

**MINUTES**  
**Seven Hundred Forty Ninth Meeting**  
**HOUSING AUTHORITY**  
**CITY OF SANTA BARBARA**  
**814 Laguna St., Santa Barbara, California**  
**5:30 p.m. – September 16, 2009**

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

5:30 P.M. Chair Allen presiding

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

Board Members absent: Catherine Woodford, Geoff Green (Commissioner Green arrived at 5:38 p.m.)

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

**II. PUBLIC COMMENT – None**

**III. CONSIDERATION OF MINUTES**

1. Consideration of the Minutes of the Regular Meeting of August 19, 2009

**MOTION**

M/S Johnston-de Leon/Rogers moved to approve the Minutes of the Regular Meeting of August 19, 2009 as presented.

**VOTE**

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

**IV. BILLS AND COMMUNICATIONS**

1. September 2009 issue of Housing Authority's (HA) "Landlord Link" newsletter

Chair Allen thanked staff on behalf of the Board for the newsletter. She said that is a very positive document and very well done.

2. July 17, 2009 letter from Brian Kelley, Administrator for California Housing Worker's Compensation Authority (CHWCA) to Housing Authority's Chair, recognizing Rob Pearson for his dedicated participation in CHWCA as its current President as well as a member of its Board of Directors and Executive Committee

Chair Allen wanted to thank Mr. Pearson for his eighteen years of dedication and leadership to CHWCA. She said that the organization is highly regarded among its peers and has made a big difference in its accomplishments as an insurance pool providing cost effective workers compensation insurance coverage for California housing authorities.

These items were presented for information only, no action required and none taken.

**V. CONSENT CALENDAR – None**

**VI. REPORT OF EXECUTIVE DIRECTOR**

1. Recommendation that the Commission ratify the Executive Director/CEO's award and execution of a contract with Pavilion Construction in the amount of \$102,564.23 for window and door replacement and exterior rehabilitation of 221 and 223 West Victoria Street and authorize the Executive Director, or his designee, to approve up to \$15,385 (15% of base contract amount) in additional expenses to cover any cost increases resulting from change orders for work not anticipated or covered by the contract

**DOCUMENTS**

- August 27, 2009 Executive Director's Report prepared by Director of Property and Development

**SPEAKERS**

Staff: R. Pearson, R. Maccianti

**MOTION**

M/S Eisele/Johnston-de Leon moved to ratify the Executive Director/CEO's award and execution of a contract with Pavilion Construction in the amount of \$102,564.23 for window and door replacement and exterior rehabilitation of 221 and 223 West Victoria Street and authorize the Executive Director, or his designee, to approve up to \$15,385 (15% of base contract amount) in additional expenses to cover any cost increases resulting from change orders for work not anticipated or covered by the contract.

Commissioner Hughes mentioned that in driving by the property he noticed that the landscaping needs work and asked if there are plans to improve it. Skip Szymanski responded that after the above renovations are done, the landscape will be redone.

**VOTE**

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

At this point Commissioner Green arrived at the meeting.

2. Recommendation that the Commission receive a status report on applicant demand for Housing Authority assistance

#### DOCUMENTS

- August 24, 2009 Executive Director's Report prepared by Department of Housing Management together with spreadsheets of Section 8 and Public Housing application data for second quarter of 2009

#### SPEAKERS

Staff: R. Pearson, V. Loza

Commissioner Rogers wanted to know at what point an applicant is dropped from the waiting list. Veronica Loza explained that the waiting list is updated about every two years. Update letters are sent to all applicants on the waiting list and they have 30 days to respond. If no response is received, their application is cancelled. Some applicants will contact the office after the deadline to respond and request to be reactivated; if for different circumstances they did not respond in time and within a reasonable time and their reasons for not responding are deemed reasonable, their application will be reactivated with its original date. Ms. Loza also explained that when applicants are invited for their formal interview/appointment or to receive their actual voucher or unit offer, the letter includes a statement that if they do not attend or fail to reschedule the appointment their application will be cancelled.

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

3. Recommendation that the Commission receive a report on smoking in Housing Authority properties and provide direction to staff on the adoption of a no-smoking policy at Housing Authority residential properties

#### DOCUMENTS

- August 20, 2009 Executive Director's Report prepared by Deputy Executive Director/COO together with HUD Notice dated July 17, 2009 on no-smoking in Public Housing properties; article entitled "A New Cigarette Hazard: 'Third-Hand Smoke'" by Roni Caryn Rabin, published 1-2-09; and Fact sheet from the California EPA, Air Resources Board, entitled "Environmental Tobacco Smoke: A Toxic Air Contaminant"

#### SPEAKERS

Staff: R. Pearson, S. Szymanski

The Commission asked if a no-smoking policy is implemented, how tenants who currently smoke would be treated. Staff explained the Housing Authority will provide an outside area for smoking and would do its best to enforce the policy across the board. This approach has proven successful at the Vista La Cumbre complex where a no-smoking policy is already in

place. The designated outdoor area is 25 feet from the building. The proposed no smoking policy in all HA units (assuming no objection by the Commission) will be included in the housing Authority's Annual Plan that is due in December 2009. The new policy, if approved, will be implemented on April 1, 2010, the beginning of the HA's next fiscal year. A notice for public comment will be provided to all Housing Authority tenants before implementing the policy. The Board directed staff to proceed as recommended and a draft of the policy will be brought back to the Board as part of the Annual Plan approval and submission process for final approval.

