

HOUSING AUTHORITY OF THE COUNTY OF BUTTE

BOARD OF COMMISSIONERS MEETING

MINUTES OF December 15, 2011

Chair Lobo called the meeting of the Housing Authority of the County of Butte to order at 2:00 p.m.

1. ROLL CALL

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

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

Executive Director Mayer added two status reports: 3.16 Harvest Park and 3.17 Meriam Park to the Consent Calendar and two items to Correspondence.

3. CONSENT CALENDAR

3.16 Harvest Park – Plans were approved through City of Chico Planning Commission. Neighboring Homeowners Association filed a lawsuit regarding 75 foot set-back. AHDC agreed to 75 foot set-back and an 8 foot fence. The amended plans went back to Planning Commission and changes were approved. City Council also approved plans as revised. We have an executed Memorandum of Understanding with AHDC designating HACB as Managing General Partner. Butte Environment Council (BEC) is now voicing opposition to the project since it is 16 units per acre and located in Opportunity Zone whose requirements are 15-70 units per acre causing it to fall into the low end. BEC feels that there is not enough density to mitigate traffic generation. Project will go back to the City Council. It is an issue of environmental advocates versus affordable housing advocates. City has requested housing advocates to meet and confer with AHDC. Bond and tax credit applications are due in January. Commissioner Besser asked what green aspects are included in the project design. Deputy Executive Director Peters said that there are many. Management staff will procure a list.

3.17 Meriam Park – Executive Director Mayer met with Caleb Roope and Tom DiGiovioni to discuss entering into a partnership for a senior project at Meriam Park. The meeting went well. The next step will be the draft a Memorandum of Understanding.

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

4. CORRESPONDENCE

- 4.1 U.S. Department of Housing and Urban Development letter dated December 13, 2011 addressed to the Board Chair – On November 18th, Congress passed and the President signed into law the Consolidated and Further Continuing Appropriations Act 2012, Public Law 112-55 which stipulates that salaries for the chief executive officer or other top executives cannot be funded more than \$155,500 annually from Public Housing Section 8 monies. HUD required housing authorities report the salaries and benefits from the 5 highest compensated executives at each agency. NAHRO and PHADA requested that HUD provide the same information; they will provide the salaries but not benefits because it is “too labor intensive” to provide the information.
- 4.2 PHADA Section 8 flow-chart “Navigating the Rent Labrynth” – Provided as information to the Board.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Personnel – Union Memorandum of Understanding (MOU) – The HACB recognizes the Operating Engineers Local Union No. 3 (Union) as the exclusive representative of its employees, other than management-level employees. The HACB has met and conferred with the Union in negotiation of a new MOU and has determined the terms of the new MOU to be in the best interest of the HACB and its employees. The Union MOU is for its fiscal year October 1, 2011 through September 30, 2012.

RESOLUTION NO. 4433

Commissioner Hamman moved that Resolution No. 4433 be adopted by reading of title only: “MEMORANDUM OF UNDERSTANDING BETWEEN OPERATING ENGINEERS LOCAL UNION NO. 3 AND THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE”. Commissioner Boyle seconded. The vote in favor was unanimous.

- 5.2 Personnel - CalPERS – Per the approved Union MOU between the HACB and the Union, the Member Contribution to CalPERS will be split effective January 1, 2012: 3.5% to be paid by employee(s) and 3.5% paid by HACB. Resolution No. 4434 is required by CalPERS to amend the contract to reflect this change.

RESOLUTION NO. 4434

Commissioner Boyle moved that Resolution No. 4434 be adopted by reading of title only: “CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM EMPLOYER PAID MEMBER CONTRIBUTIONS”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.3 Personnel – CalPERS Member Contribution Tax Deferral – Approval of Resolution No. 4435 is required by CalPERS in order for the employee paid portion (3.5%) of the Member Contribution to CalPERS to be tax deferred.

RESOLUTION NO. 4435

Commissioner Hamman moved that Resolution No. 4435 be adopted by reading of title only: “TAX DEFERRAL OF CALIFORNIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM MEMBER PAID CONTRIBUTIONS – IRC 414(H)(2) EMPLOYER PICK-UP”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.4 Personnel – Section 125 Cafeteria Plan – The HACB has established a Flex Choice 125 Cafeteria Plan on behalf of its employees. The implementation of a new health insurance plan, effective January 1, 2012, requires modification of HACB and employees contribution to the Plan’s FSA.

