

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

**MEETING MINUTES OF April 16, 2020**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:11 p.m.

*(Pursuant to current State Public Health directives to shelter-in-place and practice social distancing, and as authorized by Governor Gavin Newsom’s Executive Orders N-25-20 and N-29-20, This Board of Directors meeting observed “social distancing” protocols, and was conducted via teleconference and web-conference. Meeting notice and public participation was addressed consistent with the State Governor’s COVID-19 Executive Order, providing for Brown Act exceptions.)*

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Larry Hamman, Laura Moravec, Rich Ober, 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; Jerry Martin, Modernization Coordinator and Angie Little, Section 8 Housing Manager.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

President Mayer notified the Board of Commissioners of the two (2) current Tenant Commissioner vacancies.

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

#### 4. CORRESPONDENCE

COVID-19 Request Letter - Industry response letter from 850 Housing Authorities asking Congress for pandemic help. HUD has offered guidance for program waivers, and Housing Authorities are seeing regulatory relief from HUD and financial relief from Congress.

#### 5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Election of Officers – Routine Annual Election of Officers. Chair Moravec turned the meeting over to Executive Director/Board Secretary Mayer, to conduct the annual election of Board Officers in accordance with HACB’s Bylaws. Executive Director Mayer asked for nominations for the positions of Chair and Vice Chair for the year April 2020 through March 2021. Commissioner Pittman nominated Chair Moravec to continue to serve as Chair, to which Commissioner Hamman seconded. Chair Moravec accepted the nomination and, after no further nominations for Chair were made, the nomination process for Board Chair was closed. Commissioner Pittman nominated Commissioner Hamman for the position of Vice Chair, Chair Moravec seconded. Commissioner Hamman accepted the nomination of Vice Chair. After no further nominations for Vice Chair, the nomination process for Vice Chair was closed. Executive Director Mayer called for a vote for Chair Moravec to continue to serve as Chair of the Board, resulting four (4) Ayes in favor, with an abstention from Chair Moravec. Executive Director then called for a vote for making Commissioner Hamman Vice Chair, resulting in four (4) Ayes in favor, with an abstention from Commissioner Hamman. Executive Director Mayer congratulated the newly elected officers, and appreciated the ongoing service of both re-elected officers.

The meeting was turned over to Chair Moravec by Executive Director Mayer.

- 5.2 Gridley Farm Labor Housing – Authorization for the next contract for the rehabilitation work at FLH was presented for approval. Multiple bids were received (4), staff was surprised by the interest in the project. The lowest bid received was from J. Walt Construction Inc., 15% below the architect’s estimate, but 40% more than the last time the project bid five (5) years ago. HACB staff is very grateful and excited knowing the work can be completed, and that the contractor is known to the architect. The per unit basis comes out to \$270,000 per unit to rehab vs. roughly \$450,000 per unit for new unit. Chair Moravec wanted to confirm the number of units being rehabilitated to be seventeen (17). Jerry Martin, Modernization

Coordinator confirmed the total units renovated will be seventeen (17), totaling \$5,553,000.

**\*RESOLUTION NO. 4772 \***

Commissioner Hamman moved that Resolution No. 4772 be adopted by reading of title only: “AUTHORIZATION TO ENTER INTO CONTRACT WITH J. WALT CONSTRUCTION INC. FOR PHASE II & III MODERNIZATION AT GRIDLEY FARM LABOR HOUSING”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.3 Cordillera Apartments – During the earlier meeting of Butte County Affordable Development Corporation. The Board of Directors authorized the assignment of ownership of Cordillera Apartments and its regulatory agreements to the Housing Authority of the County of Butte. It is recommended that HACB accept the assumption of ownership and regulatory interests. As previously stated in the BCAHDC meeting; this transaction has been reviewed with auditors, accountants and attorneys; due to both entities being closely related. Given that both entities are non-profit and have similar missions, no conflicts were identified in the transaction, as BCAHDC is simply assigning ownership of the property and regulatory obligations to HACB. The assignment is a function of the HACB’s Strategic Asset plan, where Cordillera Apartments is to be moved to the HACB for purposes of portfolio financing and leveraging. The proposed transaction is a reportable tax event with the IRS, though it is not a tax consequence event. HACB will have to acknowledge the fair market value of the property on its books, which was appraised at \$1.8 million, and BCAHDC will report the transaction as a donation of \$800k (Book Value) in their books. Most importantly it has been determined that the proposed transaction furthers affordable housing opportunity in Butte County.

