

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE**

**BOARD OF COMMISSIONERS MEETING**

**MINUTES OF October 20, 2011**

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Chair Lobo called the meeting of the Housing Authority of the County of Butte to order at 3:08 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.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

- 4.1 HUD-VASH – A HUD-VASH performance report for 2008, 2009 and 2010 from U.S. Department of Housing and Urban Development was provided for information. HACB HUD-VASH occupancy is 97%, which places it in the top threshold of California housing authorities.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 FSS Graduate. – The Board recognized the successful completion of the program by FSS Graduate Kelly Larabee.

**\*RESOLUTION NO. 4419\***

Commissioner Hamman moved that Resolution No. 4419 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE KELLY LARABEE”. Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.2 Management Operations Certification – Each year the HACB, in administration

of the Public Housing program, must submit to HUD program performance information and certifications. Under the Public Housing Assessment System (PHAS), the Management Assessment Sub-System (MASS) requires Board certification of the HACB's performance in administration of its Public Housing program. Performance indicators have generally improved compared to last year's, particularly regarding unit turnover time and work order response time. This coming year HUD scoring under PHAS is changing, staff is not certain how this will play out with regards the submission requirement of MASS.

**\*RESOLUTION NO. 4420\***

Commissioner Moravec moved that Resolution No. 4420 be adopted by reading of title only: "APPROVAL OF LOW RENT PUBLIC HOUSING PROGRAM MANAGEMENT ASSESSMENT FOR PUBLIC HOUSING AGENCIES (MASS) CERTIFICATION". Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.3 Section 8 Payment Standards – Annual establishment of HACB's Payment Standards used for administration of the Section 8 Housing Choice Voucher program is required. Payment Standards are based upon Fair Market Rents (FMR), issued annually by HUD for HACB's jurisdiction – Butte County. The HACB reviews the FMR's against its own knowledge and experience of local market conditions as experienced by its Section 8 clients, as well as budget and administrative considerations for the Section 8 program and makes determinations of Payment Standards actually used in Section 8 HCV program administration. Based upon this year's factors and analysis, HACB has determined it appropriate to maintain the same Payment Standards as used the past two years. Maintaining current payment standards allows the HACB to serve as many clients as possible with available funding. HACB proposed payment standards fall within 90-110% of HUD FMR's and therefore do not require HUD approval.

Also, of note, Congress has been considering a funding pro-ration of 95% for HAP payments, and a 62% funding pro-ration for admin fees. It is estimated these funding cuts would translate into the loss of 400 families from the program and four (4) HACB employees.

As a result of year-end adjustments relating to the year's Section 8 HCV program performance, HACB qualified for approximately \$300,000 in additional funding from HUD Section 8 "Set-aside" funds. However, due to a HUD data error beyond HACB's control, the funding was "lost" and denied by HUD. Executive Director Mayer and Finance Officer Kemp are actively pursuing recapture of these lost funds. HUD has already affirmed that they made the error.

**\*RESOLUTION NO. 4421\***

Commissioner Hamman moved that Resolution No. 4421 be adopted by reading of title only: "DETERMINATION OF 2012 PAYMENT STANDARDS FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM". Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.4 Utility Allowances – HACB has recently completed review of Utility Allowances used in administration of its Public Housing, Section 8 and Tax Credit programs and properties. Management Resource Group, Inc. (MRG) was contracted to conduct the analysis. Utility Allowances must be reviewed annually, and adjusted if there is a change of more than 10%. MRG utilized a hybrid methodology for determination of Utility Allowances, using both engineered- and consumption-based calculations, based upon “reasonable household use” of utilities. For the last two years, HACB has been using an engineering-based methodology, which has, in hind-sight, resulted in Utility Allowances which were higher than necessary. The resulting downward adjustment of Utility Allowances will result in greater program efficiencies and savings, and, in the case of the Section 8 HCV program, service to more clients.

**\*MOTION\***

Commissioner Hamman moved that the Utility Allowances for Public Housing, Section 8 and Tax Credit properties be adopted as presented. Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.5 Write-Offs – Annually, HACB records vacated tenant balances for doubtful accounts, which reduce the net tenant accounts receivable on the balance sheet. There is also a corresponding entry to bad debt each year. Due to HUD’s scoring formula associated with the Public Housing Assessment System (PHAS), Staff recommends writing off all Public Housing vacated tenant balances through September 30, 2011, in order to receive the highest possible PHAS score for this PHAS component. Writing off the balances does not change the net accounts receivable balance, nor does it prevent HACB from pursuing collections; it is considered an in-house accounting “housekeeping” process. The total write-off of uncollectible accounts receivable is \$172,640.82; of which this year includes approximately \$30,000, not historically out-of-norm. The remainder of the write off is from past years’ operations. Bad debt is sent to a national collection data base. However, balances can’t be collected after four years unless a former participant owes money to a housing authority and wants to get back on one of their programs.

**\*RESOLUTION NO. 4422\***

Commissioner Hamman moved that Resolution No. 4422 be adopted by reading of title only: “WRITE-OFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.6 Cordillera Management Agreement – Annually, the HACB renews the Management Agreement between HACB and BCAHDC for HACB management services provided on behalf of Cordillera Apartments, including preparation of tax-exemption documents and oversight of the Property Manager. The proposed FY 2012 Agreement provides for the same terms that have been in effect since 2008. However, the Agreement has been revised to remove improper references

to the low-income housing tax credit program (LIHTC) since the Cordillera Apartments property is not a LIHTC-regulated property.

**\*RESOLUTION NO. 4423\***

Commissioner Moravec moved that Resolution No. 4423 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO ONE-YEAR MANAGEMENT SERVICES AGREEMENT WITH BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION FOR CORDILLERA APARTMENTS – FY 10/1/11-9/30/12.” Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.7 Employment Development Department (EDD) – The proposed State Employment Development Department contract renewal provides for the same terms and conditions (including cost) as the previous, expired, contract. The contract provides for HACB access to State employment records so that HACB can affirm employment information for applicants and participants. The new Agreement extends services through June 30, 2014.

**\*RESOLUTION NO. 4424\***

Commissioner Boyle moved that Resolution No. 4424 be adopted by reading of title only: “AUTHORIZATION TO EXECUTE AGREEMENT WITH THE STATE OF CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT FOR PURPOSES OF ACCESS TO APPLICANT AND CLIENT EMPLOYMENT INFORMATION.” Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.8 Public Housing Landscape – Staff recommended approval of a “pilot” landscaping improvement project for the Public Housing property located at 694 East 12<sup>th</sup> Street, Chico, a duplex. Authorization for use of Public Housing Capital Improvement funds in the amount of approximately \$60,000, to cover landscape and water conservation improvements, including separate water meters for each unit, and construction administration, was requested. Land Image Landscape Architects have generated site improvement plans which exceed AB1881 requirements. Construction costs are estimated at \$50,000 for the duplex with 15% budgeted for construction administrative fees. Pilot project funding was already included in the Public Housing Capital Fund budget. Completion of the project gives HACB control of property curb appeal, as landscaping irrigation will no longer be the tenant’s responsibility. Local, recycled decomposed granite will be used for surfacing, to cut costs and to utilize local vendors and materials. The Board requested before and after pictures and are anxious to “see what it looks like”.

**\*MOTION\***

Commissioner Moravec moved that the pilot project proceed as presented. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.9 CED – A copy of the final Economic Impact Report, researched and written by the CSU, Chico Center for Economic Development, was provided for

information. The most significant change from the draft was integration of HACB's request to add some information regarding the relational context between the HACB and other businesses in the County. This may become a landmark document depending on what happens in Congress and the future of the HACB; marking where the HACB stands today. This document is also a helpful tool when speaking to the public and government officials.

5.10 Farm Labor Housing – Staff has been steadily and incrementally improving the property and its operations. Recently, Executive Director Mayer walked the property with the Historic Preservation Architect, retained to perform the Historical and Cultural Analysis on behalf of the CEQA work required in using State Joe Serna, Jr. Program funds for property rehab. The Architect was impressed with the context and culture of project, as it reflects the intent of the 1930's designers to create an agrarian utopia while engaged in the U.S. Governments efforts to house refugees at the time. While the replacement well's bid documents are complete and approved, actual bidding of the replacement well is on hold until loan and grant funds are awarded. We believe that the second phase of architect contract has been signed off by USDA. The twenty-four (24) wood units, slated for demolition, may qualify for registration on the National Historic Register because of their significance in 1930's-era farm labor camp efforts. Keeping these units through the rehab work on the concrete-block units would assist with cash flow of the project. The Butte Sutter Flood District has begun its design work associated with levy reconstruction and re-certification. In the "Gridley corridor", the top third and a forty-foot center of the levee needs to be removed and replaced with impermeable material.

5.11 Section 8 – Section 8 Housing Manager Rochelle Kelley has resigned from the HACB. She has accepted a position serving as Executive Director of Chico Rancheria Housing Corporation, the Mechoopda Tribal Housing Authority operating out of Chico.

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

Commissioner Boyle asked what impact the new utility allowances would have on residents. The utility allowances are “right in the middle” and based upon “reasonable household use”.

Commissioner McFarren asked about water usage by tenants. HACB pays for the water in Public Housing. Section 8 participants either get a water allowance as part of their utility allowance calculation, or the landlord pays for the water. Sewer fee are either fixed, or based on water usage.

11. EXECUTIVE SESSION

Adjourn: 4:07 p.m.  
Reconvene: 4:17 p.m.

- 11.1 Government Code 54957.6: Conference with Labor Negotiators – Executive Director Mayer reported that the Board discussed Union response to the previous negotiating proposal and concurred with maintenance of the HACB’ bargaining position. Management will meet and confer with Union.

12. COMMISSIONERS’ CALENDAR

- **Next meeting – November 17, 2011.**

13. ADJOURNMENT

Commissioner Moravec moved that the meeting be adjourned. Commissioner Hamman seconded. The vote in favor was unanimous. The meeting was adjourned at 4:18 p.m.

Dated: October 20, 2011.

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Clarence Lobo, Chair

ATTEST:

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Edward S. Mayer, Secretary