RESOLUTION NO. 4436

Commissioner Graham moved that Resolution No. 4436 be adopted by reading of title only: “AMENDMENT OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE SECTION 125 CAFETERIA PLAN REGARDING HEALTH CARE SPENDING ACCOUNT CONTRIBUTIONS”. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.5 Personnel – Level II Management Amendments – Staff requested two changes to the Level II Management personnel. The first is to change title of “Level I Management” to “Executive Management” and “Level II Management” to “Program Management”. The second change was to modify the HDV insurance premium benefits provided to Level II Management employees in payment of 92.5% of their HDV insurance premium for purposes of fairness in application of its 2012 year Section 125 Cafeteria Plan (HDV) insurance benefits.

RESOLUTION NO. 4437

Commissioner Hamman moved that Resolution No. 4437 be adopted by reading of title only: “LEVEL I AND II MANAGEMENT CHANGES TITLES AND INSURANCE PREMIUM BENEFITS”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.6 Personnel – Position Description Change – Both HACB management and the Union agree that the Maintenance III position should be removed from the bargaining unit and added to the Program Management group due to the supervisory responsibilities of said position. HACB Management recommends re-classification of the Maintenance III position to a Maintenance Supervisor position and recommends that Compensation Range 119 be the appropriate compensation level for the position and adoption of a new position description. The Maintenance Supervisor will supervise both HACB employees and maintenance contractors.

RESOLUTION NO. 4438

Commissioner Besser moved that Resolution No. 4438 be adopted by reading of title only: “RE-CLASSIFICATION OF MAINTENANCE III TO MAINTENANCE SUPERVISOR”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.7 Section 8 – Annually, HUD announces the availability of Set-Aside Funding for Housing Assistance Payments (HAP) in the Section 8 Housing Choice Voucher Program. Staff prepared an application for 2011 Set-Aside Funding. Due to an error of the HACB net reserves balance by HUD’s Finance Management Division, HACB received notice that our program was ineligible for additional funding. Staff contacted HUD for correction and on November 2nd received \$290,786 in extraordinary administrative fees. Based on the intent of the funds, Staff requested the Board authorize the extraordinary administrative fee be used for their intended HAP purpose.

MOTION

Commissioner Boyle moved that the Board authorize 2011 Set-Aside Funding of Special Administrative Fees of \$290,786 to be used for their intended purposes of Housing Assistance Payments. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.8 HACB Property Management Development – Community Action Agency is soliciting property management services for North Point Apartments. The response is due tomorrow and management decided to pass on the opportunity since CAA is new to the tax credit “game” and did not feel it was an appropriate fit at this time. However it brought to light a philosophical discussion on how the Board would like to handle these solicitations going forward. Should the HACB respond in general or on a case by case basis? Executive Director Mayer recommended in making such determination that we be sensitive to the community and administrative capacity. There are two types of opportunities to serve the community: development opportunities and property management opportunities. Commissioner Boyle felt that the HACB should apply for property management opportunities due to the fact that we can provide exceptional services and command an exceptional price. She would like see us diversify to provide sustainable money to get us into the future and feels that the HACB serves an important niche. Commissioner Hamman felt that HACB should determine which opportunities to pursue on case by case basis. He said that the ones we take on must be prosperous since we may have to add staff. We need to balance opportunity with current work load. Commissioner Boyle said that she would like to see us support the community and “middle class” by adding more employees due to our quality pay and benefits. Executive Director Mayer said that our first step is strategically taking into house properties within our own sphere e.g., Chico Commons. He said that CHIP is pursuing the same opportunities and asked Chair Lobo what affect our competition with CHIP may have. Chair Lobo said he felt that it would not be detrimental to CHIP itself or our relationship with CHIP to compete. In summary, it was decided that we will handle opportunities on a case by case basis. Being open minded, realizing that

we can provide a specialty niche at a competitive cost. There is a current trend toward regionalization to assist more low income.

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 Farm Labor Housing – According to the statistical analysis of FLH, 90% of the units are currently occupied, 75% are occupied by eligible households, and 25% are occupied by ineligible households (due to immigration status or qualifying income basis). According to USDA policy, if the head of household is legal, the entire household receives rental assistance, which is different than HUD. Implementation of the ineligible waiver is a requirement of the 2005 Work-Out Plan to increase vacancy rates. Any ineligible households are displaced if an eligible household needs the unit. The ineligible waiver is required through rehabilitation.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **Holiday Luncheon – 12:00 p.m. December 16, 2011 at Basque Norte**
- **Next meeting – January 19, 2012.**

13. ADJOURNMENT

Commissioner Hamman moved that the meeting be adjourned. Commissioner Boyle seconded. The vote in favor was unanimous. The meeting was adjourned at 4:00 p.m.

Dated: December 15, 2011.

Clarence Lobo, Chair

ATTEST:

Edward S. Mayer, Secretary