

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

**MEETING MINUTES OF July 16, 2015**

Chair Moravec called the meeting of the Housing Authority of the County of Butte to order at 3:10 p.m.

1. ROLL CALL

Present for the Commissioners: Kate Anderson, Patricia Besser, Sharon Chambers, Larry Hamman, Roger Hart, Clarence Lobo, and Laura Moravec.

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

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Executive Director Mayer pulled Item #3.8 Farm Labor Housing report to discuss. One week before construction bids were due for the unit rehab work, we received a call from USDA-RD. USDA-RD said that they will not pay State Prevailing Wage labor rates with their \$4 mil loan funds, use of Prevailing Wage rates being required under the State Joe Serna Jr. grant. Executive Director Mayer has met with the State and consulted with attorneys and peers. According to all sources, this issue has never come up before and cannot feasibly be done. We have a letter of opinion from an attorney which we will include with a letter from HACB in response to Mr. Nnodim, USDA-RD State Director. While we have been and continue to be working on the problem, we feel we are getting close to turning property over due to continuing unresolved differences. The Board was supportive. Chair Moravec asked what other avenues we can use to get results, including possibly applying political pressure. Executive Director Mayer said that the first step should be to send the letter to USDA-RD. If that doesn't work, we can look at other options. The bids have been pushed back until August 11<sup>th</sup> pending resolution. If the issue is not resolved in time, we will go back out to bid next year. Also yesterday we received a directive from USDA-RD to put all payments to the architect on hold, including those which have been pre-approved previously by USDA-RD. Finance Officer Kemp said that HACB paid approximately \$20,000 to the architect for services already rendered. HACB will pay the architect "out of pocket" until the issue is resolved with USDA-RD.

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

#### 4. CORRESPONDENCE

- 4.1 Letter from HUD dated July 9, 2015 re: “Lend the Way: Governance and Financial Management” training tool – The letter was regarding an online training module for Commissioners. HACB staff will assist any Commissioners who want to take the training who do not have computer access.

#### 5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Public Housing Admissions and Continued Occupancy Policy (ACOP ) Section 8 Administrative Plan (AP) –
- 5.2 Agency Five-Year Plan/Capital Fund Program – As a public agency administering the HUD Low Income Public Housing and Section 8 Housing Choice Voucher programs, HACB is required to annually submit to HUD applicable agency and administrative plan documents 75 days prior to the end of HACB’s fiscal year. Draft revisions of the Public Housing Admissions and Continued Occupancy Policy (ACOP), Section 8 Housing Choice Voucher Administrative Plan (AP), Five-Year Agency Plan, and Capital Fund Program, were accepted by the Board at the May 2015 meeting and authorized for issuance for public comment; the required 45 day public comment period has now expired. The ACOP and AP have been revised to incorporate all of the changes recommended by Legal Services of Northern California as outlined in the memo to the Board. Some of the recommendations by LSNC include clarifications regarding the Section 8 Wait List; revisions to the Limited English Proficiency Policy; and revisions to the VAWA language. There were no changes to the Agency Five-Year Plan except one typo that was corrected. There was no public in attendance. The Board elected to adopt the Plans with the changes as outlined. The AP and the ACOP will become effective October 1<sup>st</sup>.

#### **\*RESOLUTION NO. 4576\***

Commissioner Hamman moved that Resolution No. 4576 be adopted by reading of title only: “ADOPTION OF PUBLIC HOUSING ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP) AND SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN (AP)”. Commissioner Lobo seconded. The vote in favor was unanimous.

#### **\*RESOLUTION NO. 4577\***

Commissioner Chambers moved that Resolution No. 4577 be adopted by reading of title only: “ADOPTION OF THE ONE- AND FIVE-YEAR AGENCY PLAN OF THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE”. Commissioner Anderson seconded. The vote in favor was unanimous.

- 5.3 Banyard Management – The HACB and Banyard Management entered into a Corporate Management Services Agreement (Agreement), dated November 21, 2013, wherein Banyard retains HACB to complete its corporate activity. The proposed resolution authorizes re-establishment of the Agreement with the

compensation for services provided under the Agreement amended to be set at rates mutually agreeable to HACB and Banyard. Such rates and amounts for compensation to be established may be changed by mutual consent. The Agreement's effective date is October 1, 2015.

**\*RESOLUTION NO. 4578\***

Commissioner Hamman moved that Resolution No. 4578 be adopted by reading of title only: "AUTHORIZATION TO ENTER INTO REVISED CORPORATE MANAGEMENT SERVICES AGREEMENT WITH BANYARD MANAGEMENT". Commissioner Hart seconded. The vote in favor was unanimous.

- 5.4 Contract Rates – The Corporate Services Agreement between HACB and Banyard Management sets out both the rates of compensation and a contract maximum. Effective May 1, 2015 the new approved billing rates for services was implemented. Under the revised Agreement HACB needs to extend the billing rates and accept the maximum annual compensation set by Banyard for the year extending from October 1, 2015 through September 30, 2016.

**\*MOTION\***

Commissioner Hamman moved to accept the not-to-exceed contract total of \$15,000 for the year extending from October 1, 2015 through September 30, 2016. Commissioner Lobo seconded. The vote in favor was unanimous.

- 5.5 Butte County Affordable Housing Development Corporation (BCAHDC) – The HACB and BCAHDC entered into a Corporate Management Services Agreement (Agreement) dated November 21, 2013 wherein BCAHDC retains HACB to complete its corporate activity. The proposed resolution authorizes re-establishment of the Agreement with compensation for services provided under the Agreement amended to be set at rates mutually agreeable to HACB and BCAHDC. Such rates and amounts for compensation may be changed by mutual consent. The Agreement effective date is October 1, 2015.

**\*RESOLUTION NO. 4579\***

Commissioner Hart moved that Resolution No. 4579 be adopted by reading of title only: "AUTHORIZATION TO ENTER INTO REVISED CORPORATE MANAGEMENT SERVICES AGREEMENT WITH BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION". Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.6 Contract Rates – The Corporate Services Agreement between HACB and BCAHDC sets out both the rates of compensation and a contract maximum. Effective May 1, 2015 the new approved billing rates for services was implemented. Under the revised Agreement HACB needs to extend the billing rates and accept the maximum annual compensation set by BCAHDC for the year extending from October 1, 2015 through September 30, 2016.

**\*MOTION\***

Commissioner Anderson moved to accept the not-to-exceed contract total of \$18,500 for the year extending from October 1, 2015 through September 30, 2016. Commissioner Hamman seconded. The vote in favor was unanimous.

- 5.7     Section 8 Housing Choice Voucher Family Self-Sufficiency Program – The proposed Resolution is necessary for the annual submission of the renewal application to HUD for Family Self Sufficiency Coordinator grant funds. The grant amount requested is \$63,000.

**\*RESOLUTION NO. 4580\***

Commissioner Lobo moved that Resolution No. 4580 be adopted by reading of title only: “AUTHORIZE THE SUBMITTAL OF AN APPLICATION FOR 2015 FEDERAL ASSISTANCE FOR THE HOUSING AUTHORITY OF THE COUNTY OF BUTTE SECTION 8 HOUSING CHOICE VOUCHER FAMILY SELF SUFFICIENCY PROGRAM TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT”. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.8     Volunteer Authorization – The proposed Resolution is to qualify HACB volunteers for workers’ compensation insurance coverage through our self-insurance workers’ compensation agency, California Housing Workers’ Compensation Agency (CHWCA). Without the Resolution we can’t use volunteers without liability. Examples of volunteers who will be covered are the Commissioners, volunteers painting Public Housing units in Gridley, and student interns from California State University, Chico, School of Social Work.

**\*RESOLUTION NO. 4581\***

Commissioner Hart moved that Resolution No. 4581 be adopted by reading of title only: “CALIFORNIA HOUSING WORKERS’ COMPENSATION AUTHORITY RESOLUTION DESIGNATING COMMISSIONERS AND OTHER PERSONS PERFORMING VOLUNTARY SERVICES WITHOUT PAY AS EMPLOYEES FOR THE LIMITED PURPOSE OF QUALIFYING FOR WORKERS’ COMPENSATION INSURANCE COVERAGE UNDER CALIFORNIA LABOR CODE SECTION 3200, ET SEQ.”. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.9     Capital Fund – The revision to Capital Fund 501-13 is a routine realignment and update of budgeted categories. Capital Fund 501-13 is fifty percent (50%) expensed. We will be approving several contracts over the next few months to utilize the funds.

