

MINUTES
Seven Hundredth Twenty-Seventh Meeting
HOUSING AUTHORITY
CITY OF SANTA BARBARA
814 Laguna St.
Santa Barbara, California
5:30 p.m. – March 19, 2008

I. CALL TO ORDER/ROLL CALL

5:35 P.M. Chair Silverstein presiding

Board Members present: Barbara Allen, Stanley Eisele, Mary Johnston-de Leon, Robert Niehaus, Cheryl Rogers, Christine Silverstein

Board Members absent: David Hughes

Staff Members present: R. Pearson, S. Szymanski, R. Fredericks, M. Trejo, R. Lawrence, R. Maccianti, V. Loza, A. Hughes

II. PUBLIC COMMENT - None

III. CONSIDERATION OF MINUTES

1. Consideration of the Minutes of the Regular Meeting of February 20, 2008

MOTION

M/S Allen/Rogers moved to approve the Minutes of the Regular Meeting of February 20, 2008 as presented.

VOTE

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

IV. BILLS AND COMMUNICATIONS

1. 3-5-08 Daily Sound article announcing the Housing Authority's free income tax preparation for low income families
2. 3-5-08 News-Press article entitled "In Brief: Homeless housing project garners award", announcing award to the Housing Authority's El Carrillo Studios by the National Association of Housing and Redevelopment Officials (NAHRO). The NAHRO's Award of Excellence was issued to El Carrillo in the category of "Innovation in Affordable Housing".
3. March 2008 Housing Authority's 2nd issue of the "Landlord Link" newsletter

4. 3-13-08 Santa Barbara Independent article entitled "Height Fight on Chapala" – see pages 3 and 4 where successful Housing Authority projects are discussed

The above items presented for information only, no action required and none taken.

V. CONSENT CALENDAR - None

VI. REPORT OF EXECUTIVE DIRECTOR

1. Recommendation that the Commission receive a report on the agreement and status of real estate development consulting services between the Housing Authority and the Mental Health Association in Santa Barbara County (MHA)

DOCUMENTS

- February 26, 2008 Executive Director's Report prepared by Deputy Executive Director/CAO together with Exhibit A, agreement dated April 9, 2007 and Exhibit B, extension to the agreement dated March 31, 2008 with expiration on January 31, 2009

SPEAKERS

Staff: R. Pearson, R. Fredericks

While the Staff Report for this item read as "For Your Information" only, the Authority's General Counsel has recommended that the Commission take a formal vote approving the past and proposed agreements for this outsourcing of Authority services on a fee basis. Staff had assumed that this "generation of income" (versus an expenditure) did not require Commission approval. General Counsel, however, pointed out that the subject Agreements obligates the Housing Authority to certain matters such that Commission approval is recommended.

MOTION

M/S Allen /Niehaus moved to ratify and formally approve the past and proposed agreements for outsourcing of Housing Authority services to the Mental Health Association in Santa Barbara County (MHA) and further authorizing the Housing Authority's Executive Director to approve and execute all such future agreements with MHA for similar services.

VOTE

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

2. Recommendation that the Commission receive a report on the agreement and status of real estate development consulting services between the Housing Authority and Transition House

DOCUMENTS

- February 20, 2008 Executive Director's Report prepared by Director of Property and Development together with Exhibit A, agreement dated May 10, 2004; Exhibit B, extension to agreement dated March 31, 2006; and Exhibit C, second extension to agreement dated March 31, 2008 with expiration on March 10, 2010

SPEAKERS

Staff: R. Pearson, R. Fredericks

As with the preceding item, the Staff Report for this item read as "For Your Information" only. However, again, the Authority's General Counsel has recommended that the Commission take a formal vote approving the past and proposed agreements for this outsourcing of Authority services on a fee basis. Staff had again assumed that this "generation of income" (versus an expenditure) did not require Commission approval. General Counsel, however, pointed out that the subject Agreements obligates the Housing Authority to certain matters such that Commission approval is recommended.

MOTION

M/S Niehaus/Allen moved to ratify and formally approve the past and proposed agreements for outsourcing of Housing Authority services to Transition House and further authorizing the Housing Authority's Executive Director to approve and execute all such future agreements with Transition House for similar services.

