

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

**MEETING MINUTES OF July 20, 2017**

Chair Anderson called the meeting of the Housing Authority of the County of Butte to order at 2:04 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Patricia Besser, Larry Hamman, Roger Hart, Laura Moravec, and David Pittman.

Present for the Staff: Ed Mayer, Executive Director; Larry Guanzon, Deputy Executive Director; Sue Kemp, Finance Director; Tamra Young, Administrative Operations Director; Marysol Perez, Executive Assistant, and Jerry Martin, Modernization Coordinator.

Others present: Sharon Chambers, Public Housing resident.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Town of Paradise TBRA Program Agreement – Chair Anderson recused herself from the agenda item, leaving the room for both the discussion and the vote, as she supervises the program for the Town of Paradise. Renewal of the Town of Paradise tenant-based rental assistance (TBRA) program agreement was presented, the program is identical to the program the City of the Chico is running. The Town of Paradise committed \$20,000 in funds to support the program for the year.

**\*RESOLUTION NO. 4664\***

Commissioner Moravec moved that Resolution No. 4664 be adopted by reading of title only: “AGREEMENT WITH THE TOWN OF PARADISE FOR ADMINISTRATION OF THE TOWN OF PARADISE TENANT BASED RENTAL ASSISTANCE PROGRAM”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.2 Utility Allowances – The HACB has completed its review of its Utility Allowance schedules, used for administration of its owned and managed properties and programs. Utility Allowances are also established for countywide application and use in Butte and Glenn Counties under the Section 8 Housing Choice Voucher program. Utility Allowances must be reviewed annually. The Utility Allowance review was conducted by Management Resource Group, Inc. (MRG), using a blended engineering- and consumption-based methodology. The revised Utility Allowances will be effective for Public Housing and Section 8 projects on January 1, 2018 and for all other properties in 90 days. The Utility Allowance schedule as proposed is consistent with previous year’s efforts.

**\*MOTION\***

Commissioner Hamman moved to implement Utility Allowances as proposed for the upcoming 2017/18 year. Commissioner Hart seconded. The vote in favor was unanimous.

- 5.3 Capital Fund – HACB received notice of HUD appropriation of Public Housing Capital Fund 501-16 monies in the amount of \$557,643, which is in line with the funds received last year. The appropriation requires Board acceptance of the funds and authorization of a preliminary budget.

**\*RESOLUTION NO. 4666\***

Commissioner Hart moved that Resolution No. 4666 be adopted by reading of title only: “ACCEPTANCE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) 2017 PUBLIC HOUSING CAPITAL FUND PROGRAM FUNDS”. Commissioner Moravec seconded. The vote in favor was unanimous.

- 5.4 2017 Bonds Budget – The proposed Bond project(s) were prepared in conjunction with RSC. The operating budget is due to Trustee on July 31<sup>st</sup>. RSC continues to manage all five (5) of the Bond properties, and is doing a very good job. HACB would like to look into refinancing opportunities since the current interest rate on the bonds is high and the debt service coverage ratio has decreased over time. The proposed budget has been reviews by the Budget Committee.

**\*RESOLUTION NO. 4667\***

Commissioner Besser moved that Resolution No. 4667 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2018 BUDGET FOR THE HOUSING AUTHORITY SERIES 2000A BOND PROGRAM”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.5 Gridley Springs II Apartments Budget – Fiscal year 2018 Gridley Springs II proposed budget was presented to the Board of Commissioners for review and approval. The proposed budget was prepared by US Residential Group, the management agent for the property, in coordination with HACB management. Notable highlights are small rent increases proposed at lease renewal, and utilities have been reviewed and corrected to more accurately reflect annual costs. In addition, USRG is proposing to increase their management fee from \$30 per unit to \$40 per unit. The proposed budget has been reviewed by the Budget Committee. HACB is currently exploring use of an alternate

property management company, due to US Residential's corporate transitions and operational inconsistencies and lapses.

**\*RESOLUTION NO. 4668\***

Commissioner Moravec moved that Resolution No. 4668 be adopted by reading of title only: "APPROVAL OF THE F/Y 2018 OPERATING BUDGET FOR THE GRIDLEY SPRINGS II APARTMENTS, 200 FORD AVENUE, GRIDLEY". Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.6 HACB Audit – The audited financial statements of the Housing Authority of the County of Butte (HACB), for the fiscal year ended September 30, 2016, including its component units Butte County Affordable Housing Development Corporation (BCAHDC) and Banyard Management, were presented. The fourth audit completed by the auditor, Patel & Associates, was again very thorough. Per GASB 68, the unfunded pension liability, now at \$3.9 million, is now included in the audit. The audit contains additional required notes relating to this liability. Commissioner Hart suggested it be prudent for staff to look at how to pay down the unfunded pension liability, establishing a long term plan to address the liability, to help cash flow and decrease obligations. Despite the comprehensiveness of the data shared with the auditor, there were no questioned costs or findings. Finance Officer Kemp recommended that the Board pay particular attention to the Management Discussion and Analysis, for a summary of highlights of the audit and context.

**\*MOTION\***

Commissioner Pittman moved that the 2015-16 Audit be accepted as presented. Commissioner Hart seconded. The vote in favor was unanimous.

- 5.7 Standard & Poors – The final 2017 Public Credit Rating report by Standard & Poors was presented. The HACB obtained an A+ rating, which is optimal for a public agency whose principle source of income is federally sourced. Executive Director Mayer reported that the work required to create the report involved significant interactions between HACB staff and Standard & Poors analysts, which forced HACB staff to look at HACB's business from a different perspective. Commissioner Hart was baffled in regards to HACB being compared to Housing Authorities like Chicago or Baltimore, being that the populations in those jurisdictions are in the millions. Comparison is not being made to entities in the private industry. Executive Director Mayer said that from Standard & Poors perspective, HACB is a housing authority, being compared to other housing authorities, whose scale may be different, but whose operations and operational considerations are similar enough to justify comparison, particularly in regards to relative liquidity. HACB is one of the very few housing authorities to participate in this exercise and seek a credit rating. The A+ rating will open the door for the HACB; it should help see better interest rates when issuing debt, and should help the HACB develop relations with larger financial institutions. Commissioner Hart also noted the reported included emphasis on HACB's unfunded pension liability, reiterating this as a matter needing an action plan.

6. MEETING OPEN FOR PUBLIC DISCUSSION

Public Housing resident and former tenant commissioner Sharon Chambers expressed her appreciation to HACB for the work and services it provides to the community. She shared some neighborhood concerns, citing specific neighbor properties and neighbor issues involving unsupervised children, unauthorized persons, and alleged drug-related activity. Ms. Chambers was directed to relay those matters to her Property Specialist.

7. MATTERS CONTINUED FOR DISCUSSION

Chair Anderson expressed interest in moving forward with the Strategic Asset Plan, seems like now more than ever is the time to move forward; having recently reviewed HACB's Audit and the Standard & Poors Credit report. She expressed particular concern about the HACB making development-related decisions without knowing how such decisions relate to, or are impacted by, a Strategic Asset Plan addressing the agency's assets as a whole. Executive Director Mayer responded by indicating that the pace and scale of development decisions is not moving at a rate that would necessarily jeopardize asset management determinations; while much is "on the radar", there is only one (1) development initiative that is on deck for 2018, that of the Gridley Senior Housing project.

8. SPECIAL REPORTS

NAHRO Summer Conference, Indianapolis IN, July-18, 2017 - Executive Director Mayer reported on his attendance at the Summer Conference. He came back foreseeing a giant industry reset; HUD programs have been pushed as far as they can go within the fixed-budget environment. The only path forward is de-regulation and/or federal program disposition (i.e. Public Housing). With homelessness on the rise, approximately 40% of American households one paycheck away from homelessness, and PHA's only able to deliver affordable housing to 1 in 4 households who qualify, systems are stretched to the max. There is an absence of Administration or Congressional vision and direction regarding housing policy. Though we continue to receive most of our funding, current programs are slowly shrinking (Section 8) or strangling (Public Housing). On the positive side, the Administration appointed Pam Patenaude of the Terwilliger Foundation to HUD, an appointee well known to NAHRO, who is respected for her knowledge of the ins and outs of the industry. Ms. Patenaude has yet to be confirmed by Congress.

9. REPORTS FROM COMMISSIONERS

Commissioner Pittman thanked Executive Director Mayer for Oroville visits regarding project proposals and opportunities for partnerships. He appreciates Executive Director Mayer's efforts.

10. MATTERS INITIATED BY COMMISSIONERS

None.

## EXECUTIVE SESSION

Meeting Closed – 3:55 p.m.

- 11.1 Government Code Section 54957.6: Chair Anderson gave Executive Director Mayer authorization to proceed with initial offer to Union in accordance with recommendations of Labor Negotiator.

Item 11.1 Complete - 4:09 p.m.

Item 11.2 Initiated - 4:09 pm.

- 11.2 Government Code Section 54957: Chair Anderson asked Executive Director Mayer to review proposed performance evaluation format.

Item 11.2 Closed – 4:14 p.m.

Meeting Reconvened - 4:14 p.m.

## 11. COMMISSIONERS' CALENDAR

- **Next regular meeting – August 17, 2017.**

## 12. ADJOURNMENT

Commissioner Hart moved that the meeting be adjourned. Commissioner Hamman seconded. The meeting was adjourned at 4:15 p.m.

Dated: July 20, 2017

ATTEST:

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Kate Anderson, Board Chair

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Edward S. Mayer, Secretary