

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

**MEETING MINUTES OF September 21, 2017**

Chair Anderson called the meeting of the Housing Authority of the County of Butte to order at 2:05 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Patricia Besser, Larry Hamman, Roger Hart, Anne Jones, 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.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Executive Director Mayer shared with the Board of Commissioners that Mi Casa Education Inc. was just awarded recognition from United Way of Northern California this morning, at a breakfast award ceremony in Redding.

Board Chair Anderson was concerned about vacancy rates being incredibly low. Executive Director Mayer replied the low vacancy rates are affirmed by the low rate of success of Section 8 participants seeking housing, only 12% of applicants secure housing, most are already living in a unit when they receive a voucher. For every hundred applicants called off the Wait List, only 25% show for the voucher briefing, illustrating how fast the households are moving; the HACB has “lost” them in only a year’s time; applicants often do not inform us when they move. He estimates the Chico urban area needs 2,600 units built to stabilize the housing market. This does not take into consideration the student housing market.

Chair Anderson inquired about the bed bug issues in Alamont Apartments. Deputy Executive Director Guanzon informed there are four (4) units currently with bed bugs at the complex, operations will be paying for the cost of treatment. He also added that RSC and HACB are taking

a pro-active approach to remedy the situation, describing the agency's policy in addressing infestations: unless willful disregard is obvious, tenants are not charged for the first infestation – it is used instead for educational opportunity, which seeks to impart knowledge and awareness to residents. Chair Anderson asked the costs of bed bug remediation. Deputy Executive Director Guanzon replied that the cost of treatment has increased, it was previously about \$300 per unit treatment, now treatment is currently runs from \$400-\$500 per unit.

Commissioner Hamman moved that the Consent Calendar, including Resolution No. 4672 “ADOPT STANDARD CHARGES TO RESIDENTS FOR CLEANING, REPAIR, REPLACEMENT AND MISCELLANEOUS CHARGES”, be accepted as presented. Commissioner Besser seconded. The vote in favor was unanimous.

#### 4. CORRESPONDENCE

None.

#### 5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Section 8 Housing Choice Voucher 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). 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 proposed Payment Standards are based upon the new FMR's. This year there was a significant increase in the HUD generated FMR's. HACB staff recommends minimal changes in Butte County and no changes to Glenn County, despite our area's increasingly impacted rental market. A balance must be struck between adoption of lower payments standards, which would allow HACB to serve a greater number of clients, but making it difficult for lease-ups and renewals; and a higher payment standard that would result in greater participant leasing success, but would serve less, and increase “floor” rents in the area. Executive Director Mayer also informed the Board of Directors that the Section 8 Wait List will be opening October 16-31, 2017.

#### **\*RESOLUTION NO. 4673\***

Commissioner Moravec moved that Resolution No. 4673 be adopted by reading of title only: “DETERMINATION OF 2017 PAYMENT STANDARDS FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM”. Commissioner Hart seconded. The vote in favor was unanimous.

- 5.2 HACB Consolidated Budget - Finance Officer Kemp presented the FY 2017-18 budget, effective October 1<sup>st</sup>. The proposed budget reflects the direction of the Budget Review Committee (BRC). The committee met on several occasion to review the budget assumptions and projections. The proposed budget was crafted using current and projected revenue and expense levels, with few known modifications.

**\*RESOLUTION NO. 4674\***

Commissioner Hart moved that Resolution No. 4674 be adopted by reading of title only: “APPROVAL OF AGENCY FISCAL YEAR 2017 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 Pittman seconded. The vote in favor was unanimous.

- 5.3 Public Housing –The HACB has determined that increasing operational costs associated with clearing of root-clogged and deteriorating sewer line laterals in Chico Public Housing units requires investigation and planning for remediation. Recommended investigation includes installation of clean-outs, jetting and root cutting of lines, and videoing of lines, at 100 select units. The investigation will provide Jerry Martin, Modernization Coordinator with information necessary to organize a capital improvement project addressing deficiencies. Bids have been solicited for the investigation in accordance with HACB Procurement Policy. The low bid was received from Experts in Your Home (formerly “The Hignell Companies”). Commissioner Besser asked if the City of Chico will be picking up any costs associated with this investigation. Executive Director Mayer replied “no”, that the project will be at the cost of the HACB, using Public Housing Capital Fund monies, because the sewer lines are on-site laterals, part of the HACB’s property, not part of the City’s infrastructure. Commissioner Hart inquired about the length of the project; Modernization Coordinator Martin informed the Board of Commissioner’s that the project will take about six to eight months and added that in some cases trees will need to be removed.

**\*RESOLUTION NO. 4675\***

Commissioner Moravec moved that Resolution No. 4675 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH EXPERTS IN YOUR HOME FOR SEWER LATERAL INVESTIGATION AT CHICO HUD PUBLIC HOUSING”. Commissioner Jones seconded. The vote in favor was unanimous.

- 5.4 Capital Fund – Revision of Capital Fund 501-16 is a routine action item and the first revision to this Cap Fund project. Projects included in the 501-16 Budget

Revision include the Sewer Lateral Investigation in Chico Public Housing, and Site Accessibility Improvements at Hammon Park Apts, Oroville (this second project is currently out for bid and is being presented at this month's meeting of the Board for contract approval.)

**\*RESOLUTION NO. 4676\***

Commissioner Hamman moved that Resolution No. 4676 be adopted by reading of title only: "APPROVAL OF REVISED BUDGET FOR HUD PUBLIC HOUSING CAPITAL FUND PROGRAM PROJECT NUMBER 501-16". Commissioner Besser seconded. The vote in favor was unanimous.

5.5 Personnel – a discussion continued, regarding the HACB's unfunded pension liability, Commissioner Hart expressed concern over the actual amount of the liability, is it \$2.9 million or \$3.2 million? Finance Officer Kemp clarified that \$3.2 million was the amount provided by CalPERS most recently. Commissioner Hart also asked for a concrete date as to when the unfunded pension liability analysis and plan can be completed. Executive Director Mayer explained that HACB had contacted CalPERS and engaged with a Senior Actuarial, who provided a spreadsheet tool for analysis and reviewed how the HACB's retirement accounts worked. The next step is for HACB to run pre-payment scenario's using the analytical tool. With scenario's run, HACB will utilize a pension consultant to provide perspective and context to the results of the scenarios run. The pension consultant is not available to conduct the work until November. The plan is to bring forward the analysis and recommendations to the Board of Commissioner's before Christmas, progress updates will be made at future board meetings.

5.6 HACB Affordable Housing Development Opportunities – Executive Director Mayer identified five (5) affordable housing development opportunities currently being pursued by the HACB. Commissioner Moravec voiced her concern of said development opportunities due to the nature of the Unfunded Pension Liability. She would like the Unfunded Pension Liability Plan to be a priority, before any future development projects. Executive Director Mayer acknowledged Commissioner Moravec's concern and reassured her that the soonest any of the proposed projects would be up for leasing would be 2019.

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 Pittman informed the Board that there will be an Oroville Chamber of Commerce workshop, with developers and assemblypersons present, addressing the question of why no housing is being built.

Commissioner Hart inquired about the loan status of the Valley View Apartments loan. Finance Director Kemp mentioned she is expecting to see the closing statement today or tomorrow.

11. EXECUTIVE SESSION

Adjourned – 3:41 p.m.

Reconvened – 4:30 p.m.

11.1 Government Code 54957.6: Conference with Labor Negotiators (Operating Engineer's Local No. 3) - Chair Anderson reported out that the Board was briefed on the status of negotiations, providing direction and authorization to Staff for purposes of further advancing the Union negotiations.

11.2 Government Code 54957: Public Employee Performance Evaluation – Chair Anderson provided direction to move forward with e-mailing of survey format to commissioners.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – October 19, 2017.**
- **2017 NAHRO National Conference and Exhibition, Pittsburgh PA; Building Bridges to the Future – October 27-29, 2017.**

13. ADJOURNMENT

Commissioner Moravec moved that the meeting be adjourned. Commissioner Jones seconded. The meeting was adjourned at 4:32 p.m.

Dated: September 21, 2017.

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Kate Anderson, Board Chair

ATTEST:

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Edward S. Mayer, Secretary