VOTE

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

3. Recommendation that the Commission approve the selection of Thomas H. Sever, CPA, to perform the required external fiscal audit of the Housing Authority's financial records for FYE 3-31-2008 and authorize the Executive Director to execute the needed contract for said work

DOCUMENTS

- March 6, 2008 Executive Director's Report prepared by Deputy Executive Director/CAO together with Exhibit A, agreement with Mr. Sever dated March 27, 2008 and Exhibit B, Mr. Sever's response to the RFP

SPEAKERS

Staff: R. Pearson, R. Fredericks

MOTION

M/S Rogers/Johnston-de Leon moved to approve the selection of Thomas H. Sever, CPA, to perform the required external fiscal audit of the Housing Authority's financial records for FYE 3-31-2008 and authorize the Executive Director to execute the needed contract for said work.

VOTE

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

4. Recommendation that the Commissioners set a date to hold a special meeting/retreat for strategic planning purposes to formulate the Authority's new 5-Year Action Plan for the period 2009-2014

DOCUMENTS

- March 6, 2008 Executive Director's Report prepared by Deputy Executive Director/CAO together with copy of current 5-Year Action Plan

SPEAKERS

Staff: R. Pearson, R. Fredericks

All Board members were in agreement to hold the recommended retreat on June 26, 2008 from 8:30 a.m. to 3:00 p.m. at either the Villa La Cumbre or Casa de Las Fuentes meeting room.

5. Recommendation that the Commission receive a report on certain Housing Authority real estate acquisition and development activities and provide direction to Staff

DOCUMENTS

- March 13, 2008 Executive Director's Report

SPEAKERS

Staff: R. Pearson

In regards to the Taco Bell property, the Executive Director reiterated comments in his Staff Report that because of the struggling real estate market and a sense that there is not much competition for this type of property, it might be best not to accept the counter offer presented by the seller at \$1.8 million. Mr. Pearson felt it would be best to reject their counter offer and see what, if any thing, might transpire. Mr. Pearson felt that the Authority's all cash offer in the amount of \$1.7 million was fair given present market conditions and the unfavorable lease that encumbers the property through May 2012. The Board agreed with this direction, but because the property is in an ideal location for the potential development of housing for seniors or persons with special needs, the Board would like Staff to keep this potential site on its radar, assuming it can be secured at a fair and equitable price.

Regarding the Los Portales development on the Housing Authority's 535 E. Montecito St. property, Mr. Pearson reviewed for the Commission the various concerns outlined in the Staff Report and provided some additional details on his meeting of March 13 regarding the project with representatives of the Santa Barbara Foundation (SBF) and Bermant Homes. At the March 13th meeting, there was general agreement that Bermant Homes would fully investigate the local condo market to determine if the subject project with its price points and affordability controls still had sound marketability prospects. Mr. Pearson commented that this was a big concern for himself and the SBF. Bermant representatives were not that concerned but agreed to study the market. After discussion between the Commission and Staff, the Commission

concluded it was no longer of a mind to allow a proposed predevelopment loan of \$250,000 for the project from the SBF to Bermant Homes to be secured by the real estate (i.e the project site at 535 E. Montecito St. currently owned by the Housing Authority and encumbered with the purchase money loan from SBF in the amount of \$3.5 million). Such a move would reduce Housing Authority equity in the property and was too risky if the Los Portales project did not move forward soon. If such an encumbrance were to happen, Staff was told that it would need to first return to the Commission for discussion and approval. The Commission expressed frustration with the time this project has taken to secure development approvals and the Commission expressed no desire to extend Bermant's option to purchase the property beyond the October 1, 2008 deadline currently in place.

6. Recommendation that the Commission approve and authorize execution of a revised contract for architectural and engineering services with Christine Pierron and Mark Wienke dba CP+MW:jv in the amount of \$397,000 for the development of Artisan Court and further authorize the Executive Director to approve additional contract expenses in the not to exceed amount of \$39,700

DOCUMENTS

- March 14, 2008 Executive Director's Report prepared by Director of Property and Development together with letter from Architects dated 12-24-2007, explaining adjustment to the consultant and architectural service fees

SPEAKERS

Staff: R. Pearson

MOTION

M/S Allen/Johnston-de Leon move to approve and authorize execution of a revised contract for architectural and engineering services with Christine Pierron and Mark Wienke dba CP+MW:jv in the amount of \$397,000 for the development of Artisan Court and further authorize the Executive Director to approve additional contract expenses in the not to exceed amount of \$39,700.

