approximately \$1,100,000. The approach does not require the HACB to retain a new employee to address the capacity need, given the agency budget is pointing towards a shrinking staff/benefit package. However, without such authorization and expenditure, staff would not recommend proceeding with the rehab of the FLH property, there is not enough staff capacity to accomplish the work. The consultant is proven and familiar with the project and would handle management of the grant and loan administration.

MOTION

Commissioner Moravec moved that up to \$100,000 from Demo funds be allocated to FLH rehab consultant. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.14 Section 8 HCV Program – Trans Pacific Gardens II (TPGII) is unwinding its 236 contract with HUD. TPGII is a 164-unit project with 125 Section 8 vouchers. HUD has offered the Housing Authority thirty-nine (39) enhanced preservation vouchers. An application for the preservation vouchers will be submitted to HUD by HACB within the next month or so.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INTIATED BY COMMISSIONERS

Commissioner McFarren requested addition of Agency name change to the Special Meeting Agenda for discussion and possible action. He would like to see the “of the” removed from the Housing Authority of the County of Butte.

11. EXECUTIVE SESSION

11.1 Government Code 54957: Public Employee Discipline/Dismissal/Release

Adjourn: 4:47 p.m.
Reconvene: 5:05 p.m.

12. COMMISSIONERS' CALENDAR

- **Next meeting – July 21, 2011.**

13. ADJOURNMENT

Commissioner McFarren moved that the meeting be adjourned. Commissioner Graham seconded. The vote in favor was unanimous. The meeting was adjourned at 5:06 p.m.

Dated: June 16, 2011.

Clarence Lobo, Chair

ATTEST:

Edward S. Mayer, Secretary