**\*RESOLUTION NO. 4582\***

Commissioner Chambers moved that Resolution No. 4582 be adopted by reading of title only: “APPROVAL OF REVISED BUDGET FOR HUD PUBLIC HOUSING CAPITAL FUND PROGRAM PROJECT NUMBER 501-13”. Commissioner Lobo seconded. The vote in favor was unanimous.

- 5.10 2016 Bonds Budget – The proposed Bond Property budget was prepared in conjunction with RSC, property manager of four of the five bond-funded properties. The operating budget is due to the Bond Trustee on July 31<sup>st</sup>. Proposed changes include adding a \$10/unit management fee to HACB for allocated overhead, and rents were slightly increased. We can adjust the budget when a final consolidated agency budget is approved. The proposed budget meets the Trustee’s obligation. Capital improvements included are repair/replacement of the last two (2) roofs at Evanswood Estates, Oroville. The Bond properties have a large debt service, which we may look at refinancing in the near future. Currently the properties do make the debt service coverage ratio. Commissioner Anderson asked about the repairs on the balconies at Alamont Apartments. Executive Director Mayer said that we are pulling one apart as a “test”. If necessary we can use reserves to replace all of the balconies. Finance Officer Kemp did confirm that we did account for one or two patios in the budget.

**\*RESOLUTION NO. 4583\***

Commissioner Hamman moved that Resolution No. 4583 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2016 BUDGET FOR THE HOUSING AUTHORITY SERIES 2000A BOND PROGRAM”. Commissioner Anderson seconded. The vote in favor was unanimous.

- 5.11 Gridley Farm Labor Housing (FLH) Budget – The proposed annual Farm Labor Housing operating budget was presented for adoption. Budget is required to be submitted to USDA-RD by August 1<sup>st</sup>. USDA-RD will make comments and return for final adoption. The proposed budget is based upon past years and essentially serves as a place holder. However we are not sure if USDA-RD will approve the budget, 27% vacancy (35 units out of 130) was budgeted, presuming rehab work during the greater part of the year. Some of the budget differences proposed reflect increases in utility costs, picking up the debt service payments for the loan, and significantly increased flood insurance premiums (increase of approximately \$20,000/year). A budget revision may be necessary once HACB-wide budget is finalized. We have approximately \$100,000 in reserves to get through construction. We have already slashed operating costs, including grounds maintenance, security, and payroll. Executive Director Mayer is convinced that the budget is “reasonable” and “responsible”, given its many constraints. This year will be a “make it or break it” year. We are in good shape for end picture, arriving at a total of 86 units. Chair Moravec asked if the reduced security was an issue at the property and Management’s response was “not yet”.

**\*RESOLUTION NO. 4584\***

Commissioner Hart moved that Resolution No. 4584 be adopted by reading of title only: “APPROVAL OF FISCAL YEAR 2016 BUDGET FOR THE USDA-RD FARM LABOR HOUSING PROGRAM”. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.12 Gridley Springs II Apartments Budget – The proposed annual Gridley Springs II Apartments operating budget was presented for adoption. The budget was prepared by US Residential Group, the management agent for the property, in coordination with HACB management. Budget is required to be submitted to USDA-RD by August 1<sup>st</sup>. USDA-RD will make comments and return for final adoption. The proposed budget is consistent with past years, but essentially serves as a place holder. The \$14,000 in debt service was budgeted for a loan to complete projected rehab needs. Budget revision may be necessary once HACB-wide budget is finalized.

**\*RESOLUTION NO. 4585\***

Commissioner Anderson moved that Resolution No. 4585 be adopted by reading of title only: “APPROVAL OF THE F/Y 2016 OPERATING BUDGET FOR GRIDLEY SPRINGS II APARTMENTS, 200 FORD AVENUE, GRIDLEY”. Commissioner Besser seconded. The vote in favor was unanimous.

- 5.13 Gridley Springs II Apartments Loan – HACB owns the twenty-four unit regulated multifamily affordable housing property known as Gridley Springs II. HACB has determined that the property has physical needs regarding the integrity of its building envelope, including the replacement of siding and exterior windows and doors and related accessibility features. Such improvements estimated to cost \$400,000. HACB has identified \$250,000 in unrestricted funds available to be directed to such work sourced from the HACB’s pre-2004 Section 8 Admin Fee Reserves. HACB has been offered a fully amortized loan from its non-profit instrumentality, the Butte County Affordable Housing Development Corporation in the amount of \$150,000 subject to a 3.5% annual interest rate and fifteen year term.

**\*RESOLUTION NO. 4586\***

Commissioner Hamman moved that Resolution No. 4586 be adopted by reading of title only: “AUTHORIZING FUNDS FOR THE MAKING OF PHYSICAL IMPROVEMENTS TO GRIDLEY SPRINGS APARTMENTS II, GRIDLEY”. Commissioner Chambers seconded. The vote in favor was unanimous.

- 5.14 Gridley Springs II Apartments Contract – HACB has determined that Gridley Springs II Apartments needs exterior improvements. The exterior improvement project contract will include new fiber cement siding and trim, painting of all exterior surfaces, replacement of existing windows with energy efficient ones, new ground floor patios, and addition of accessible sliding glass doors to meet ADA requirements for unit access and future interior accessibility renovations. There were four (4) bidders. Precision General Contractors (related to Dawson Holdings, partner in Gridley Springs I) was the lowest responsive bidder. Precision completed similar improvements on Gridley Springs I Apartments.

**\*RESOLUTION NO. 4587\***

Commissioner Chambers moved that Resolution No. 4587 be adopted by reading of title only: "AUTHORIZATION TO ENTER INTO CONTRACT WITH PRECISION GENERAL CONTRACTORS FOR EXTERIOR IMPROVEMENT PROJECT AT GRIDLEY SPRINGS II APARTMENTS, GRIDLEY CA." Commissioner Lobo seconded. The vote in favor was unanimous.

- 5.15 Investment Report/Reserves Analysis – Finance Officer Kemp presented the quarterly reports. After taking \$250,000 for Gridley Springs II rehab contract will leave approximately \$2.1M in unrestricted funds. She also asked the Board if we should move the Investment Report/Reserves Analysis to the Consent Calendar. The consensus of the Board was yes, move this item to the Consent Calendar.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

- 7.1 Family Self-Sufficiency Program – HACB currently operates a voluntary program with 40 participants enrolled and has one full-time grant-funded coordinator. Per Board request, Section 8 Program Manager DeSoto performed an analysis and said that the HACB FSS program can support an increase in the number of participants from its current voluntary program size of 50 to 115. No action was necessary on this item. Management will bring back to the Board for action at a later meeting. If approved, Section 8 Housing Manager DeSoto (and staff) can get the increase in participants going before it would be necessary to hire an additional coordinator. We also have \$128,000 in previous FSS grant funds and excess Section 8 Admin fees that can be used to hire a second coordinator until grant funding for a second position can be retained (next grant funding year).

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

Commissioner Hart requested an Agency-wide water conservation measures report. He asked that the report show budget and usage data. He would like to know what we are doing in response to the drought in California. Executive Director Peters said that part of the planned capital fund work will be to install low flow utilities in all public housing units.

Commissioner Chambers went to CHAT meeting on tiny houses. Per the CHAT meeting, there are over 900 homeless in Chico. She found it interesting. Ms. Chambers also reported that former Commissioner White says “hi”.

## 11. EXECUTIVE SESSION

- 11.1 Government Code Section 54957.6: Conference with Labor Negotiators  
(Operating Engineer’s Local No. 3)
- 11.2 Government Code Section 54956.8: Conference with Real Property Negotiators  
and Government Code 37606 and 37624.3: Report Involving Trade Secret  
(addressing credit considerations regarding implementation of proposed new finance program for Housing Authority affordable housing properties, revised estimated date of public disclosure August 2015)
- 11.3 Government Code Section 54957: Public Employee Performance Evaluation

Adjourn: 4:21 p.m.

Reconvene: 5:09 p.m.

Chair Moravec reported that (11.1) the Board provided Executive Director Mayer with direction on the Union negotiations in regard to Health Care benefits, (11.2) the Board agreed to move forward with agency credit rating, and (11.3) the Board discussed Executive Director Mayer’s performance evaluation.

## 12. COMMISSIONERS’ CALENDAR

- Special Meeting / Strategic Planning session – August 13, 2015 at 2:00 p.m.
- Next Regular Meeting – August 20, 2015

## 13. ADJOURNMENT

Commissioner Hamman moved that the meeting be adjourned. Commissioner Chambers seconded. The meeting was adjourned at 5:10 p.m.

Dated: July 16, 2015.

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Laura Moravec, Board Chair

ATTEST:

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Edward S. Mayer, Secretary