VOTE

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

VII. TREASURER'S REPORT

1. Recommendation that the Commission adopt the Resolution approving the Authority's Consolidated Operating Budget for all Housing Authority programs for FYE 3-31-09

DOCUMENTS

- March 12, 2008 Executive Director's Report prepared by Director of Finance together with copy of Consolidated Operating Budget for FYE 3-31-09

SPEAKERS

Staff: R. Pearson, R. Lawrence

Finance Director Rita Lawrence provided the Commission with a power point overview of the budget document. During this review Chair Silverstein pointed out an inconsistency on the pro-ration of certain salaries for certain positions—i.e. they were repeated in two columns versus being split between the two. Ms. Lawrence apologized for this oversight put pointed out it was not a substantive (or cumulative error) that would impact bottom line numbers in the budget that the Commission was being asked to approve this evening. She did, however, promise that they would be corrected and the final document would be re-published with the corrected information. Chair Silverstein and others also pointed out that the substantive conclusion of the budget numbers (under tabs 9 and 10) need to be brought forward in future budget documents almost as an Executive Summary to what is recommended for approval and thus the reader and public can readily tie the bottom line numbers by program to the numbers in the Board Resolution approving the document. Ms. Lawrence agreed that this was a good suggestion and would be followed in future budget documents.

Following discussion, the Commission concluded that this was a solid budget for the upcoming fiscal year and reflected the Authority's strong fiscal health and complimented the Staff for their excellent work—both on the budget and for maintaining and advancing the agency's fiscal health.

MOTION

M/S Niehaus/Rogers moved to adopt the Resolution No. 2309 of the Housing Authority of the City of Santa Barbara, as corrected, paragraph 7. to read "...at a regular meeting..."; approving the Authority's Consolidated Operating Budget for all Housing Authority programs for FYE 3-31-09 with corrections and changes identified by the Board.

VOTE

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

Following the vote, Executive Director Pearson commented on the fact that the historical chart in the budget which showed expenses going down these past few years as a percentage of the overall budget was indeed directly related to the Staff's hard work and willingness to take on more work with out increasing staffing. He further commented that the Housing Authority is no longer comparable to the City with respect to employer contribution for retirement benefits. The City's contribution is now close to 20% of salary for their employees and the Housing Authority's as been at 12% for the last 20 years. Given this situation and the Housing Authority's fiscal health, he advised the Commission that he will soon be bringing to the Commission a recommendation that the Housing Authority increase its contribution to the Authority's 401A retirement plan by 4 to 5% to achieve closer parity with the City on benefits. He also reminded the Commission that the Authority does not participate in Social Security so that employer cost of 6.2% of salary is avoided.

2. Recommendation that the Commission approve the transfer of \$200,000 in excess cash from the operating accounts for the El Patio Gardens and \$500,000 in excess cash from the operating accounts for the Garden Court project to the Housing Authority's Non HUD program

DOCUMENTS

- March 13, 2008 Executive Director's Report prepared by Director of Finance

SPEAKERS

Staff: R. Pearson, R. Lawrence

MOTION

M/S Allen/Niehaus move to approve the transfer \$200,000 in excess cash from the operating accounts for the El Patio Gardens and \$500,000 in excess cash from the operating accounts for the Garden Court project to the Housing Authority's Non HUD program.

VOTE

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

VIII. COMMITTEE REPORT - None

IX. UNFINISHED BUSINESS - None

X. NEW BUSINESS

1. Recommendation that the Commission adopt the Resolution: (1) approving the purchase of the real property located at 512-518 Bath St., Santa Barbara, CA from Diana Marie Bradley, a single woman, and James M. Bradley, a single man, in the not to exceed purchase price amount of \$4,800,000 plus closing costs; and (2) determining that the acquisition of the subject property is exempt from the California Environmental Quality Act (CEQA) and directing the Authority's Executive Director to file a Notice of Exemption with respect to this finding with the Santa Barbara County Clerk

DOCUMENTS

- March 5, 2008 Executive Director's Report
- Resolution referenced above together with copy of Residential Income Property Purchase Agreement and Joint Escrow Instructions

SPEAKERS

Staff: R. Pearson

MOTION

M/S Rogers/Johnston-de Leon moved to adopt Resolution No. 2310 of the Housing Authority of the City of Santa Barbara, as revised, (1) approving the purchase of the real property located at 512-518 Bath St., Santa Barbara, CA from Diana Marie Bradley, a single woman, and James M. Bradley, a single man, in the not to exceed purchase price amount of \$4,800,000 plus closing costs; and (2) determining that the acquisition of the subject property is exempt from the California Environmental Quality Act (CEQA) and directing the Authority's Executive Director to file a Notice of Exemption with respect to this finding with the Santa Barbara County Clerk.

VOTE

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

XI. COMMISSION MATTERS - None

XII. ADJOURNMENT

Meeting adjourned at 7:25 p.m. on order of Chair Silverstein.

ROB L. FREDERICKS, ASSISTANT SECRETARY

APPROVED:

CHRISTINE SILVERSTEIN, CHAIR