**\*RESOLUTION NO. 4773\***

Commissioner Pittman moved that Resolution No. 4773 be adopted by reading of title only: “ACCEPTANCE AND ASSUMPTION OF OWNERSHIP AND REGULATORY INTERESTS IN CORDILLERA APARTMENTS, 37, 41, 45, 49, 53 CAMEO DRIVE, CHICO, CA”. Commissioner Ober seconded. The vote in favor was unanimous.

- 5.4 Strategic Asset Plan – Executive Director Mayer provided an update on the strategic asset plan activity. To summarize; six properties have had appraisals and physical needs assessments completed. Currently, given the COVID-19 pandemic and associated economic uncertainty, the bond transaction is on hold as such bonds cannot be priced in the markets. The HACB will seek private bond financing in the interim. BCAHDC has outreached to Alden Torch, Limited Partner (LP) at 1200

Park Avenue Apartments, Chico, regarding early buyout of their partnership interests. Alden Torch proposed a methodology that strayed significantly from what is provided for in the Partnership Agreement, a methodology that was determined counterproductive to BCAHDC interests. The conversation has tentatively been put on hold pending year-end, bringing with it the completion of the 15-year LIHTC compliance period, at which point the mechanisms found in the Partnership Agreement for LP buyout can be employed. Finally, Executive Director Mayer detailed that the remaining tax credit properties, Chico Commons Apartments, Chico, and Walker Commons Apartments, Chico will be bundled together with 1200 Park Avenue Apartments for collective repositioning, once Year-15 issues have been cleared for 1200 Park Avenue Apartments.

- 5.5 Development Activity – Currently there is much affordable housing development opportunity in the area, in part due to federal appropriations from a Sonoma County Congressman, a significant allocation of 9% LITHC’s has been appropriated to fourteen disaster-affected counties in California, including Butte County. In anticipation of this extraordinary allocation, there are a number of affordable housing development projects ramping up. Pacific West Communities (PWC) has multiple projects in the area - two in Gridley, two in Oroville and another in Chico. The Chico project, if successful, would be the largest 9% tax credit project in the state; with approximately 220 units; in addition to three projects in Orland. In addition, AHDC has a project in the works at Meriam Park in Chico, and CHIP and Jamboree each have projects underway in Chico. The HACB, through its non-profit instrumentality, BCHADC, is engaged as Managing General Partner (MGP) in five of these projects, and anticipates opportunity to participate in as many as an additional five projects. Also in the pipeline is the re-digestion of Kathy Court Apartments, Paradise, an architect is currently assessing the site; whether it is re-created as before, or re-built using an alternate (bungalow style?) approach.
- 5.6 COVID-19 (Coronavirus) – Executive Director Mayer discussed the HACB’s staff response to the COVID-19 pandemic and associated public health recommendations. As of this date we have entered our fourth week of shelter in place orders. HACB is considered an essential services provider, but continues to be closed to the public. Maintenance is processing emergency work orders only; with the use of Personal Protective Equipment (PPE). HQS inspectors have started inspecting vacant units. Communications continue through use of electronic media - telephone, text, fax, e-mail, etc. Technology has been deployed to gain ever greater functionality for employees assigned to home duty. Friday’s will be added into the work schedule mix. Increasing work hours from just two days a week in

office to three. Currently Staff is re-thinking work shifts to maximize hours worked and keep the trajectory of the agency without setback. If an employee or a resident contracts COVID-19 (coronavirus) the HACB must inform HUD.

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 requested to have regular updates/ visual pictures of the FLH construction status.

Chair Moravec was very pleased with HACB's COVID-19 Agency response update; thanked Executive Director Mayer for the comprehensive explanation.

Commissioner Pittman offered congratulations to newly elected Chair Moravec and Vice Chair Hamman.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – May 21, 2020.**

13. ADJOURNMENT

Commissioner Hamman moved that the meeting be adjourned. Commissioner Pittman seconded. The meeting was adjourned at 3:06 p.m.

Dated: April 16, 2020.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary