

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

**MEETING MINUTES OF February 18, 2021**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 2:04 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: Charles Alford, Kate Anderson, Theresa Ayers, Larry Hamman, Laura Moravec, Rich Ober and David Pittman. Commissioners Alford, Hamman, Moravec and Pittman attended in person, the balance by means of web-conference.

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; all in person, with the exception of Sue Kemp, Finance Director; and Tamra Young, Administrative Operations Director who attended by means of web-conference.

Others Present: Juan Meza, FLH Property Specialist, Kathy McKenzie, Mi Casa Director; Yessenia Castaneda, Fernando Castaneda, Maria Castaneda, FLH Residents; Jim Brawner and Zac DeGorge from Brawner and Associates.

2. AGENDA AMENDMENTS

Request from Executive Director Mayer was made to the Board of Commissioners regarding moving agenda item 5.7 to immediately behind item 5.1.

3. CONSENT CALENDAR

Executive Director Mayer informed the Board of Commissioners that the updated Other Post Retirement Benefits (OPEB) report was provided in the Board packet. As reported last month, this update is due to an adjustment in FY2020’s OPEB) audit; with net liability assessed \$50,000 higher.

Chair Moravec had a question regarding Section 8 HAP utilization declining from last year, budget utilization vs. voucher utilization. Tamra Young replied that after 2018 Camp Fire, Section 8

experienced a 15% program decline, and the agency has been in rebuilding mode since then. The program has received set aside funds and CARES Act funding, in addition to an unanticipated significant inflation factor in S8 funding awards; meaning the program has a larger budget authority this year. It is harder to lease up in Butte County now than it was a year after the Camp Fire. Executive Director Mayer said it was nearly impossible to lease up in Butte County, in fact he estimates a negative leasing rate in the county. The Section 8 program continues to provide a landlord incentive of \$500 to new landlords leasing up to Section 8 voucher holders. In about two years the program is projected to attain administrative sustainability and come out of rebuild mode, a 4-5 year turn around. Commissioner Anderson said that 95 multifamily units have come online in Paradise, and another 200 are currently under construction, she added that it would be a thought to target property owners for interest in renting to Section 8 participants. Tamra Young and Commissioner Anderson will coordinate advertising to new landlords in Paradise.

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

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Gridley Farm Labor Housing - HACB is a member of NAHRO, an industry advocacy group. Annually NAHRO invites all the children that reside in Public Housing across the United States to compete in the Housing America “What Home Means to Me” poster contest. There are three (3) grade levels that compete; elementary, middle school and high school. Poster contestants submit their posters to NAHRO local chapters; winners are then passed on to Nationals. Yessenia Castaneda, FLH resident, was a winner in the elementary school category at the Nor-Cal Nevada Chapter of NAHRO, her poster was sent on to regionals, and ultimately was selected for consideration at the National NARHO level. In the National competition her poster was one of twelve (12) selected for publication in the 2021 calendar. Mi Casa director Kathy McKenzie, Yessenia Castaneda, her parents, Fernando and Maria Castaneda, were present to receive Yessenia’s awards. FLH Property Manager Juan Meza, presented Yessenia with a \$100 gift card and Certificate of Recognition from NAHRO. The HACB Board of Directors also recognized and acknowledge Yessenia’s artwork and presented her with a Resolution on behalf of the Board of Commissioners as well as an award of \$500 toward her education and wellbeing.

**\*RESOLUTION NO. 4807\***

Commissioner Hamman moved that Resolution No. 4807 be adopted by reading of title only: “RECOGNITION OF YESSENIA CASTANEDA WINNER OF NATIONAL NAHRO “WHAT HOME MEANS TO ME” POSTER CONTEST”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.7 Strategic Asset Plan – Presentation from Jim Brawner, Brawner and Associates and Zak de Gorgue. HACB has two nonprofit organizations: Banyard Management (Chico Commons) and BCAHDC (1200 Park Avenue and Walker Commons). Brawner and Associates was tasked with an exercise to best approach repositioning the three properties. Options that were presented were 4% tax credits, and conventional refinancing. Jim Brawner stated it was much more difficult to receive tax credits in the state of California as the state prefers to award those credits to new construction. The option of conventional refinancing was also looked at and reviewed, which seemed to be a more desirable solution to take care of the physical needs of the properties. Financially it seems to be a better solution for HACB to proceed with a simple refinance. One example involved \$60,000 of renovations per unit for a total of \$13.5 million. The existing debt of the properties would be repaid and new debt would be re-issued. Commissioner Pittman agreed with the results of the analysis, but asked if the availability of contractors has been considered. Jim Brawner explained that under the tax credit program, you are under a tight time frame; 15-18-month maximum completion to complete work, and with a refinance you would have 3-5 years to complete work. Commissioner Anderson asked what financing vehicle would be used; whether it's a typical refinance loan or something else. Jim Brawner said a public bond sale would be recommended, or private placement of debt, because of the credit rating of the HACB. Executive Director Mayer is seeking affirmation from the Board of Commissioners to continue going down this road to assure ongoing viability of these three properties and leverage the value of these properties into other housing authority activity. The Board agreed to move forward with further exploration of the refinance effort.
- 5.2 Banyard Management – The HACB has an ongoing Corporate Services Agreement with Banyard Management. Banyard Management contracts with the HACB to perform two basic kinds of services; corporate services to maintain the corporate entity, and other services which include asset management and property improvements. This year is extraordinary due to the financial repositioning activity associated with the Chico Commons property, which includes consideration for dissolution of Banyard in its entirety, and the restructuring of Chico Commons with two additional properties. Billing rates for the housing authority were adopted in the consent calendar. The resolution presented seeks to amend its services agreement with Banyard Management, adopting HACBs billing rates starting March 1, 2021, authorization of up to \$15,000 in expenditures for basic corporate services, and authorization of up to \$100,000 in extraordinary services relating to asset repositioning.

