

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

MEETING MINUTES OF September 17, 2015

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:09 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Larry Hamman, Roger Hart, 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

We may have a new Tenant Commissioner appointed in time to serve at the October Board meeting.

3. CONSENT CALENDAR

Commissioner Hamman moved that the Consent Calendar be accepted as presented, including Resolution No. 4594 "ADOPT STANDARD CHARGES TO RESIDENTS FOR CLEANING, REPAIR, REPLACEMENT AND MISCELLANEOUS CHARGES". Commissioner Anderson seconded. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Capital Fund Contract – Winston Gardens (43-10), Oroville – HACB has determined that the exterior site at its sixty (60) unit Public Housing Project Number 43-010, known as Winston Gardens Apartments, requires replacement and improvement to provide site access and path of travel improvements in compliance with current physical accessibility requirements. The scope of work includes replacement of most of the sidewalks, parking stalls and taking care of tree roots that could cause heaving.

RESOLUTION NO. 4595

Commissioner Anderson moved that Resolution No. 4595 be adopted by reading of title only: "AUTHORIZATION TO ENTER INTO CONTRACT WITH TWIN TREES, INC. FOR EXTERIOR SITE IMPROVEMENTS AT WINSTON GARDENS APARTMENTS, OROVILLE, HUD PROJECT NO. 43-010". Commissioner Hart seconded. The vote in favor was unanimous.

- 5.2 HACB Consolidated Budget – Finance Officer Kemp presented the FY 2015-16 budget, effective October 1st. The proposed budget reflects the direction of the Budget Review Committee (BRC). Two BRC meetings were held over the last few months. The proposed budget is a flat “status quo” budget. Some of the highlights are as follows: four (4) positions will continue to be left vacant. We are assuming a 99% lease up rate in the Section 8 Housing Choice Voucher Program (same as current year’s lease up rate). We will not know CalPERS’ unfunded pension liability until January or February. The Gridley Farm Labor Housing budget included as part of the consolidated budget is the one that was submitted to USDA, but likely will not be the final budget approved by USDA; USDA may require changes, including a possible rent increase, as recommended by Management staff. Sewer and flood insurance costs have increased. The Gridley Springs II budget has already been approved by State HCD and bond budgets have already been approved by the Board.

RESOLUTION NO. 4596

Commissioner Hart moved that Resolution No. 4596 be adopted by reading of title only: “APPROVAL OF AGENCY FISCAL YEAR 2016 OPERATING BUDGET FOR THE HUD SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, HUD CONVENTIONAL LOW RENT PUBLIC HOUSING PROGRAM, USDA FARM LABOR HOUSING PROGRAM, AUTHORITY OWNED PROJECTS, AND OTHER AUTHORITY ADMINISTERED PROGRAMS AND CONTRACTS”. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.3 Section 8 Housing Choice Voucher Program – The Section 8 Housing Choice Voucher Program Wait List will be open November 1-30, 2015. The Section 8 Wait List has been closed since April 2012. We have notified HACB staff and started to inform clients and local social service agencies. This will be our first attempt at the new Wait List opening procedure. Highlights are as follows:
- All applications will be submitted online only;
 - Not all applicants will be placed on the Wait List; applications will be selected and ordered using a random lottery system. Number of applicants placed on Wait List still TBD. The plan is to have a one year supply of Wait List applicants, and re-open the Section 8 Wait List annually in November.
 - Time and date of receipt of the application online during the Wait List opening will have no bearing on whether the application will be selected for the Wait List. There is no need or advantage to apply immediately after the Wait List opens.
 - In November, or shortly before, we will have a list of public places (i.e., libraries, etc.) where applicants can get free online computer access. Online application assistance for persons with disabilities (or elderly) will be provided upon request.
 - HACB will have a unique phone number for Wait List inquiries (TBD). Information regarding Wait List opening will be added to HACB website October 1st; phone line will probably go live then also.
- 5.4 Personnel – On December 18, 2014, HACB has established opt-out compensation for employees who have alternate Health Insurance coverage and who do not want to elect

to participate in HACB's Health Insurance plan, such opt-out compensation equal to 50% of Employee-only Health Insurance premium. Per strong recommendation from Negotiator hired by HACB and the Board and in order to promote opt-out from its Health Insurance Plan for financial reasons, the recommended opt-out provision should be increased to 80% of the Employee-only Health Insurance premium. Management has requested this change be effective immediately for Management personnel in order for Management staff to take advantage of the open enrollment period(s).

RESOLUTION NO. 4597

The Board requested that we hold the vote on Resolution No. 4597 until after Executive Session.

