

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

MEETING MINUTES OF September 17, 2020

Vice Board Chair Hamman called the meeting of the Housing Authority of the County of Butte to order at 2:00 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 Commissioner meeting observed “social distancing” protocols, and was conducted via teleconference, web-conference, and in person. 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, Rich Ober, and David Pittman. Commissioners Hamman and Pittman attended in person, the balance by means of web-conference.

Present for the Staff: Ed Mayer, Executive Director; Sue Kemp, Finance Director; Tamra Young, Administrative Operations Director; Marysol Perez, Executive Assistant; Jerry Martin, Modernization Coordinator; and Angie Little, Section 8 Program Manager, all in person, with the exception of Ed Mayer, Executive Director, and Sue Kemp, Finance Director, who attended by means of telephone and web-conference, respectively.

Others Present: Thomas Lewis, Attorney - California Affordable Housing Agency, by telephone.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 HACB Consolidated Budget – Finance Director Kemp presented the FY 2020-2021 budget, effective October 1st. The proposed budget was reviewed and discussed by the Board’s Budget Review Committee. The Committee met on several occasions to review HACB projects and program budget assumptions and projections. The proposed budget was crafted using current and projected revenue and expense levels, applying various assumptions. A mid-year budget modification will likely be needed, to adjust multiple factors currently in play - debt service will change when bonds are issued, the year is subject to union negotiations, and an increase to health insurance premium increase amounting to about 10.5%, a little more than anticipated. Also, HACB received another \$2.2 million in Section 8 HAP, between Portability Set-Aside and CARES Act funding, which directly affects the Section 8 budget. The biggest increase came in the form of property insurance premiums, HAARP moved our property insurance tiers from a Two to a Six, almost doubling the property insurance amount in one year, a function of the Kathy Court loss. Cordillera and Locust are now part of the bond properties budget, generating a positive cash flow in general. Excess cash will be moved into the General Fund. A development manager position is being proposed and funded by BCAHDC. Commissioner Pittman asked about insurance deductibles. Executive Director Mayer replied that insurance premiums will be higher during the next three years, and the deductibles remain the same, at \$2,500.

RESOLUTION NO. 4788

Commissioner Anderson moved that Resolution No. 4788 be adopted by reading of title only: “APPROVAN OF FISCAL YEAR 2020-21 CONSOLIDATED OPERATING BUDGET, INCLUDING 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.

- 5.2 Section 8 Housing Choice Voucher Payment Standards – 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, and setting Payment Standards relative to the FMR’s. The HACB has the authority to set Payment Standards within +/- 10% of the FMR’s. In comparison to last year, this year we saw an increase to the HUD generated FMR’s in Butte County, and slight increase to the FMR’s in Glenn County. Staff is recommending that the Payment Standards be set at 100% of FMR in both Butte and Glenn Counties.

RESOLUTION NO. 4789

Commissioner Pittman moved that Resolution No. 4789 be adopted by reading of title only: “DETERMINATION OF 2021 PAYMENT STANDARDS FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM”. Commissioner Anderson seconded. The vote in favor was unanimous.

- 5.3 HACB Multifamily Housing Pool Revenue Bonds (Butte County Projects) Series 2020A – Executive Director Mayer reviewed the proposed bond issuance; because of the Camp Fire, the HACB was able to pay off the debt to the 2000A series bonds. The project leverages six properties, makes recommended improvements to those projects, and includes two substantial improvement projects, including siding replacement at Evanswood Apartments, Oroville and second story landing improvements at Lincoln Apartments in Chico. The project provides for acquisition of new properties, payoff of the loan from BCAHDC, and movement forward with rebuilding of Kathy Court Apartments in Paradise. The properties appraised at \$14 million; a not to exceed amount for bond issuance/borrowing authorization was set at a 1.25:1 debt service coverage ratio, resulting in a proposed issuance not to exceed \$9.8 million. The bonds transaction is projected to secure a 30-year loan at a 3.5% interest rate. Tom Lewis added that this was the most comfortable bond issuance he has seen in the 21 years he has been doing this business. Executive Director anticipates the bond issuance being complete by mid-October.

RESOLUTION NO. 4790

Commissioner Pittman moved that Resolution No. 4790 be adopted by reading of title only: “A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE AUTHORIZING THE BORROWING OF MONEYS FOR THE PURPOSE OF FINANCING THE REHABILITATION OF SIX HOUSING PROJECTS AND OTHER CAPITAL IMPROVEMENTS, AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT, A REGULATORY AGREEMENT, A NOTE, A DEED OF TRUST, AN OFFICIAL STATEMENT, AND A BOND PURCHASE AGREEMENT, AND AUTHORIZING THE EXECUTON AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH”. Commissioner Anderson seconded. The vote in favor was unanimous.

- 5.4 COVID-19 (Coronavirus) – August 8, 2020 Presidential Memorandum regarding payroll tax deferral was presented for discussion only, no action. The Presidents memorandum directs the Secretary of Treasury to use his authority to defer the withholding, deposit and payment of certain payroll obligations. HACB staff strongly recommends this payroll tax deferral not be implemented by HACB; as it is simply not feasible to implement. Commissioner Anderson agreed and asked if the option was put out to staff. Finance Director Kemp

replied it was not. Commissioner Ober also added he agreed with not implementing the deferral as the burden would fall back on the employees come 2021.

Strategic Asset Plan – Action was taken previously, during reports by Executive Director, item 5.3, the bond issuance was approved, and Executive Director Mayer anticipates the transaction completed by the middle of October.

- 5.5 Development Activity – Executive Director provided a brief update regarding the current development activity in the area. Commissioner Ober asked how many units of affordable housing are in the line for Butte and Glen County. Per Executive Director Mayer there are roughly 1,250 units of affordable housing tied up in multiple affordable housing developments in Butte and Glenn County.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

Commissioner Pittman thanked Executive Director Mayer for his help in the language used for the disaster declaration in the City of Oroville due to the North Complex Fire.

10. MATTERS INITIATED BY COMMISSIONERS

None.

11. EXECUTIVE SESSION

Adjourned – 2:43 p.m.

Reconvened – 2:48 p.m.

- 11.1 Government Code 54956.8: Conference with real estate negotiator – Consensus of direction from the Board of Commissioners was given to HACB staff regarding properties located at 1200 Park Avenue Chico, and 210 Ford Avenue, Gridley. Present were all persons identified in the Roll Call.

11.2 Government Code 54957.6: Conference with Labor Negotiators (Operating Engineers Local No.3) – direction postponed until next month during the October meeting.

11.3 Government Code 54957: Public Employee Performance Evaluation – Per Board of Commissioners this item will be postponed until the October meeting, direction was given to staff.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – October 15, 2020.**

13. ADJOURNMENT

Commissioner Pittman moved that the meeting be adjourned. Commissioner Anderson seconded. The meeting was adjourned at 2:49 p.m.

Dated: September 17, 2020.

Laura Moravec, Board Chair

ATTEST:

Edward S. Mayer, Secretary