**\*RESOLUTION NO. 4809\***

Commissioner Hamman moved that Resolution No. 4809 be adopted by reading of title only: “BANYARD MANAGEMENT SERVICES AGREEMENT 2021 BILING RATES AND SERVICES AUTHORIZATIONS”. Commissioner Pittman seconded. The vote in favor was unanimous.

- 5.3 Butte County Affordable Housing Development Corporation (BCAHDC) – The HACB has an ongoing Corporate Services Agreement with BCAHDC. BCAHDC Management contracts with the HACB to perform two basic kinds of services, corporate services to maintain the corporate entity, and other services, including asset management and property improvements. Similar to Banyard Management, this year is extraordinary due to repositioning efforts associated with the 1200 Park Avenue and Walker Commons properties, in coordination with the restructuring of Chico Commons Apartments. The resolution presented seeks to amend the services agreement with BCAHDC, adopting HACB’s billing rates starting March 1, 2021, authorizing up to \$20,000 in expenditures for basic services, and authorizing up to \$200,000 in extraordinary services relating to property restructuring.

**\*RESOLUTION NO. 4810\***

Commissioner Anderson moved that Resolution No. 4810 be adopted by reading of title only: “BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION MANAGEMENT SERVICES AGREEMENT 2021 BILING RATES AND SERVICES AUTHORIZATIONS”. Commissioner Ober seconded. The vote in favor was unanimous.

- 5.4 Evanswood Estates – HACB owns thirty of thirty-two condominiums at the Evanswood Estates Apartments, Oroville. An additional unit has been secured under a Purchase and Sale Agreement, Unit 33. 2020A Bond proceeds will be used to purchase this unit; the purchase price of Unit 33 has been negotiated for \$176,000; there is rehabilitation work to be done to the unit. Commissioner Pittman inquired about the square footage of the unit to which Executive Director Mayer replied approximately 1,200 square feet, and added that the current renters occupying the unit will be assumed. Commissioner Anderson thanked Executive Director Mayer for the work done regarding the strategic asset plan; as it has helped her understand how all these moves fit together in the overall vision of the HACB.

**\*RESOLUTION NO. 4811\***

Commissioner Pittman moved that Resolution No. 4811 be adopted by reading of title only: “AUTHORIZATION TO PURCHASE PROPERTY 33 EVANSWOOD CIRCLE, OROVILLE, CA AND ACCEPTING ALL OF GRANTOR’S INTEREST THEREIN BY GRANT DEEDS”. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.5 HUD Programs Household Income Determination – HACB is required to adopt a Passbook Savings Rate annually for purposes of determining participant household income in the HUD Public Housing, Section 8, and Homeless programs; as well as other HACB Administered tenant-based rental assistance programs where actual or imputed income from assets is considered in calculation of total household income. HACB Deputy Executive Director Guanzon surveyed local banks to determine the average passbook savings rate, ultimately recommending use of the National Savings Rate, because the actual impact of the interest rates are minimal and continue to remain low. The recommendation is to set Passbook Savings Rate at 0.05%/year, effective March 1, 2021.

**\*MOTION\***

Commissioner Hamman moved to set the Passbook Savings Rate at 0.05%/year, effective March 1, 2021. Commissioner Anderson seconded. The vote in favor was unanimous.

- 5.6 COVID-19 Status Update - Executive Director Mayer provided a brief update as to HACB's COVID-19 status. The memo provided in the board packet, indicates staff is moving forward with re-opening lobby to the public. Staff believes we can open the lobby area safely and facilitate interaction with clients. The plan is to open the lobby to the public effective March 1<sup>st</sup>, 1:00 pm to 5:00 pm Monday – Thursday. HACB seeks to make life and work more efficient for all, in particular the clients served by us. The people most impacted by COVID protocols, are the individuals with least technological access; which is the majority of the population we serve. Commissioner Obers asked if notification would be sent to clients. Executive Director replied that no official notices will be sent out but notices will be placed on the door and is positive word will spread.
- 5.8 Development Activity – Executive Director provided a brief update regarding the current development activity in the area, including a summary spreadsheet identifying all current known affordable housing development projects in Butte and Glenn Counties.
- 5.9 Homelessness – Executive Director Mayer has invited Butte County Behavioral Health Director, Scott Kennelly to come to the next HACB Board of Commissioners meeting and give a brief presentation on Homeless Programs and Housing Services.

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

None.

11. EXECUTIVE SESSION

Adjourned – 3:14 p.m.

Reconvened – 3:17 p.m.

- 11.1 Government Code 54956.8: Conference with real estate negotiator – Direction was given to HACB staff regarding acquisition of additional property located at Evanswood Estates, Oroville. Present were all persons identified in the Roll Call.

12. COMMISSIONERS' CALENDAR

- **Next regular meeting – March 18, 2021.**

13. ADJOURNMENT

Commissioner Pittman moved that the meeting be adjourned. Commissioner Hamman seconded. The meeting was adjourned at 3:18 p.m.

Dated: February 18, 2021.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary