

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

MINUTES OF October 23, 2014

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 3:11 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Patricia Besser, Sharon Chambers, Larry Hamman, Clarence Lobo, Gene McFarren and Laura Moravec

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

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

The terms of the two renewal property management agreements remain the same with the exception of making them perpetual instead of annual.

Commissioner Hamman moved that the Consent Calendar be accepted as presented, including approval of Resolution No. 4559 “AGREEMENT WITH BANYARD MANAGEMENT FOR PROPERTY MANAGEMENT OF CHICO COMMONS APARTMENTS” and Resolution NO. 4560 “RENEW PROPERTY MANAGEMENT AGREEMENT WITH BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION FOR THE WALKER COMMONS APARTMENTS”. Commissioner Chambers seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

4.1 The HACB received the Agency Annual Plan approval letter from HUD.

5. REPORTS FROM EXECUTIVE DIRECTOR

5.1 Section 8 Fair Market Rents – Each year, HUD issues its determination of Fair Market Rents (FMR’s) for the jurisdictions served by HACB (Butte and Glenn Counties). The FMR’s are a measure of the rental market at the 40th percentile, by bedroom size, and are used as a basis for determination of subsidy in the Section 8 program. Upon receipt of the FMR’s the Housing Authority is charged with comparing them to actual rental market data for the area, with an emphasis on using the HACB’s Section 8 Rent Reasonableness database. The Housing Authority then sets its Payment Standards for

the Section 8 HCV program within +/- 10% of the FMR's, so that Section 8 Voucher Holders can find housing in the area, but housing that is somewhat less than average in cost. The recommended Payment Standards have changed notably as a percentage of FMR this year, but the dollar amount of the allowable rents is the same as that used in previous years.

RESOLUTION NO. 4561

Commissioner Besser moved that Resolution No. 4561 be adopted by reading of title only: "DETERMINATION OF 2015 PAYMENT STANDARDS FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM". Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.2 Write--Offs – Annually, HACB records vacated tenant balances for doubtful accounts, which reduces 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, 2014, in order to receive the highest possible PHAS score for this 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" procedure. The total write-off of uncollectible accounts receivable is \$69,488.86. Bad debt is sent to a national debt collection data base and the State Franchise Tax Board.

RESOLUTION NO. 4562

Commissioner Hamman moved that Resolution No. 4562 be adopted by reading of title only: "WRITEOFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE." Commissioner McFarren seconded. The vote in favor was unanimous.

- 5.3 Energy Services Performance Contract – In May 2010, the HACB Board authorized a Memorandum of Understanding (MOU) between the HACB, Yolo County Housing and the Consolidated Area Housing Authority of Sutter County for purposes of procuring and Energy Performance Contractor to effect Energy Conservation Measures (ECM's) in its HUD Public Housing, thereby taking advantage of HUD energy incentives. In June 2012, Siemens, Inc. was selected as the Energy Performance Contractor, and in July 2014 Siemens delivered a final Investment Grade Energy Audit, the basis for the Energy Performance Contract and its supporting financing. The completed audit identified water savings (faucet, showerhead, and water-closet replacements) and electric savings (lighting fixtures) as feasible ECM's for a \$735,000 total project cost (\$1.2 million in total financed cost with principal *and* interest). Management analysis of the potential Energy Performance Contract concluded that the proposed work could be easily accomplished under a single year's Public Housing Capital Fund contract for approximately \$450,00-\$500,000. None of the "larger ticket" items that the HACB was hoping to be included penciled out. The audit provided by Siemens did provide a lead on good products and energy-conservative approaches, and will serve as the Public

Housing energy audit required by HUD every 5 years. Management did not recommend further pursuit of this EPC effort.

- 5.4 Investment Report/Reserves Analysis – Finance Officer Kemp provided the quarterly report. Since the returns on investments are so low, the HACB is looking into other affordable housing opportunities to invest funds (i.e., HACB mortgages or loans). The HACB is currently midway through the Standard & Poor’s rating process.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 HACB Strategic Planning – The 5-Year Action Plan (2014-2019) for the Housing Authority of the City of Santa Barbara was included in the Board report, as a recommended sample of the kind of product recommended by staff.

- 7.2 AB 1234 Ethics Training – Executive Assistant Young asked if any of the Board members needed assistance or would like to have a group training meeting to assist in completion of their Ethics training requirement. The unanimous consensus of the Board was each individual will complete their own.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

- 11.1 Section 54957.6: Conference with Labor Negotiators

Adjourn: 3:51 p.m.

Reconvene: 4:12 p.m.

MOTION

Commissioner Chambers moved that the Board authorize an offer to the Operating Engineer’s Local No. 3 Union. Commissioner McFarren seconded. The vote in favor was unanimous.

12. COMMISSIONERS' CALENDAR

- Next Meeting – November 20, 2014
- Mi C.A.S.A. Annual Dinner, Gridley Farm Labor Housing, 1584 Booth Dr., Rm 6 Gridley – 6:00 p.m., November 21, 2014
- Holiday Luncheon, Roots Catering, 3221 Esplanade Chico – 12:00 noon, December 19, 2014

13. ADJOURNMENT

Commissioner Chambers moved that the meeting be adjourned. Commissioner McFarren seconded. The meeting was adjourned at 4:16 p.m.

Dated: October 23, 2014.

Laura Moravec, Board Chair

ATTEST:

Edward S. Mayer, Secretary