HOUSING AUTHORITY OF THE COUNTY OF BUTTE
BOARD OF COMMISSIONERS MEETING

MEETING MINUTES OF
July 16, 2026

The meeting was conducted via teleconference, web-conference and in person, as noticed.

Chair Pittman called the meeting of the Housing Authority of the County of Butte to order at 2:04p.m.

1. ROLL CALL

Present for the Commissioners: Bob Crowe, Tim Merrill, Rich Ober, David Pittman, Sarah Richter, and Jean Snow; all attended in person.

Present for the Staff: Larry Guanzon, Executive Director; Tamra Young, Deputy Executive Director; Marysol Perez, Executive Assistant; Angie Little, Rental Assistance Programs Manager; Juan Meza, Public Housing Manager and Taylor Gonzalez, Project Manager, all attended in person.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

3.4 Angie Little, Rental Assistance Program Manager reviewed the following: Section 8 Voucher Budget & Utilization: monthly budget reports (page 17). While July utilization sat at a healthy 98%, staff noted that utilization is cumulative over the year and spending needs to remain near 98% by year's end to secure full funding allocations for subsequent cycles. An outside agency is being enlisted to accelerate pulling applicants from the waitlist to maximize leasing. Project-Based Vouchers (PBVs) Overview: Provided an educational breakdown for board members. PBVs tie Section 8 vouchers to specific housing developments (like Lincoln Senior in Oroville) or potential future sites to help developers secure financing. Up to 30% of total program vouchers can be allocated to project-based developments. Waiting List Operations & Projections: Discussed the historical context of the waitlist (last opened in 2023 with 8,000–10,000 applicants narrowed down via lottery to 1,500). Staff noted a historical success rate (applicants successfully housed) of roughly 6% to 7% from that list and discussed plans to open lists more frequently (targeting annual openings). Lincoln Senior Property Update: Confirmed that the project-based waiting list for Lincoln Senior in Oroville will open on August 11, with the property slated to come online in late December 2026 with 25 allocated project-based vouchers.

3.5 & 3.6 Juan Meza Public Housing Manger and Larry Guanzon, Executive Director reviewed the following items: Public Housing Occupancy & Vacancy Report: Reviewed pages 18 and 19, he reported that public housing occupancy has climbed from an average of over 96% / high-97% range in prior years to 98.3% at the start of the month. Maintaining high occupancy is critical because it functions as a primary indicator for HUD's Public Housing Assessment System (PHAS) scoring. Portfolio & Unit Distribution: Highlighted the management of 345 public housing units spread across Gridley, Biggs, Chico, and Oroville, funded through HUD operating and capital funds. Tenant Movement & New Developments: Discussed how new incoming properties (such as Lincoln Senior, Orchard View 2 in Gridley, and Humboldt Senior in Chico) affect tenant transfers. Staff noted that while residents sometimes move between newer local developments, overall occupancy remains stable, with veteran, senior, and disabled units experiencing the highest demand across the county. Waitlist Data Nuances: Addressed duplicate online applications on waiting lists where applicants check multiple boxes (e.g., applying for Gridley when they actually prefer Chico), skewing raw numbers but providing valuable market justification data for regional developers.

3.7 Taylor Gonzalez, Project Manager reviewed the following items: Farm Labor Housing Standby Generator Update, site construction commenced in June under a State Water Board grant. The natural gas generator was ordered in May following contract execution, initiating a six-month delivery window targeting January 2027. On-Site Construction Progress: The contractor finished all underground gas line installations, site electrical conduit runs between the generator and the well area, and installed the perimeter security fencing. Payment requests are currently being processed through RCAC. The board discussed whether running the natural gas generator during peak utility rate hours could offset commercial electricity costs. While natural gas from PG&E runs roughly 8 to 10 cents per kilowatt, leadership noted potential complications, including PG&E penalty billing structures for high-demand or off-peak utility displacement configurations.

3.12 & 3.13 Angie Little, Rental Assistance Program Manager reviewed the following: Family Self-Sufficiency (FSS) Program: pages 77 and 78. Angie Little reported a record 54 active participants enrolled. The discussion highlighted the management of escrow and forfeiture accounts, noting that program funds can be used for vital participant needs like emergency vehicle repairs or registration fees to maintain employment. Staff enforce strict controls, requiring formal bids and paying vendors directly up to a $2,000 limit. HACB, CoC Partner Administered Grants: Covered administrative oversight for partner programs, including the Lease Guarantee Program (LGP), Tenant-Based Rental Assistance (TBRA), Behavioral Health Assistance Program (BHAP), and related MOUs with the city and county. Staff noted potential legislative shifts from mental health to behavioral health funding, though no local disruptions have impacted current operations yet. Grant Performance Recognition: The board commended staff for exceptional financial management of the $150,000 TBRA grant, which had a balance of only $3,000 remaining by the end of June—noted as a difficult milestone to hit accurately without overshooting or undershooting in rental assistance administration.

