

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

**MEETING MINUTES OF
September 17, 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 2:00 p.m.

1. ROLL CALL

Present for the Commissioners: Bob Crowe, Laurel Faulk, Tim Merrill, Rich Ober, David Pittman, Sarah Richter and Jean Snow; all attended in person with the exception of Laurel Faulk who attended via web conference.

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, Taylor Gonzalez, Project Manager; Karen Wells, Finance Director and Marco Cruz, CFO Consultant, all attended in person.

Others Present: Tiffany Lee, Special Programs Coordinator; Sharon Maalis, Family Self Sufficiency Graduate and Roxanne Taylor, Family Self Sufficiency Graduate; attended in person.

Special Introduction: The Board welcomed Karen Wells, the new Finance Director to her first Board meeting.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

- 3.4 Section 8 Housing Choice Voucher (HCV) Program Report: Angie Little Rental Assistance Programs Manager reviewed the monthly analysis report with the Board. Voucher utilization stands at 96.18%, but budget utilization is over 100%,

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There are currently 88-port out households in higher cost jurisdictions currently billed to the HACB.

- 3.5 Property Vacancy Report: Juan Meza, Public Housing Manager also reviewed the monthly analysis report with the Board and staff. Public Housing occupancy remains stable at 98.8% with only 4 vacant units out of 345 total units.

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

4. CORRESPONDENCE

- 4.1 CY2026 HAP Shortfall Letter – Deputy Executive Director Tamra Young Cameron explained that HUD issued a shortfall letter because HACB is running at approximately \$2.2 million per month and is projected to be \$90,419 short for December 2026. Staff is managing the shortfall through natural program attrition. HACB has suspended issuing new tenant-based vouchers, stopped absorbing incoming port-ins, and frozen new Project-Based Voucher (PBV) proposals. Emergency Housing Voucher (EHV) households will transition to standard HCVs on January 1, 2027. To clarify what portability is to newer Board members, Chair Pittman asked Deputy Executive Director Young to define and explain what portability or a “port” means in the context of the HCV program. She explained that when a voucher is issued, the recipient must initially stay within HACB's jurisdiction (Butte or Glenn County) for one year. After that year, the "choice" component of the Housing Choice Voucher program allows them to legally move anywhere in the United States that has a housing authority, additionally she noted that many applicants engage in "waitlist shopping" meaning they apply to HACB because the waitlist is easier to get onto, wait out their required year, and then immediately "port out" back to the higher-cost cities they originally came from. Under HUD's current shortfall instructions, HACB was strictly forbidden from absorbing any incoming vouchers (which would make them HACB's financial responsibility). Instead, HACB is required to continuously bill the originating agencies to ensure HACB does not take on extra costs while navigating their own deficit.

5. REPORTS FROM EXECUTIVE DIRECTOR

- 5.1 Family Self Sufficiency (FSS Graduate) – FSS Coordinator Tiffany presented Sharon’s journey, describing her as an "absolute delight" and an inspiring role model. Despite being a senior citizen and legally blind, Sharon consistently refused to let her circumstances become barriers to achieving her life and career goals. Over the course of her time in the program, Sharon earned an impressive array of credentials, including two Bachelor's degrees (one in Psychology and one in Child Development) and two Associate's degrees (one in Fine Arts and one in Social Science). At the time of graduation, she was actively working toward a certificate in Sustainable Studies and completing her final classes for an additional Associate's degree in Child Development. Throughout her studies, she maintained consistent employment, often juggling multiple part-time positions as an In-Home Supportive Services (IHSS) worker caring for multiple clients with disabilities. Sharon’s ultimate ambition is to look beyond her own accomplishments and avoid solely relying on Social Security. Her goal is to enter graduate school and become a community mentor, explicitly using her education and personal resilience to guide and support others. Sharon personally thanked Tiffany and the Board, stating that having an authority team that truly believes in her dreams made it much easier to wake up and push through the days when she felt exhausted.

*** RESOLUTION NO. 5002 ***

Commissioner Ober moved that Resolution No. 5002 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE SHARON MAALIS”. Commissioner Crowe seconded. The vote in favor was unanimous.

- 5.2 Family Self Sufficiency (FSS Graduate) – Roxanne originally enrolled in the FSS program in May 2020 and graduated from her first round on April 30, 2025. Following subsequent updates to HUD rules that allowed for program reentry, she re-enrolled in October 2025 to pursue advanced financial goals. For many years, Roxanne maintained stable employment as an In-Home Supportive Services (IHSS) worker, demonstrating a strong, long-term commitment to her career and community. Utilizing the stability gained from the program and structural updates via the Housing Opportunity Through Modernization Act (HOTMA) regulations, Roxanne partnered with her mother to purchase a home in the Town of Paradise. Because she successfully moved into her new home, Roxanne achieved complete independence, simultaneously exiting both the FSS program and the Section 8 Housing Choice Voucher program. Commissioner Richter noted that she had

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actually met Roxanne earlier in the year when Roxanne took her first-time homebuyer class in Paradise. Tiffany and Sarah used this moment to highlight their ongoing efforts to get local jurisdictions to commit a set percentage of local homebuyer funds specifically to FSS graduates, noting that Roxanne proved the concept works perfectly. Roxanne personally thanked the Board, stating that no words could adequately describe how rewarding it felt to see her hard work culminate in owning a home.

Commissioner Merrill asked about the wide variance between Roxanne's final escrow payout and fellow graduate Sharon's payout. Staff explained that Roxanne's escrow balance for this period was smaller because she was only re-enrolled for a short time before her income grew so high that she phased out of subsidized housing. Furthermore, her largest escrow accumulation had already been paid out during her first successful graduation circle in April 2025.

RESOLUTION NO. 5003

Commissioner Richter moved that Resolution No. 5003 be adopted by reading of title only: “RECOGNITION OF FSS GRADUATE ROXANNE TAYLOR”. Commissioner Ober seconded. The vote in favor was unanimous.

- 5.3 Section 8 Housing Choice Voucher (HCV) – Deputy Executive Director Young presented a mandatory corrective amendment to Chapter 17 (Project-Based Vouchers) of the Section 8 Administrative Plan. The item was brought forward after a recent federal SEMAP (Section 8 Management Assessment Program) audit conducted by HUD discovered a critical text error in the agency's primary governance document. HACB uses a standard industry framework (the Nan McKay template) for its thousand-page Administrative Plan, fine-tuning it over the years to reflect local operations. During the text integration, Chapter 17 mistakenly cross-referenced Chapter 3's selection rules. This error accidentally stated that Project-Based Voucher (PBV) waitlists operated under a randomized lottery system, rather than a chronological date and time system. Deputy Executive Director Young admitted that she would have "lost a hundred-dollar bet" believing the document was already correct, but reassured the Board that staff had always been administering the program correctly in practice. The revision was purely an administrative fix to make the official plan match actual agency behavior.

RESOLUTION NO. 5004

Commissioner Ober moved that Resolution No. 5004 be adopted by reading of title only: “ADOPTION OF REVISED SECTION 8 HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN (AP)”. Commissioner Richter seconded. The vote in favor was unanimous.

- 5.4 HACB Write-Offs – Marco Cruz, CFO Consultant presented the write-offs explaining that it is standard policy and practice to clear uncollectible balances off the internal financial books. Any outstanding debt—either from tenants who moved out owing back rent or from landlords who were accidentally overpaid and failed to return the funds—is brought to the Board for a formal write-off once it has been outstanding for over 90 days and internal collection efforts have been completely exhausted. Clearing these balances is essential for the agency’s standing with HUD. HACB’s internal financial performance is actively scored based on the volume of outstanding receivables it carries; removing them protects the agency's official grading metrics. Marco noted that last year was a major "catch-up year" where write-offs peaked north of \$200,000 due to older data being migrated into a new software system. While this year's total was still slightly higher than management preferred, it represented a return to a much lower, more predictable baseline. Chair Pittman and the commissioners questioned whether landlords or tenants faced ongoing repercussions once an account was internally written off. Marco and Chair Pittman emphasized that a write-off does not mean the debt is forgiven: Written-off accounts are immediately forwarded to a third-party collection agency to continue aggressive recovery efforts. Per federal regulations, these debts are flagged directly in HUD's system. If a delinquent tenant or landlord attempts to participate in any HUD housing choice program anywhere else in the United States, they are completely barred from renting or collecting federal subsidies until they pay their debt in full or set up a binding repayment agreement. In addition, Rental Assistance Programs Manager Angie Little and CFO Consultant Marco clarified that landlords who owe money are rarely an ongoing issue. If an overpaid landlord has multiple active Section 8 tenants with the agency, HACB doesn't wait for a check; they simply claw back the overpayment directly from the landlord’s next monthly overall subsidy check. The accounts that actually end up requiring a formal Board write-off are almost exclusively public housing tenants who have vacated or landlords who no longer have any active tenants on the program.

RESOLUTION NO. 5005

Commissioner Crowe moved that Resolution No. 5005 be adopted by reading of title only: "WRITE-OFF UNCOLLECTIBLE ACCOUNTS RECEIVABLE". Commissioner Richter seconded. The vote in favor was unanimous.

- 5.5 HACB Consolidated Budget - The budget was thoroughly vetted the prior week by the Budget Committee, which consisted of Executive Director Larry Guanzon, CFO Consultant Marco Cruz, Deputy Executive Director Tamra Young, Senior Accountant Ginny Riley, Commissioner Ober, and Commissioner Crowe. Marco noted that this budget was vastly superior to the prior year's, which he had been forced to assemble in just a week and a half right after starting his role. He candidly rated the current budget process at a "60% situation" compared to where a flawless process should be, adding that it takes multiple years to perfect department-head integration. However, he expressed total confidence that under the incoming leadership of Finance Director Karen Wells, the process would reach the "99th percentile." Agency Totals: The consolidated budget projected \$37,523,502 in revenues and \$35,604,000 in expenses, leaving a positive agency-wide cash change of \$142,000. Salaries & Benefits: The budget baked in a 3.5% Cost of Living Adjustment (COLA) for staff based on the San Francisco CPI guidelines. However, Marco noted that the CPI data just came in slightly higher at 3.8%, meaning expenditures might face subtle upward pressure. He also noted that employee benefits reliably track at 50% of base salaries when accounting for Workers' Comp, health insurance, and employer taxes. Insurance Drop: In a rare positive turn for the current inflationary environment, the agency's property insurance premium actually dropped by 12%, while general liability remained static. Public Housing Deficit: Public housing operations projected a deficit of \$271,954 for the year due to high routine operational costs across the 345 units. Fortunately, both programs possess strong healthy reserve balances. Section 8 holds roughly \$3 million in starting cash, and Public Housing holds \$522,000. While drawing down on reserves to cover operational deficits is sustainable for the short term, Executive Director Guanzon explicitly warned the Board that it is not sustainable long-term, and cutting non-personnel expenses will be a primary focus for the upcoming fiscal cycle. As a final component of the budget, Deputy Executive Director Young highlighted a mandatory overhaul of the agency's organizational chart to comply with California Regulation AB 2561. The state now legally requires the org chart to reflect funded operational reality rather than a "wish list." Consequently, HACB stripped away multiple long-vacant maintenance slots that were perpetually kept on hold. Management

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intentionally preserved one vacant position on hold: Utility Worker. This was a strategic move by staff. If the agency does not maintain an active utility worker classification on its approved maintenance wage index, federal contracting guidelines would legally force them to pay "Maintenance I" wages to basic contracted office janitors.

Commissioner Rich suggested that HACB could take a few unused acres of the 35-acre property, plant a commercial crop, and directly hire 8 to 10 under-income tenants (or new applicants) to work the land. By paying them just enough to clear the \$5,752.50 annual threshold, HACB would instantly make these families legally eligible for farm labor housing. Executive staff agreed that the idea was highly innovative and possessed genuine merit. Management committed to researching USDA regulatory boundaries, civil liability insurance constraints, and employee classification laws to see if any other housing authority in the country has successfully pulled off a similar creative model.

RESOLUTION NO. 5006

Commissioner Ober moved that Resolution No. 5006 be adopted by reading of title only: "APPROVAL OF FISCAL YEAR 2026-27 CONSOLIDATED OPERATING BUDGET INCLUDING THE HUD SECTION 8 HOUSING CHOICE VOUCHER PROGRAM, USDA FARM LABOR HOUSING PROGRAM, AUTHORITY OWNED PROJECTS, AND OTHER AUTHORITY ADMINISTERED PROGRAMS AND CONTRACTS". Commissioner Crowe seconded. The vote in favor was unanimous.

- 5.6 Section 8 Housing Choice Voucher and Emergency Housing Voucher (EHV) Payment Standards – Rental Assistance Programs Manager Angie Little presented the item, revealing a highly unexpected and frustrating calculation from HUD regarding local housing metrics. To the surprise of staff and management, HUD's annual data release decreased Fair Market Rents (FMRs) in Butte County by an average of 7%, while Glenn County received a nominal 2% increase. This deflationary HUD ruling created a severe challenge because HACB was already managing a localized 2026 funding shortfall. Dropping the local payment standards to match HUD's lower FMR would drastically reduce voucher buying power, forcing low-income families to pay significantly higher out-of-pocket rent portions or face eviction. To shield participants, management proposed keeping the payment standards completely flat, holding them at the exact same rates as the prior fiscal year. Because HUD lowered the baseline FMR but HACB held its payment rates steady, the local standards shifted from roughly 96% of FMR up to 104% of FMR.

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This cushion remains safely within HUD's allowable basic range (90% to 110%). The only exceptions were minor, legally required micro-adjustments. Staff bumped Glenn County studios and 3-bedrooms up to the mandatory 90% floor, and decreased Butte County EHV studios slightly to stay under the federal 120% ceiling.

RESOLUTION NO. 5007

Commissioner Richter moved that Resolution No. 5007 be adopted by reading of title only: "DETERMINATION OF 2027 PAYMENT STANDARDS FOR THE HUD SECTION 8 HOUSING CHOICE VOUCHER PROGRAM AND EMERGENCY HOUSING PROGRAM". Commissioner Crowe seconded. The vote in favor was unanimous.

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

Commissioner Richter pointed out that HUD's letters specifically called out the Board of Commissioners, aggressively characterizing the oversight body as "uneducated and naive" regarding their fiduciary and regulatory duties. Executive Director Guanzon explained that HUD had reviewed past board minutes and interviewed staff members (including a former director who was no longer with the agency). HUD determined that while the Board may have been receiving informal training behind the scenes, the official minutes failed to document any of it. Legally, if a strategic programmatic discussion or training block is not recorded in the minutes, HUD treats it as if it never happened. To immediately resolve this compliance failure and satisfy HUD's

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transparency mandates, Executive Director Guanzon implemented a new directive for the agency's records. Moving forward, the board minutes would transition from simple action summaries to highly detailed, comprehensive records. The expanded minutes serve as legal proof to HUD that the Board is actively maintaining rigorous, educated oversight.

11. EXECUTIVE SESSION

None.

12. COMMISSIONERS' CALENDAR

- **NAHRO National Conference, October 15 -17, 2026 Denver Colorado**
- **Next Meeting: October 22, 2026**

13. ADJOURNMENT

The meeting was adjourned at 3:47 p.m.

Dated: September 17, 2026.

David W. Pittman, Board Chair

ATTEST:

Lawrence C. Guanzon, Secretary