

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

BOARD OF COMMISSIONERS MEETING

MINUTES OF July 21, 2011

Chair Lobo called the meeting of the Housing Authority of the County of Butte to order at 2:05 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: Greg Milton, Land Image (5.1).

2. AGENDA AMENDMENTS

Earlier in the week, the HACB received its funding award notice for Public Housing Capital Fund 501-11. The Capital Fund award amount was \$601,931. Signed documentation of acceptance of funding by HACB is due to HUD by August 2nd thereby constituting addition of an "emergency" action item to the Agenda. Commissioner Moravec moved that Resolution No. 4412 be added to the Agenda. Commissioner McFarren seconded. The vote in favor was unanimous.

RESOLUTION NO. 4412

Commissioner Hamman moved that Resolution No. 4412 be adopted by reading of title only: "ACCEPTANCE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) 2011 PUBLIC HOUSING CAPITAL FUND PROGRAM FUNDS". Commissioner McFarren seconded. The vote in favor was unanimous.

Executive Director Mayer received a phone call from David Keller, Executive Director, Plumas County Housing Authority notifying us that the State of California is going to divest itself of its Section 8 Housing Choice Voucher program. The State of California covers all jurisdictions in the State which currently do not have a local housing authority. There are six (6) counties in northern California "up for grabs" – Siskiyou, Modoc, Colusa, Glenn, Trinity and Tehama. The jurisdiction that makes the most sense for HACB to absorb is Glenn County. Glenn County has 100 vouchers and its largest two cities are Orland and Willows. Absorbing Glenn Counties' vouchers would require entering into Cooperation Agreements with Glenn County, Willows and Orland. Executive Director Mayer sought direction from Board, recommending being open to the taking on of the Glenn County program. Commissioner Boyle said "Why wouldn't we?" Commissioner McFarren asked Finance Officer Kemp if Accounting had the capacity to take this on. She responded affirmatively. The consensus of the Board was to indicate our interest and find out what it entails.

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 IRS increases mileage rate to 55.5 cents per mile effective July 1, 2011 – The IRS increased the mileage rate for the remainder of the year.

4.2 Public Housing Assessment System (PHAS) Score Report for the Transition Year – The HACB was a High Performer.

5. REPORTS FROM EXECUTIVE DIRECTOR

5.1 Public Housing – Greg Milton, Land Image, made a presentation to the Board, including landscape graphics of proposed changes to the way the Housing Authority landscapes its Public Housing properties. The plans are intended to transition the HACB to compliance with State Assembly Bill 1881, which sets water use standards for improved properties. Public Housing landscapes are currently 90% turf, requiring high water usage. The proposed landscape plan would re-design properties to use of 20% turf and 80% decomposed granite for ground cover, with drought-resistant plants and shrubbery. All of the turf would be out front, on the street-side, since that is where the children play. Also proposed are more shade trees, hedges between properties, four-foot wide (ADA compliant) walks, and rear patio areas. If Residents wanted a garden in the back, they could build garden bed-boxes, easily removed at the end of tenancy. Under the proposal, Residents would pay for water for their unit and garden hose; HACB would pay for site irrigation system water. Residents have not been informed of the proposed landscaping changes yet. A future presentation will be scheduled. The cost of the landscape plan may be rolled into an Energy Savings Contract, wherein improvements are financed using the cost savings associated with implementation of the improvement. The first priority will be to separate water meters, providing one for each unit, and a separate site irrigation meter. Then the next step would be to select a pilot project site, possible paid through the Capital Fund. Currently we are in the design and concept process. Once concept is approved, cost will be determined. Commissioner Boyle asked about weeds. Mr. Milton said that a pre-emergent is used under the decomposed granite. Commissioner Moravec asked about the gold- versus gray-colored decomposed granite. Selected color will be dependent on cost. Commissioner Graham requested ecologically friendly pre-emergent be used. Again, cost will be a determining factor. Commissioner McFarren would like to see a list of “sample” sites, where this type of landscaping has been installed in the community, to use as examples and reference. Executive Director Mayer will provide a list to the Board of yards in the area that they can go look at. In Gridley the estimated water savings will be 6.5M gallons per year. Commissioner Moravec said she feels that it is the right thing to do and that we should proceed. The Board consensus was to continue on path and select a site for pilot project.

- 5.2 Budget Discussion – On June 12th, Executive Director Mayer sent a summary memo to the Union requesting their response to the proposals and ideas developed by the Board’s Budget Committee and at the Special meeting held on June 11th. Consequently, the employees have held two meetings. The HACB has yet to receive a response from the Union. Once the budget considerations are finalized, there are still two Personnel Policy issues to be resolved: vacation accruals and post retirement HDV benefits.
- 5.3 Personnel – Staff requested adoption of the Resolution renewing the Flex Choice 125 Cafeteria Plan. It is the vehicle for employees to use pre-tax funds for certain benefits. Renewal of the Plan is a routine matter.

RESOLUTION NO. 4410

Commissioner Moravec moved that Resolution No. 4410 be adopted by reading of title only: “BOARD RESOLUTION ADOPTING SECTION 125 CAFETERIA PLAN”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.4 Farm Labor Housing – At the July 15, 2010 meeting of the Board, the Commissioners adopted Resolution No. 4362, authorizing the submittal of an application for \$2.5 million in State HCD Joe Serna Jr. Housing Grant monies in support of the Gridley Farm Labor Housing rehabilitation project. The grant application was successful and we received formal notice of the award on April 27, 2011. While Resolution No. 4362 met with the State requirements for purposes of the grant application, standards have now changed and the State is requiring an amendment to the Resolution to specifically identify the amount of funds authorized and to identify the individuals (and roles of said individuals) signing on behalf of the agency. Chair Lobo and Executive Director Mayer have been identified as the authorized signers.

RESOLUTION NO. 4411

Commissioner Hamman moved that Resolution No. 4411 be adopted by reading of title only: “AUTHORIZE THE SUBMITTAL OF AN APPLICATION, THE INCURRING OF AN OBLIGATION AND INDEBTEDNESS, THE EXECUTION OF OTHER DOCUMENTS NECESSARY TO SECURE A GRANT OF FUNDS FROM THE JOE SERNA, JR. FARMWORKER HOUSING GRANT PROGRAM OF THE STATE OF CALIFORNIA”. Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.5 1200 Park Avenue – As Managing Member of 1200 Park Avenue LLC, Administrative General Partner to 1200 Park Avenue LP, the limited partnership which owns the 1200 Park Avenue Apartment property, HACB has an interest in the work of the Property Manager, WinnResidential. Overall the actual day-to-day operation of the property is excellent. The management issues which have arisen over the past two years’ time and triggered a re-evaluation of our contract relationship are as a result of WinnResidential corporate policies. In the past three (3) years, we have been assigned four (4) Asset Managers and multiple Accountants. One issue of particular concern is the Vendor Compliance Program (VCP) which was enacted one year ago. Under the VCP, vendors are required to pay \$95/year in order to do business with 1200 Park Avenue. The enactment of the VCP constitutes a material change to Management Contract in relation

to the Management Fee because the vendors will most likely end up charging the fees back to the project. Executive Director Mayer said that the VCP is a first step to “kick-backs” and could cost the project up to \$3,000/year. If Board agrees, Mr. Mayer would like to write WinnResidential a letter “as a matter of principal”. He has spoken to several agencies about this program. Peter Herzog of AHDC which own 5,000 – 6,000 units in State considers the VCP “incidental”. Currently, AHDC and WinnResidential are creating a joint venture, with WinnResidential taking over management of AHDC’s entire California portfolio. The VCP may well change the way Property Management is effected in California, an issue the HACB will discuss with the California Tax-Credit Allocation Committee (CTCAC), and Centerline Capital, Limited Partner in the 1200 Park Avenue Limited Partnership. Executive Director Mayer wanted to “make a stand” and feels that this is wrong. Commissioner Boyle said that she doesn’t have a problem with this issue from a private industry perspective. She feels that it is “not our business” how WinnResidential wants to run their own company as long as they continue to do excellent work on our behalf. Commissioner Moravec expressed concern about making a “strong” stand due to our size; she doesn’t believe it will make much of a difference. Executive Director Mayer has received two legal opinions that Vendor Compliance Program is in violation of Management Agreement. The consensus of the Board was to send a “firm and friendly” letter to WINN on where we stand.

- 5.6 City of Chico Tenant Based Rental Assistance (TBRA) Program Contract –
- 5.7 City of Chico “AHEAD” Lease Guarantee Program (LeGuP) Contract –
- 5.8 County of Butte Behavioral Health Housing Assistance Payment (BHHAP) Program Contract – Routine renewal of annual contracts with the City of Chico and County of Butte Behavioral Health. Contracts to be renewed status quo. Executive Director Mayer asked the Board how they would like to see these contracts handled in the future; it was the consensus of the Board to put all future smaller contract renewals, such as these, on Consent Agenda.
- 5.9 Investment Report – Finance Officer Kemp reviewed the restricted versus unrestricted assets. She excluded assets which can not be turned into cash quickly. All matured investments are being reinvested into short-term CD’s due to the very low interest rate environment.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

- 10.1 Harvest Park – The Memorandum of Understanding is on hold until the fate of City Redevelopment Agencies is resolved. The City of Chico is keeping their Redevelopment Agency and, according to James Coles, will be required to make a large payment to the State. Therefore the City may be unable to contribute funds they committed to Harvest Park in one lump sum; they may have to make several payments over time. Both AHDC and HACB have agreed to hold the MOU until some of these issues are “ironed out”.
- 10.2 Housing Authority of the County of Butte Name Change – Staff recommended not changing the agency name at this time due to the present workload, though Greg Einhorn, attorney, said that changing the HACB name is not too difficult. The time-consuming part of any name change would be revising all documents, contracts, etc. The Board consensus was to revisit this issue at a later time. In the meantime, Staff will present the proposed logo at next month’s meeting.

11. EXECUTIVE SESSION

- 11.1 Government Code 54957.6: Conference with Labor Negotiators

None.

12. COMMISSIONERS’ CALENDAR

- **Next meeting – August 18, 2011.**

13. ADJOURNMENT

Commissioner Moravec moved that the meeting be adjourned. Commissioner McFarren seconded. The vote in favor was unanimous. The meeting was adjourned at 4:20 p.m.

Dated: July 21, 2011.

Clarence Lobo, Chair

ATTEST:

Edward S. Mayer, Secretary