- 5.5 Chico Commons – HACB, as Property Manager, entered into a contract with Safecon, Inc., general contractor, to make siding improvements to Chico Commons. Safecon Inc. went bankrupt; HACB had to pay Meeks Lumber for materials supplied to the job. The HACB submitted a claim against the Contractor's State Contracting Bond and received a settlement offer regarding disposition of the \$7,500 in available State Contractor Bond funds, such settlement amount to HACB being \$2,106.95. Acceptance of settlement claim on behalf of Chico Commons Apartments requires a Resolution of the Board.

RESOLUTION NO. 4598

Commissioner Hamman moved that Resolution No. 4598 be adopted by reading of title only: "AUTHORIZATION TO SETTLE CLAIM AGAINST STATE CONTRACTORS BOND, REGARDING SAFECON INC. SIDING CONTRACT DEFAULT AT CHICO COMMONS APARTMENTS, CHICO". Commissioner Anderson seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 Gridley Farm Labor Housing rehab project – Management recommended moving forward with the rehab contract. The Board expressed serious concerns regarding the viability of the project going forward (negative cash flow and number of vacancies), per unit cost for rehabilitation (extremely high) and the trouble we have experienced in working with USDA-RD over the years. Management has had very good recent meetings with USDA-RD Representative Will Smith. Mr. Smith has been in contact with Stephen Nnodim, USDA Director, and they have been having positive conversations regarding resolving the long-term issues at Gridley Farm Labor Housing. We received assurances from USDA-RD that: they will approve the necessary means to "get the project budget in the black"; we will have the full cooperation of USDA-RD in this process; we can continue to use reserves as needed to backfill the budget; and USDA-RD will assist us in finding future funding in order to finish the rehab project. Some of the possibilities to "get the budget in the black" are to raise rents, or possible deferment of loans. The rehab construction costs are very high due to increased

construction costs in 2015, paying the required State Prevailing Wage rates, and conducting rehab construction work in a flood plain (rehab costs will decrease after the levy is re-certified). Therefore HACB is looking at ways allowable within our procurement policy to reduce costs on this first phase. If HACB does not elect to move forward and sign the contract to rehab the project, it would constitute a default of the USDA-RD work-out plan, grant agreement and loan agreement. We would also be in default on the Joe Serna Jr. grant agreement with the State. This would negatively impact HACB's credit, create an audit finding, and affect future financing opportunities including refinance, acquisition, purchases, and grant funding. Also if we are default of the USDA-RD work-out plan per the UDSA Handbook, USDA will take enforcement actions including termination of management agreement, receivership, sue for performance under the loan document, and collection of unauthorized assistance. Only when said enforcement actions have been deemed unsuccessful by USDA would USDA initiate liquidation (and debt settlement). The Board again expressed concern regarding the cost of the rehab and being good stewards of public funding and representing public interest. However, they felt we had no choice but to take the next step in expenditure of committed grant and loan funds, and to re-evaluate after the first phase of construction is complete. Board members wanted assurances that we could get approximately 19 units completed in this phase, which Management provided. Commissioner Hamman asked that "of the total eight-six (86) net units planned" be stricken from the Resolution and that "in an estimated +/-" 19 improved units be added before execution.

RESOLUTION NO. 4591

Commissioner Hamman moved that Resolution No. 4591 be adopted by reading of title only: "AUTHORIZATION TO ENTER INTO CONTRACT WITH S.W. ALLEN CONSTRUCTION FOR BUILDING AND SITE IMPROVEMENTS AT GRIDLEY FARM LABOR HOUSING" with recommended amendment to the Resolution wording. Commissioner Hart seconded. The vote in favor was unanimous.

- 7.2 HACB Strategic Planning – Consultant will be emailing a questionnaire to Commissioners to complete prioritizing and ranking objectives and goals.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

11.1 Government Code Section 54957.6: Conference with Labor Negotiators
(Operating Engineer's Local No. 3)

Adjourn: 4:15 p.m.
Reconvene: 4:43 p.m.

MOTION

Commissioner Hart moved that the Board accept the Union's proposed offer for the 2015-16 year and directed Executive Director Mayer to prepare the Memorandum of Understanding. Commissioner Hamman seconded. The vote in favor was unanimous.

RESOLUTION NO. 4597

Commissioner Anderson moved that Resolution No. 4597 be adopted by reading of title only: "RESOLUTION TO ADOPT PERSONNEL POLICY HEALTH INSURANCE OPT-OUT COMPENSATION FOR MANAGEMENT PERSONNEL". Commissioner Hart seconded. The vote in favor was unanimous.

12. COMMISSIONERS' CALENDAR

- NAHRO National Conference, Los Angeles CA, October 14-17, 2015
- Next Meeting – October 22, 2015

13. ADJOURNMENT

Commissioner Anderson moved that the meeting be adjourned. Commissioner Hart seconded. The meeting was adjourned at 4:51 p.m.

Dated: September 17, 2015.

Laura Moravec, Board Chair

ATTEST:

Edward S. Mayer, Secretary