

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

MINUTES OF October 11, 2012

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 4:05 p.m.

1. ROLL CALL

Present for the Commissioners: Patricia Besser, Sharon Chambers, Larry Hamman, and Laura Moravec.

Present for the Staff: Ed Mayer, Executive Director; Roy Peters, Deputy Executive Director; Sue Kemp, Finance Officer; Larry Guanzon, Housing Director; and Tamra Young, Executive Assistant.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

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

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Write-Offs – Annually, HACB records vacated tenant balances for doubtful accounts, which reduce the net tenant accounts receivable on the balance sheet. There is also a corresponding entry to bad debt each year. Due to HUD's scoring formula associated with the Public Housing Assessment System (PHAS), Staff recommends writing off all Public Housing vacated tenant balances through September 30, 2012, in order to receive the highest possible PHAS score for this PHAS component. Writing off the balances does not change the net accounts receivable balance, nor does it prevent HACB from pursuing collections; it is considered an in-house accounting "housekeeping" procedure. The total write-off of uncollectible accounts receivable is \$56,091.86. Bad debt is sent to a national debt collection data base and the State Franchise Tax Board. Commissioner Moravec asked about some of the larger balances owed. Finance Officer Kemp and Housing Director Guanzon explained that for Section 8 it is largely due to

unreported income, Kathy Court Apartments because of the series of move-outs, and the amount of Public Housing “bad debt” as a percentage of income is considered “industry-standard”.

RESOLUTION NO. 4476

Commissioner Hamman moved that Resolution No. 4476 be adopted by reading of title only: “WRITE-OFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE”. Commissioner Besser seconded. The vote in favor was unanimous.

- 5.2 Section 8 – Each year, HUD issues its determination of Fair Market Rents (FMR’s) for the jurisdictions served by HACB (Butte and Glenn Counties). This ensures that Section 8 Voucher Holders can find housing in the area, but housing which is somewhat less than average in cost. The HACB reviews the FMR’s for their applicability to the local market using its Rent Reasonable database, and the leasing experience of its clientele. The HACB then sets a Payment Standard as a percentage of FMR, between 90% and 110% of FMR. The recommended Payment Standards have changed notably as a percentage of FMR this year, but the dollar amount of allowable rents is very close to that used in previous years.

RESOLUTION NO. 4477

Commissioner Besser moved that Resolution No. 4477 be adopted by reading of title only: “DETERMINATION OF 2012 PAYMENT STANDARDS FOR THE SECTION 8 HOUSING CHOICE VOUCHER PROGRAM”. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.3 OPEB Asset Allocation Strategy – At the August meeting of the Board, a motion was made regarding the investment strategy to be used for purposes of managing the OPEB Trust account. Based upon staff recommendation, it was moved that “Investment Strategy No. 3” be used. Upon review of the CalPERS paperwork, it was realized that the recommendation made by staff to the Board was in error. The desired investment strategy should be “Investment Strategy No. 2”, with its associated Discount Rate adjusted to 6.5%.

MOTION

Commissioner Hamman moved that HACB use Strategy 2, with election to use an associated Discount Rate at 6.5%, for its OPEB asset allocation strategy. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.4 Gridley Springs I & II – The HACB has been approached by Dawson Holdings, Inc. (DHI) to participate in the purchase and operation of Gridley Springs Apartments I and II, Gridley CA. Specifically BCAHDC, HACB’s instrumentality, has been asked to act as Managing General Partner of the 32-unit Low Income Housing Tax Credit-financed Gridley Springs I property. DHI has also requested that HACB purchase the 24-unit Gridley Springs II for \$275,000. The \$275,000 constitutes the remaining loan balance owed to Citibank. Management recommended that BCAHDC and HACB participate, as requested

by DHI, in order to preserve affordable housing and because it is a good long-term investment opportunity.

MOTION

Commissioner Chambers moved that Management be given authorization for HACB to acquire Gridley Springs II per letter, and contingent upon Butte County Affordable Housing Development Corporation (BCAHDC) acting as the Managing General Partner in the Limited Partnership that will buy, rehabilitate, and operate Gridley Springs Apartments I. Commissioner Besser seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 Strategic Planning – Executive Director Mayer asked the Board for their direction on how involved the Board would like to be in the strategic planning process. Commissioner Hamman said that the Board shouldn't "micromanage"; that it is the Board's role to set policy. Commissioner Besser said that she likes to be kept "in the loop". Chair Moravec asked the Board if they would like to set a policy now. The consensus of the Board was to hold a policy decision regarding strategic planning until the vacant Commissioner positions were filled.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

Commissioner Chambers raised occupancy issues related to the La Lieta Court Public Housing neighborhood. Housing Director Guanzon indicated that management is keeping track of the issue and taking appropriate steps to handle the situation.

Chair Moravec informed the Board that Commissioner Boyle sent her formal resignation to Supervisor Yamaguchi.

11. EXECUTIVE SESSION

- 11.1 Government Code 54956.8 – Conference with Real Property Negotiators
11.2 Government Code 54957 – Public Employee Performance Evaluation

None.

12. COMMISSIONERS' CALENDAR

- **Next meeting – December 20, 2012.**

13. ADJOURNMENT

The meeting was adjourned at 4:43 p.m.

Dated: November 15, 2012.

Clarence Lobo, Board Vice Chair

ATTEST:

Edward S. Mayer, Secretary