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

4. CORRESPONDENCE

None.

5. REPORTS FROM EXECUTIVE DIRECTOR

5.1 <u>Gridley Farm Labor Housing (FLH) Budget</u> – Taylor Gonzalez, Project Manager gave a brief presentation on FLH detailing Gridley Farm Labor Housing Pre-Rehab & Rent Tiers: Reviewed visual and operational disparities between fully renovated properties and units in phases 4 through 8. Unrenovated units feature lower baseline rent structures. To maximize long-term USDA rental assistance subsidies, the agency is actively leveraging operating cash flows to complete micro-tier renovations on at least two unrenovated units annually. On-Site Infrastructure & Historic Layout: Highlighted the layout of the property's self-contained asset components, including the primary office, community room, kitchen upgrades, dedicated water well, standby generator zone, and a large communal soccer field. The board noted that the original 1930s-1950s design emphasized individual garden plots to establish a self-operating ecosystem. Agricultural Mechanization &

Demographics: Discussed shifting labor trends within Butte and Sutter counties. Due to widespread mechanization in regional orchard crops (such as peaches), the local pool of traditional migrant and regular farm labor families is shrinking as workers transition into more lucrative sectors like independent construction or delivery services. Ineligible Tenant Waiver Regulations: Evaluated policy frameworks for USDA "Ineligible Tenant Waivers," which were heavily deployed during COVID-19 and post-fire emergencies to fill vacancies with non-farmworkers (historically peaking at 18 households). The board noted these waivers create operational friction because non- eligible tenants must legally vacate if an eligible farm labor household applies. Liability & Community Upgrades: Briefly debated proposals for creating community-driven agricultural pop-ups or farmers' markets. Juan Meza (noting his 15-year tenure on-site) and the board cited significant public liability, trip-and-fall exposure, and strict crop-origin tracking technology standards as major operational hurdles. Reviewing the formal Gridley Farm Labor Housing Budget (pages 79 to 84) and introducing Resolution 4998. Project Manager Taylor Gonzalez presented the comprehensive budget details formulated by third-party operator AWI Property Management. Key figures include a total estimated income of $1,442,256 (a 4.3% year-over-year increase), total budgeted expenses of $1,019,964, a net operating income of $402,292, and a tight targeted final net cash flow of $2,820 to satisfy USDA frontline reinvestment mandates. Proposed Rent Adjustments: The income model incorporates a proposed $60/month increase for unrenovated units and a $64/month increase for rehabilitated units. These adjustments are pending final regulatory approval from the USDA. Due to the specialized farm labor eligibility requirements detailed in prior discussions, the budget intentionally models a 15% vacancy rate. While high for typical multi-family properties, it directly mirrors the unique operational constraints of the property. Total expenses are set at $1,019,964. Major cost drivers include AWI's enterprise data transition to Yardi software to centralize property financing and the expansion of the on-site team. The property maintains four full-time employees (two property managers, two maintenance staff), which includes expanding one maintenance staffer's workload from 30 up to 40 hours per week. Net Operating Income (NOI) finishes at $402,292. After subtracting $234,264 for replacement/turnover costs and $150,000 for debt service, the remaining net cash flow settles at $2,820. Management noted that the USDA strictly rejects excess retained cash flows, explicitly requiring properties to spend down balances back into capital improvements. Reserve Transfers: The capital improvement timeline calls for drawing down $69,996 from existing reserves to supplement frontline modernizations.

*** RESOLUTION NO. 4998***

Commissioner Crowe moved that Resolution No. 4998 be adopted by reading of title only: "APPROVAL OF FISCAL YEAR 2026-27 BUDGET FOR THE USDA-RD FARM LABOR HOUSING PROGRAM". Commissioner Richter seconded. The vote in favor was unanimous.

