

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

**MEETING MINUTES OF August 15, 2019**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:02 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson (*arrived 3:17 pm*), Larry Hamman, Anne Jones, Laura Moravec, David Pittman, and Heather Schlaff.

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

Others Present: Jim Brawner, Brawner and Company; Thomas Lewis, Attorney - California Affordable Housing Agency, and Loren Freeman, Public Housing resident.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Family Self-Sufficiency (FSS) Graduate – Before securing rental assistance as a HUD-VASH participant, Mr. John Herrold was a homeless veteran. He has been a HUD-VASH program participant of the FSS program since October 2016. One of his FSS goals was to become employed, and for the past two years Mr. Herrold has been gainfully employed. While on the FSS program Mr. Herrold accrued \$2,758.75 in FSS escrow funds, which he plans to use as a down payment on a vehicle to secure reliable transportation.

**\*RESOLUTION NO. 4745\***

Commissioner Hamman moved that Resolution No. 4745 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE JOHN HERROLD”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.2 Family Self Sufficiency (FSS) Graduate - Mr. Christopher Tarvin was a homeless veteran before being referred by the VA to the HUD-VASH program. As a HUD-VASH program participant, one of his goals was to achieve self-sufficiency. He was able to gain employment and his earned income exceeds the need for Section 8 HAP. He accrued \$2,873 in escrow funds, and is working to improve his credit history. Mr. Tarvin eventually wants to purchase a home.

**\*RESOLUTION NO. 4746\***

Commissioner Pittman moved that Resolution No. 4746 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE CHRISTOPHER TARVIN”. Commissioner Schlaff seconded. The vote in favor was unanimous.

- 5.3 Strategic Asset Plan – Jim Brawner from Brawner and Company walked the Board of Commissioners and HACB staff through the revised Asset Repositioning Study. The presentation included a summary of the property analysis and recommendations for next steps. Mr. Brawner was impressed with the good condition of the properties in HACB’s portfolio. As briefly discussed during last month’s conference call, Mr. Brawner provided perspectives and directions as to what the HACB can do to optimize portfolio opportunities, regarding re-finance, leveraging, renovation, and feasibility concerns. Three initiatives were broadly addressed: those properties suited to financing through a pooled public bond issuance, those properties suited to packaging as a 4% LIHTC/private-activity bond transaction, and addressing 1200 Park Avenue Apartments, Chico as a “one-off” restructure because of its unique circumstances.

- 5.4 HACB Multifamily Housing Revenue Bonds (Affordable Housing Pool) Series 2000A – Regarding the re-finance of HACB’s bond-financed portfolio, a strategic leg of the HACB’s Strategic Asset Plan, HACB proposes use of the California Affordable Housing Agency (CalAHA), a JPA organization in which HACB is a member, to provide the consulting work necessary to effect a new bond issuance. In order to capture pre-issuance costs associated with the bond issuance, as well as evidence the HACB’s direction, an inducement resolution is needed. Resolution 4747 was prepared to address re-financing of the following properties: Lincoln Apartments, Chico; Park Place Apartments, Oroville; Evanswood

Apartments, Oroville; Alamont Apartments, Chico; Cordillera Apartments, Chico; and Locust Street Apartments, Chico.

**\*RESOLUTION NO. 4747\***

Commissioner Hamman moved that Resolution No. 4747 be adopted by reading of title only: “A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE MAKING DETERMINATIONS WITH RESPECT TO THE FINANCING OF THE ACQUISITION AND REHABILITATION OF MULTIFAMILY RESIDENTIAL HOUSING PROJECTS, DECLARING ITS INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS, AND AUTHORIZING RELATED ACTIONS”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.5 HACB Multifamily Housing Revenue Bonds (Affordable Housing Pool) Series 2000A – In order to obtain interest rate savings, the HACB seeks to obtain a bridge loan, in an amount not to exceed \$750,000, which, together with reserve funds held under the Trust Indenture, would allow the HACB to pay current debt service and redeem the Bonds in full on October 1, 2019. In order to maximize interest savings, the HACB Board of Commissioners gave authority to HACB staff to seek bridge loan from Butte County Affordable Housing Development Corporation (BCAHDC).

**\*RESOLUTION NO. 4748\***

Commissioner Hamman moved that Resolution No. 4748 be adopted by reading of title only: “ A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE APPROVING A BRIDGE LOAN FOR THE PURPOSE OF REFINANCING ITS MULTIFAMILY HOUSING REVENUE BONDS (AFFORDABLE HOUSING POOL), SERIES 2000A, AND AUTHORIZING RELATED ACTIONS”. Commissioner Jones seconded. The vote in favor was unanimous.

- 5.6 Utility Allowances – The HACB has completed review of the Utility Allowance (UA) schedules, used for administration of Section 8, tax-credit, and other tenant-based rental assistance programs. Utility Allowances must be reviewed annually, with adjustment required for any allowance that has changed more than 10%. Once again, the Utility Allowance review was conducted by Management Resource Group, Inc. (MRG), using a blended engineering- and consumption-based methodology. In comparison to last year’s UA’s for Public Housing and Section 8 in Chico, Biggs/Gridley and Oroville, electricity rates remained steady, Cal Water rates were lower, and natural gas rates came in slightly higher. Public Housing residents will be provided a sixty (60) day comment period, with

implementation effective 01/01/2020. Section 8 HCV program Utility Allowance implementation is effective 10/01/2019. Tax Credit Properties Utility Allowances are to be implemented within ninety (90) days of Board approval. Gridley Farm Labor will be implemented after Board and USDA approval.

**\*MOTION\***

Commissioner Jones moved to implement Utility Allowances as proposed for the upcoming 2019/20 year. Commissioner Schlaff seconded. The vote in favor was unanimous.

- 5.7 Property Insurance – As previously discussed during the May 16, 2019 meeting, current labor and contractor markets remain challenged. Construction costs have appreciated significantly post Camp Fire Disaster. For example, the insurance proceeds the agency received for the loss of Kathy Court were based on coverage levels at \$113/sq.ft., nowhere close to being sufficient to rebuild the property. In order to keep up with increased replacement costs, and after surveying local insurance brokers and communicating with current insurer HARRP, HACB’s staff recommends insuring concrete-lock Public Housing and Farm Labor Housing units at \$150/sq.ft., and Public Housing, Bond, and other Stick Frame units at \$175/sq.ft.

**\*MOTION\***

Commissioner Anderson moved to insure HUD Public Housing and USDA Concrete Block and other Units at \$150/sq.ft., HUD Public Housing, Bond and other Stick Gram Units at \$175/sq.ft. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.8 Camp Fire Disaster – The Board was provided with the latest written update that is sent to HUD on a weekly basis. The weekly updates continue to address various post-Camp Fire disaster subjects as well as current Section 8 program dynamics.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 Letter to Assemblyman Gallagher: City of Chico Infrastructure funding – Chair Moravec commended the letter.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

10.2 Commissioner Pittman invited those interested to the upcoming City of Oroville Council meeting that will include a discussion regarding the impacts of the transient population to the City of Oroville.

11. EXECUTIVE SESSION

11.1 Government Code 54957: Public Employee Performance Evaluation – Executive Director Evaluation. – Per Board of Commissioners and Chair Moravec this item will be discussed next month.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – September 19, 2019**
- **2019 NAHRO National Conference and Exhibition, San Antonio, TX – October 10-12, 2019**

13. ADJOURNMENT

Commissioner Hamman moved that the meeting be adjourned. Commissioner Jones seconded. The meeting was adjourned at 3:39 p.m.

Dated: August 15, 2019.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary