

**MINUTES**  
**Seven Hundredth Thirty Fifth Meeting**  
**HOUSING AUTHORITY**  
**CITY OF SANTA BARBARA**  
**814 Laguna St., Santa Barbara, California**  
**5:30 p.m. – October 15, 2008**

**I. CALL TO ORDER/ROLL CALL**

5:31 P.M. Vice Chair Allen presiding

Board Members present: Stanley Eisele, Geoff Green, David Hughes, Mary Johnston-de Leon, Cheryl Rogers, Barbara Allen

Board Members absent: Robert Niehaus

Staff Members present: R. Pearson, R. Fredericks, S. Szymanski, R. Maccianti, T. Carter, A. Hughes

**II. PUBLIC COMMENT – None**

**III. CONSIDERATION OF MINUTES**

1. Consideration of the Minutes of the Regular Meeting of September 17, 2008

**MOTION**

M/S Hughes/Rogers moved to approve the Minutes of the Regular Meeting of September 17, 2008 as presented.

**VOTE**

Ayes:	Stanley Eisele	Cheryl Rogers
	David Hughes	Barbara Allen
	Mary Johnston-de Leon	

Nays: None

Abstain: Geoff Green

Absent: Robert Niehaus

**IV. BILLS AND COMMUNICATIONS**

1. Fall 2008 edition of Housing Authority's "Community Times" newsletter

This item presented for information only, no action required and none taken.

**V. CONSENT CALENDAR - None**

## VI. REPORT OF EXECUTIVE DIRECTOR

1. Recommendation that the Commission hear a request from Bermant Homes regarding an alternate, non-housing development scenario for 535 E. Montecito St.

### DOCUMENTS

- October 8, 2008 Executive Director's Report

### SPEAKERS

Staff: R. Pearson

Mr. Pearson began by stating that Bermant Homes had asked that this request be delayed to the Commission's next meeting. Mr. Pearson also provided the following reminders. At the Commission's 9/17/08 meeting, Bermant Homes was granted an extension on their Option Agreement to 12/15/08 so as to allow time for Bermant to approach the Santa Barbara Foundation (SBF) and ask that they agree to allow the accrued interest for the period 11/1/08 to 10/31/09 on their \$3.5 million loan to Housing Authority for the property purchase to be subordinated to the Housing Authority's cash investment in the project to date which is estimated at \$400,000. Mr. Pearson explained that the SBF Board will consider Bermant's request on subordination for the Housing Authority's benefit at their October 28, 2008 meeting. Once the decision is made then the Housing Authority Commission would be better able to evaluate their willingness to extend Bermant's Option to 10/1/09 as recently requested by Bermant Homes. Since the Commission's 9/17/08 meeting, Mr. Pearson commented that Bermant's representatives are now asking that they also be allowed to pursue alternate project scenarios (i.e. an industrial project) for the property. Mr. Pearson stated that he has made it clear to Bermant that they did not have authority to pursue a non housing project under their option. He told them if they wanted that right, they would have to secure it from the Commission and that is why he had placed this item on the agenda at Bermant's request. Commissioner Hughes inquired as to when Staff thought the Commissioners might be able to be in a position to make a final decision on whether or not to extend the Bermant's Option to 10/1/09 as they requested in September. Mr. Pearson commented that the Housing Authority will know how the SBF responded to the subordination concept by the Commission's next meeting (11/5/08) and can the begin thinking about what you as a Board wish to do on the Option extension. You would have that meeting (11/5/08), the meeting of 11/19/08 and then your first meeting of December (12/3/08) to decide if you wish to extend the option—as well as decide if allowing Bermant to pursue a non housing project on the site is something you wish to do as part of an extension.

Bermant's representatives did not attend the meeting; therefore the item will be place again at the next Board meeting agenda scheduled for 11/5/08.

2. Recommendation that the Commission ratify the Executive Director's authorization for expenditures of additional funds in the amount of \$33,885 with Best Contracting Services, Inc. to complete unanticipated work associated with the re-roofing of 1934, 1936 and 1938 Elise Way

DOCUMENTS

- September 22, 2008 Executive Director's Report prepared by Director of Property & Development

SPEAKERS

Staff: R. Pearson, R. Maccianti

MOTION

M/S Johnston-de Leon/Rogers moved to ratify the Executive Director's authorization for expenditures of additional funds in the amount of \$33,885 with Best Contracting Services, Inc. to complete unanticipated work associated with the re-roofing of 1934, 1936 and 1938 Elise Way.

VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

3. Recommendation that the Commission ratify the Executive Director's issuance of Purchase Order 1273 to General Electric Company (GE) in the amount of \$38,311.60 for residential appliances (stoves and refrigerators) for Mental Health Association's (MHA's) 51 unit, new construction project known as Garden Street Apartments, acknowledging that MHA shall reimburse the Housing Authority for this expense

DOCUMENTS

- October 6, 2008 Executive Director's Report prepared by Director of Property & Development

SPEAKERS

Staff: R. Pearson, R. Maccianti

MOTION

M/S Eisele/Johnston-de Leon moved to ratify the Executive Director's issuance of Purchase Order 1273 to General Electric Company (GE) in the amount of \$38,311.60 for residential appliances (stoves and refrigerators) for Mental Health Association's (MHA's) 51 unit, new construction project known as Garden Street Apartment, acknowledging that MHA has already reimbursed the Housing Authority for this expense.

VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

4. Recommendation that the Commission: (1) accept and approve the responsive low bid from Rounds Construction, Inc. for the concrete curbs, path lighting, flat work and trellis replacement at the Recreation Room at 418 Santa Fe Place (aka SHIFCO) in the amount of \$128,200; (2) authorize the Executive Director, or his designee, to execute a contract with said firm for the subject work; and (3) further authorize the Executive Director, or his designee, to approve up to \$19,230 (15% of base contract amount) in additional expenditures to cover any cost increases resulting from change orders for work not anticipated or covered by the contract

#### DOCUMENTS

- September 9, 2008 Executive Director's Report prepared by Director of Property & Development

#### SPEAKERS

Staff: R. Pearson, R. Maccianti

#### MOTION

M/S Hughes/Eisele move to accept and approve the low bid from Rounds Construction, Inc. for the concrete curbs, path lighting, flat work and trellis replacement at the Recreation Room at 418 Santa Fe Place (aka SHIFCO) in the amount of \$128,200 and authorize the Executive Director, or his designee, to execute a contract with said firm for the subject work and further authorize the Executive Director, or his designee, to approve up to \$19,230 (15% of base contract amount) in additional expenditures to cover any cost increases resulting from change orders for work not anticipated or covered by the contract.

#### VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

5. Recommendation that the Commission: (1) ratify a contract with Rounds Construction, Inc. for rehabilitation of fire damaged apartment unit known as 323 "A" South Voluntario Street in the amount of \$55,950; and (2) authorize the Executive Director, or his designee, to approve up to \$8,400 (15% of base contract amount) in additional contract expense to cover any cost increases resulting from change orders for work not anticipated or covered by the contract

#### DOCUMENTS

- September 17, 2008 Executive Director's Report prepared by Director of Property & Development, listing bids as follows: Service Master Anytime \$63,425.27; Quick Response \$84,897.45; Rounds Construction, Inc. \$55,950.00

**SPEAKERS**

Staff: R. Pearson, R. Maccianti

Mr. Pearson apologized to the Commission for having to bring forward so many ratifications of expenditures. He stated Staff tries and prefers to always plan ahead and secure the Commission's approval on expenses that exceed his authorization prior to proceeding with them. Unfortunately, he stated, the ones you are considering tonight needed to occur and move forward as they were in the best interest of the Authority to proceed. Commissioner Hughes commented that he preferred that Staff acted in this proactive manner as opposed to waiting for a Commission meeting when the needs warranted.

Commissioner Hughes raised a question regarding fire damage caused by tenant. He wanted to know if the Housing Authority has a written policy on seeking reimbursement from tenants when their negligence caused the property damage. Staff responded that yes they do. He also requested that the Board be informed if insurance company did not fully reimburse the Housing Authority for all fire damages at this apartment, less of course the deductible. Staff will have that information for the Board when the work is completed and available.

**MOTION**

M/S Rogers/Johnston-de Leon moved to accept and ratify a contract with Rounds Construction, Inc. for rehabilitation of fire damaged apartment unit known as 323 "A" South Voluntario Street in the amount of \$55,950 and authorize the Executive Director, or his designee, to approve up to \$8,400 (15% of base contract amount) in additional contract expense to cover any cost increases resulting from change orders for work not anticipate or covered by the contract.

**VOTE**

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

**VII. TREASURER'S REPORT**

1. Recommendation that the Commission adopt the Resolution setting forth costs incurred and payments made for the period ending September 2008

**DOCUMENTS**

- October 8, 2008 Executive Director's Report prepared by Finance Department
- Resolution referenced above together with September 2008 list of expenditures

**SPEAKERS**

Staff: R. Pearson

Vice Chair Allen inquired about payment No. 66607 in the amount of \$3,758.36 to the Orange County Housing Authority and payment No. 137295 in the amount of \$665.00 paid to the Regents of UCSB. It was determined that the first payment is a Port-Out billing and the second a Section 8 participant leasing at UCSB.

MOTION

M/S Johnston-de Leon/Hughes moved to adopt Resolution No. 2331 of the Housing Authority of the City of Santa Barbara, as presented, ratifying and approving the expenditure of Housing Authority funds by the Executive Director for necessary supplies and services rendered to the Housing Authority and paid during September 2008.

VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

2. Recommendation that the Commission review and order filed the Housing Authority's quarterly Investment Report for period ending June 30, 2008

DOCUMENTS

- October 9, 2008 Executive Director's Report prepared by Finance Department together with Trust Investments Report for period 4-1-08 to 6-30-08

SPEAKERS

Staff: R. Pearson

MOTION

M/S Rogers/Eisele moved to accept and order filed the Housing Authority's quarterly Investment Report for period ending June 30, 2008.

VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

**VIII. COMMITTEE REPORT - None**

**IX. UNFINISHED BUSINESS - None**

**X. NEW BUSINESS**

1. Recommendation that the Commission adopt the Resolution approving personnel related amendments to the Housing Authority's Manual of Policies and Procedures creating a fourth Resident Coordinator position

DOCUMENTS

- October 6, 2008 Executive Director's Report prepared by Human Resources Analyst
- Resolution reference above together with Exhibit A, revised Semi Monthly Salary Schedule

SPEAKERS

Staff: R. Pearson, T. Carter

Commissioner Hughes asked if Staff is able to track time spent by Authority employees involved in the management of the MHA Garden Street apartments. He wanted to know if the 6% fee paid to the Housing Authority for compensation as Managing Agent covers all of the Authority costs. Staff answered questions and explained that the process is monitored closely to make sure costs are allocated fairly and appropriately.

MOTION

M/S Johnston-de Leon/Rogers moved to adopt the Resolution No. 2332 of the Housing Authority of the City of Santa Barbara, as presented, approving personnel related amendments to the Housing Authority's Manual of Policies and Procedures creating a fourth Resident Coordinator position.

VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

2. Recommendation that the Commission adopt three Resolutions authorizing the Authority's debt issuance, 2008 Note A, and matters related thereto for financing the acquisition of 227 W. De La Guerra (aka Cottage Gardens) as well as for the construction of two new units at 233 W. Ortega St. and further authorize the Executive Director to expend up to the full amount of the Cottage Gardens Operating Reserve estimated at \$257,227 to complete this purchase

DOCUMENTS

- October 7, 2008 Executive Director's Report
- First Resolution referenced above to Borrow or Guarantee from Santa Barbara Bank & Trust, as Exhibit A
- Second Resolution referenced above authorizing issuance and delivery of Mortgage Secured Note, 2008 Note A and Deed of Trust and related documents, as Exhibit B

- Third Resolution referenced above making certain findings relative to the issuance of Mortgage Secured Note, 2008 Note A, as Exhibit C
- Exhibit D, letter dated 3-17-08 to Cottage Gardens Associates, LTD regarding application of accrued Operating Reserves and letter dated 9-17-08 from Authority's Counsel clarifying application of accrued Operating Reserves

#### SPEAKERS

Staff: R. Pearson

#### MOTIONS

M/S Hughes/Eisele moved to adopt the Resolutions Nos. 2333, 2334 and 2335 of the Housing Authority of the City of Santa Barbara, as presented, authorizing the Authority's debt issuance and delivery of Mortgage Secured Note, 2008 Note A and Deed of Trust and other related documents and actions for the purchase of a 17 unit multifamily rental housing development known as Cottage Gardens.

#### VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

Following the approval of the above three Resolutions the following motion was made:

M/S Hughes/Eisele moved to further approve and authorize the Executive Director to expend, at his discretion, up to the full amount of the Cottage Gardens Operating Reserve held by the Housing Authority estimated to be \$257,227 to complete the purchase of Cottage Gardens pursuant to the Option terms set forth in the Authority's Master Lease for the property.

#### VOTE

Ayes:	Stanley Eisele	Mary Johnston-de Leon
	Geoff Green	Cheryl Rogers
	David Hughes	Barbara Allen
Nays:	None	
Abstain:	None	
Absent:	Robert Niehaus	

Mr. Pearson noted for the record that copy of the actual proposed 2008 Note A and Deed of Trust and other related documents to the purchase/financing are here before the Commission and are being presented to the Commission at this meeting as part of the adoption of the subject Resolutions.

**XI. COMMISSION MATTERS – None**

**XII. ADJOURNMENT**

Meeting adjourned at 6:32 p.m. on order of Vice Chair Allen.

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ROBERT G. PEARSON, SECRETARY

APPROVED:

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ROBERT D. NIEHAUS, CHAIR