5.2 Gridley Springs II Apartments Budget – Project Manager Taylor Gonzales outlined the property's revenue and expense targets managed by third-party agent Arrowhead Housing. Key metrics include $240,000 in total estimated revenue, $195,899 in operating expenses, a pre-depreciation profit of $44,307, and an estimated final net cash flow of $34,071 after accounting for required regulatory reserve deposits. Asset Structure & Shared Costs: Gridley Springs 2 consists of 24 units owned outright by the Housing Authority. It sits adjacent to Gridley Springs 1 (a separate 32-unit tax credit property managed by Dawson Holdings). The two properties split shared operating overhead—including a shared resident manager and central office supplies on Ford Avenue—requiring strict bookkeeping to prevent the commingling of funds. Rent Tier Alignments: The property operates under two distinct rent structures: 8 Rental Housing Construction Program (RHCP) Units: Mandated by state funding to maintain lower affordable structures, pricing rents at $700 to $711 per month for two-bedroom layouts (with adjustments for three-bedroom units).16 Low-Income Housing Tax Credit (LIHTC) Units: Regulated by tax credit boundaries, with monthly rents ranging from $862 to $1,008 depending on configuration. Operational Expense Volatility: Total operational costs are projected at $195,899. Key upward pressures stem from escalating utility costs, administrative/employee expenses, and a conservative 15% property insurance hike factored into the budget to mitigate volatile regional insurance markets. Regional Insurance Market Vulnerabilities: The board discussed regional insurance challenges under the Joint Powers Authority (JPA) frameworks, noting that properties are covered under HARRP or AHRP. For high-risk fire zones (such as the 12-unit Mayor Commons complex), properties are locked out of conventional reinsurance and must rely exclusively on the costly California FAIR Plan, driving premiums to $38,000 annually. Management is actively consulting with community partners to cross-shop alternative standalone options.

<u>* RESOLUTION NO. 4999*</u>

Commissioner Ober moved that Resolution No. 4999 be adopted by reading of title only: "APPROVAL OF THE FISCAL YEAR 2026-27 OPERATING BUDGET FOR GRIDLEY SPRINGS II APARTMENTS, 210 FORD AVENUE, GRIDLEY". Commissioner Crowe seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

Executive Director Larry Guanzon outlined the agency's dual-track fiscal timeline for the board. The primary Housing Authority operations operate on a fiscal year from October 1 to September 30. The upcoming sequence consists of: Pre-August Meeting: Budget Committee evaluation of designated bond properties. Post-August Meeting: Review of the comprehensive, consolidated budget assembled by CFO Consultant Marco Cruz. October–December Window: Board review and approval of annual calendar-year budgets under the Butte County Affordable Housing Development Corporation, which are subsequently forwarded to outside oversight agencies like CTCAC.

Audit & Training Deliverables: Staff distributed finalized training reference materials compiled by Marysol Perez, Executive Assistant at the request of Commissioner Merrill. The packet includes standard agenda hyper-links, physical reference binders, and specific duplicate printouts of pages 172 and 173 containing the agency's definitive master audit summary referenced during Marco's training session.

8. SPECIAL REPORTS

None.

9. REPORTS FROM COMMISSIONERS

None.

10. MATTERS INITIATED BY COMMISSIONERS

Project Manager Taylor Gonzales is maintaining active outreach to finalize execution plans for a proposed decorative community mural originally initiated by Commissioner Richter.

Sunrise Village Apartments, Gridley, following up on property issues raised by Commissioner Faulk regarding the Sunrise Village Senior complex, Executive Director Larry Guanzon initiated direct formal communications with the property management firm and developer TPC. Management is auditing all items raised, including an active liability review regarding fire insurance hazards associated with hot charcoal coals from traditional barbecue units versus alternative Weber equipment models.

11. EXECUTIVE SESSION
Adjourn: 3:26 p.m.
Reconvene: 4:26 p.m.

All of those identified in the roll call, except for Angie Little and Juan Meza. Executive Session Item 11.1 were present for Executive Session Item 11.1.

11.1 Government Code 54956.8: Conference with real estate negotiator – Direction was provided to staff related to Evanswood Apartments, Oroville CA. Discussion continued at next meeting.

All of those identified in the roll call, except for Angie Little, Juan Meza, Tamra Young, Taylor Gonzalez and Marysol Perez were present for Executive Session Item 11.2

11.2 Government Code 54957: Public Employment Performance Evaluation – Board initiated discussion of annual performance evaluation with Executive Director Guanzon. Discussion continued at next meeting.

12. COMMISSIONERS' CALENDAR

- **Next Meeting: August 20, 2026**
- **Save the date: NAHRO National Conference, October 15 -17, 2026 Denver Colorado**

13. ADJOURNMENT

The meeting was adjourned at 4:27 p.m.

Dated: July 16, 2026.

David Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary