

**HOUSING AUTHORITY OF THE COUNTY OF BUTTE
BOARD OF COMMISSIONERS MEETING**

MINUTES OF June 21, 2012

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:22 p.m.

1. ROLL CALL

Present for the Commissioners: Patricia Besser, Christine Boyle, Larry Hamman, Clarence 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 McFarren moved that the Consent Calendar be accepted as presented. Commissioner Hamman seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

- 4.1 HUD Public Housing Assessment System (PHAS) Score Report for Interim Rule – HACB’s 2011 PHAS score is 92 of 100 points, which is a High Performer.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 FSS Graduate – The Board recognized the successful completion of the program by Family Self Sufficiency (FSS) Graduate Andrea Moore. Ms. Moore was unable to attend the meeting. She is receiving an FSS escrow check for \$10,258.97.

RESOLUTION NO. 4452

Commissioner Hamman moved that Resolution No. 4452 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE ANDREA MOORE”. Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.2 Low Income Public Housing Program Admissions and Continued Occupancy Policy (ACOP) and Section 8 Housing Choice Voucher Program Administrative Plan (AP)

- 5.3 Agency Annual Plan/Capital Fund –
As a public agency administering the HUD Low Income Public Housing and Section 8 Housing Choice Voucher programs, HACB is required to annually 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, AP, One-Year Agency Plan, and Capital Fund Program were accepted by the Board at the April meeting; the required 45 day public comment period has now expired. Staff made some recommendations to the draft documents, and Legal Services of Northern California provided a letter outlining their suggestions. The Public Hearing was opened at 2:27 p.m. There were no members of the public in attendance. Executive Director Mayer and Executive Assistant Young gave a brief overview of the proposed changes, including the recommendations made by Legal Services. Some of the highlighted changes were: adding language required by HUD regarding background checks for lifetime sex offender registration for both Public Housing and Section 8, reinstating the Section 8 FUP admissions preference (requested by Legal Services), adding a Voucher Utilization/Lease In-Place admissions preference for Section 8, and changing the Subsidy Standards for Section 8. Legal Services, as in previous years, requested the policies be amended to decrease the "look-back period" for applicant criminal activity from 5 years (HACB policy) to the 3-year minimum required by HUD, in addition to requesting that only convictions, not arrests, be considered. The Public Hearing was closed at 2:40 p.m. The Board elected to adopt the Plans as presented, reinstating the Section 8 FUP Admissions Preference, and retaining the HACB's existing policies regarding the admissions look-back period and consideration of all criminal records, regardless of conviction. The AP will be effective July 1st, and the ACOP will be effective October 1st.

RESOLUTION NO. 4453

Commissioner Hamman moved that Resolution No. 4453 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.

RESOLUTION NO. 4454

Commissioner Besser moved that Resolution No. 4454 be adopted by reading of title only: "ADOPTION OF THE ONE-YEAR AGENCY PLAN OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE". Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.4 Capital Fund – Board approval of Revision #1 for Public Housing Capital Fund Project Number 501-10 will allow the HACB to finalize spending of this capital fund. This budget amendment is routine and will allow 100% of the funds to be obligated by July 14th.

RESOLUTION NO. 4455

Commissioner Hamman moved that Resolution No. 4455 be adopted by reading of title only: "APPROVAL OF REVISED BUDGET FOR HUD PUBLIC HOUSING CAPITAL FUND PROGRAM PROJECT NUMBER 501-10". Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.5 Capital Fund – Management requested Board authorization to enter into a contract with Thomas H. Williams for select exterior concrete replacement at Public Housing Project 43-3 and 43-13, Chico. Public Housing Projects 43-3 and 43-13 require

removal and replacement of concrete in select areas including driveways, sidewalks and parking lots because of age, condition and safety. Thomas H. Williams was the lowest responsive qualified bidder. The contract amount proposed is One Hundred Thirty-One Thousand, Seven-hundred and Thirty-six Dollars and no Cents (\$131,736.00).

RESOLUTION NO. 4456

Commissioner Besser moved that Resolution No. 4456 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH THOMAS H. WILLIAMS FOR SELECT SITE CONCRETE REPLACEMENT AT PUBLIC HOUSING PROJECTS 43-3 AND 43-13”. Commissioner Boyle seconded. The vote in favor was unanimous.

- 5.6 Public Housing – Management requested Board authorization to enter into an Indefinite Quantity contract, with Towne Carpet. The contract is to provide capacity for removal and replacement of VCT flooring in Public Housing units. HACB seeks to replace VCT flooring in all of the Public Housing units with asbestos-containing floor tile upon turnover. Replacement of flooring containing asbestos would rely first upon a hazardous materials abatement contractor (approved at the last Board Meeting), and a separate flooring replacement contractor (Towne) to complete the work. It is anticipated that the entire flooring abatement and replacement process would take three working days. The proposed Indefinite Quantity contract with Towne Carpet would be subject to compensation limits of \$50K per year, for a one-year term, renewable up to a three-year total term.

RESOLUTION NO. 4457

Commissioner McFarren moved that Resolution No. 4457 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO INDEFINITE QUANTITY CONTRACT WITH TOWNE CARPET FOR PROVISION OF FLOORING REMOVAL AND REPLACEMENT SERVICES IN PUBLIC HOUSING.” Commissioner Lobo seconded. The vote in favor was unanimous.

- 5.7 2013 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 – Alamont Apts., Chico, Lincoln Apts., Chico, Kathy Court Apts., Paradise, and Evanswood Apts., Oroville; while Park Place Apts., Oroville, is managed by the HACB. The budget is due to the Bond Trustee by July 1st. Therefore, the proposed budget is a “placeholder” subject to the final approval with the HACB’s 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 efforts consistent with that of previous years. While there have been no significant rent increases over the last ten (10) years because of rental market conditions, there are indications that rent increases may be warranted in select cases. Overall the vacancy loss has been lower this last year. The current objective is to stabilize the portfolio in anticipation of refinancing. The proposed budget projects a positive cash flow of \$41,245 overall; Kathy Court and Park Place have negative cash flows, leaving the other three projects to subsidize those two properties.

RESOLUTION NO. 4458

Commissioner Hamman moved that Resolution No. 4458 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2013 BUDGET FOR THE HOUSING AUTHORITY SERIES 2000A BOND PROGRAM.” Commissioner Boyle seconded. The vote in favor was unanimous.

- 5.8 OPEB Path – In accordance with its Personnel Policy, part of the Union MOU, the HACB offers “Other Post Retirement Benefits” (OPEB), specifically HACB payment of Health, Dental and Vision premiums for retirees based upon eligibility criteria. HACB is required to have an Actuarial Study completed every three years in order to assess the value of these benefits. Based upon the 2009 actuarial, the cost of benefits for active retirees was greater than the calculated actuarial contribution. A new Actuarial Study was completed in April; this year the required contributions exceed the cost for active retirees. HACB needs to determine what method should be used to fund the future post-retirement benefit liability. There are two options: pre-funding or pay-as-we-go. Management recommended selecting the pre-funding method and opening a Trust Account with CalPERS effective July 1, 2012, assuming a 6.5% discount rate, authorizing deposit of funds recommended by actuarial. Also, Management recommended using program reserves at fiscal year-end to further lessen outstanding liability. If authorized, Staff will come back to the Board with a specific funds request for deposit to the Trust Account.

MOTION

Commissioner Hamman moved that HACB establish a Trust Account with CalPERS based upon the actuarial recommendations effective July 1, 2012. Commissioner Boyle seconded. The vote in favor was unanimous.

- 5.9 Farm Labor Housing – Mi C.A.S.A. has requested funding in the amount of \$3,600 to provide for a six-week summer program for children of Farm Labor Housing residents. Management believes Mi C.A.S.A.’s programs are of great benefit to the residents, their children, and in particular, stabilized operations of the property. Staff recommends funding the summer program; \$1,800 from Tenant Services monies and \$1,800 from Demo funds. Mi C.A.S.A. is scheduled to present their accomplishments from 2011/12 at next month’s meeting.

MOTION

Commissioner McFarren moved that \$3,600 be allocated to support Mi C.A.S.A. summer program. Commissioner Hamman seconded. Commissioner Boyle objected. The vote in favor was five (5) for and one (1) against. Motion passed.

- 5.10 3Green Energy Partners – In response to the solicitation issued by 3Green Energy Partners (Butte, Yolo and Sutter Housing Authorities), three (3) Energy Services contractors replied: Johnson Controls, Pepco, and Siemens. Staff recommends award of the work to Siemens Industry, Inc. and authorization to enter into a contract to perform an investment-grade energy audit of its Public Housing properties. The audit will identify energy conservation measures that can be implemented and financed by the energy saving achieved. Siemens had the best local presence, most technologies and offers an in-house financing option. Once the energy audit is complete, HACB will review the recommendations and determine what scope of

work to pursue. The Yolo and Sutter Boards are adopting Resolutions approving Siemens this week also.

RESOLUTION NO. 4459

Commissioner Hamman moved that Resolution No. 4459 be adopted by reading of title only: “RESOLUTION TO EXTEND TERM OF MEMORANDUM OF UNDERSTANDING FOR MULTI-AUTHORITY JOINT PROCUREMENT OF AN ENERGY SERVICES CONTRACTOR, SELECTION OF OFFEROR, AND AUTHORIZATION TO PROCEED WITH INVESTMENT-GRADE ENERGY AUDIT OF PUBLIC HOUSING FACILITIES.” Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.11 Harvest Park – Earlier today, the Board of BCAHDC resolved to enter into a Partnership Agreement with AHDC consistent with the MOU. HACB Staff requested authorization for the making of the \$600,000 loan to the project, identified in the MOU, including authorization to enter into a Loan Agreement. The loan would evidence local participation and is necessary for overall project viability. Due to the cash flow waterfall outlined in the RDA Agreement, the HACB cannot anticipate receipt of interest on its \$600,000 loan for the first fifteen years, interest will be accrued. However, the investment by HACB will enable BCAHDC to purchase the property in 15 years (\$600,000 investment to purchase a \$20M property). Also after the deferred developer fee is paid off (estimate of three years), BCAHDC will receive an additional \$11,000/year in fees, which approximates 2% interest on the \$600,000 loan. BCAHDC and HACB will need to negotiate an arrangement to move funds to the HACB.

RESOLUTION NO. 4460

Commissioner McFarren moved that Resolution No. 4460 be adopted by reading of title only: “AUTHORIZING RESOLUTION FOR LOAN TO CHICO HARVEST PARK LIMITED PARTNERSHIP FOR DEVELOPMENT AND OPERATION OF THE HARVEST PARK APARTMENTS, CHICO.” Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.12 Public Housing – HACB has been developing a water conservation initiative for its Public Housing properties. To date, a landscape architect has been retained to perform landscape master planning and a pilot project has been completed. The next step is retention of a landscape architect to accomplish a landscape water conservation/site improvement phase. Landscape architects have been solicited. Twelve architects submitted qualifications; four architects were interviewed. HACB recommends entering into contract with Melton Design Group, being determined by Staff as the most qualified firm for provision of Phase I Master Landscape Plan design services. In addition Staff recommended establishment of a \$1 million Public Housing landscape improvement project budget targeting the HACB’s highest water usage area: Gridley Public Housing (Ohio Street area). The landscape improvement project includes completion of ADA-related site accessibility, if the particular site allows. Funds are to come from Public Housing reserves. Contract timing is critical, as the HACB has until September 30 to obligate construction funds to prevent HUD “taking” of \$1 million in Public Housing Reserves.

RESOLUTION NO. 4461

Commissioner Hamman moved that Resolution No. 4461 be adopted by reading of title only: “AUTHORIZATION TO CONTRACT WITH MELTON DESIGN GROUP FOR PHASE I IMPLEMENTATION OF LANDSCAPE MASTER PLAN FOR LOW INCOME PUBLIC HOUSING”. Commissioner Besser seconded. Commissioner McFarren abstained. The vote in favor was five (5) for and one abstention. Resolution passed.

- 5.13 HUD Litigation – HUD is taking \$1 billion from PHA’s with “surplus” Public Housing reserves. For the HACB, HUD proposes to take approximately \$2.1 million of HACB’s \$2.5 million in Public Housing Reserve funds. HUD will use the funds to pay the HACB its own operating subsidy, and also fund PHA’s that don’t have reserves (mostly larger, urban PHA’s). HACB has received correspondence from NAHRO and PHADA; they have researched the legal issues and have determined that taking of these funds is in violation of our Annual Contributions Contract with HUD. Should the HACB choose to join the legal action against the federal government, it would cost the HACB \$4,000 to participate. Management recommended joining the suit to possibly recapture \$2.1M.

MOTION

Commissioner Hamman moved that HACB join the litigation using non-HUD funds. Commissioner McFarren seconded. Commissioner Boyle opposed. The vote in favor was five (5) for and one (1) against. Motion passed.

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 would like an opportunity to report on the sessions she attended at the PSWRC-NAHRO Annual Spring Conference in Monterey CA at the August Board meeting.

11. EXECUTIVE SESSION

11.1 Government Code 54956.8: Conference with Real Property Negotiators – Evanswood Estates (29 Evanswood Circle, Oroville).

11.2 Government Code 54957.6: Conference with Labor Negotiators

Adjourn: 3:51 p.m.

Reconvene: 4:03 p.m.

Executive Director Mayer reported that Staff provided the Board information on the units for sale at Evanswood Estates. HACB is currently in escrow on Unit #29; it is a short sale. He also reported that the Board provided him direction to make an offer to the Union, based on the work accomplished to date by the Budget Committee.

12. COMMISSIONERS' CALENDAR

- **Next meeting – July 19, 2012**
- NAHRO Summer Conference, San Francisco CA, July 29-31, 2012

13. ADJOURNMENT

The meeting was adjourned at 4:04 p.m.

Dated: June 21, 2012.

Laura Moravec, Board Chair

ATTEST:

Edward S. Mayer, Secretary