4. Progress report regarding development and disposition of 535 E. Montecito St. – oral report by R. Pearson

Mr. Pearson informed the Board about his meeting last week with Ron Gallo and Jim Rivera from the Santa Barbara Foundation (SBF) and Jeff Bermant and John Campanella of Bermant Homes. He said that the Santa Barbara Foundation Staff is in favor of recommending to the Santa Barbara Foundation Board at their meeting on September 29<sup>th</sup> extending their current land purchase loan for 535 E. Montecito St. to the Housing Authority through May 1, 2010 at 3% interest. He further offered the following dialogue. The reason for doing this is to allow Bermant Homes to assign their current Housing Authority granted option on the property to City Ventures and allow City Ventures time to complete development processing of the housing project with the City in a configuration that is satisfactory to them and in substantial conformance with the currently approved project. If the loan is extended and option assigned, City Ventures has agreed to purchase the property between now and June 1, 2010 for \$4,000,000. They will put \$800,000 down (HA to receive \$200,000 of its \$500,000 investment to date and SBF will receive/get repaid \$600,000 of its \$3.5 million dollar loan) and the Santa Barbara Foundation and the HA will participate in a \$3,200,000 loan to City Ventures at 4% for two years (interest only) secured by a 1<sup>st</sup> deed of trust on the property. Mr. Pearson has proposed that the HA own \$300,000 of said loan and the SBF own \$2.9 million. City Ventures understands that this purchase money loan must be fully repaid in two years maximum and would not be extended nor subordinated to any debt. Mr. Pearson explained that his suggestion at the meeting with SBF Staff on September 9<sup>th</sup> that the Housing Authority be paid \$200,000 of the \$500,000 currently due the HA out of the \$800,000 down payment by City Ventures would require Commission approval. He also said that the Housing Authority's willingness to participate in the proposed HA/SBF seller carry-back loan of \$3,200,000 for the two year period required Commission approval. There was consensus by the Commission that this was acceptable. Mr. Pearson said he felt that the assignment and sale of the property to City Ventures is the safest transaction for the SBF and HA to guarantee full return of their investment to date given the current economy. It will also allow the 48 units of housing (40 of which are price controlled for middle income) to be built. He informed the Commission that it was his intent to bring back to the Commission at their October 7<sup>th</sup> meeting a request for final approval of this proposed transaction along with the Assignment Agreement of the Option to City Ventures. He said that this was all subject to positive action by the SBF at their September 29<sup>th</sup> meeting, but given his meeting with SBF staff, he felt their approval was pretty much guaranteed. He further commented that City Planning staff has already had meetings with City Ventures and they like the design changes they are proposing for the 48 unit project.

Mr. Pearson also commented that included in the proposed deal is City Ventures promise to get current on all past Option monies due the HA and stay current until the property is purchased.

The Board concurred in the transaction and directed staff to proceed as recommended.

5. Recommendation that the Commission receive a report on HUD's Capital Fund Program (CFP) grant award to the Housing Authority for FFY2009 in the amount of \$876,596

#### DOCUMENTS

- September 9, 2009 Executive Director's Report prepared by Deputy Executive Director/COO

#### SPEAKERS

Staff: R. Pearson, S. Szymanski

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

6. Recommendation that the Commission receive a report on the California Tax Credit Allocation Committee's award of 2009 Low Income Housing Tax Credits for the Housing Authority's Artisan Court project and related development timeline

#### DOCUMENTS

- September 11, 2009 Executive Director's Report prepared by Deputy Executive Director/CAO together with letter dated 8-31-09 from the California Tax Credit Allocation Committee announcing the preliminary reservation of Low-Income Housing Tax Credits for the Housing Authority's Artisan Court development

#### SPEAKERS

Staff: R. Pearson, R. Fredericks

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

### **VII. TREASURER'S REPORT - None**

### **VIII. COMMITTEE REPORT - None**

### **IX. UNFINISHED BUSINESS – None**

### **X. NEW BUSINESS - None**

**XI. COMMISSION MATTERS**

Chair Allen gave an update on the Housing Authority's appeal before the City Planning Commission of the medical cannabis facility proposed for the 600 block of Olive St. The appeal was lost. She went on to say that there will be a hearing on September 29<sup>th</sup> before the City Council Ordinance Committee on needed changes to the City's ordinance covering the location of medical cannabis dispensaries. Commissioner Hughes, who was also present at the appeal, gave his overview on the hearing. It was noted that both he and Skip Szymanski planned to attend the Ordinance Committee meeting on September 29<sup>th</sup> and offer testimony about needed changes to the Ordinance.

Chair Allen reminded the Board of "Save the Date" invitation for the Housing Authority's 40<sup>th</sup> Anniversary celebration on Friday, October 23, 2009, from 12:00 to 3:00 p.m. and encouraged their participation and attendance.

Mr. Pearson informed the Board that with the Housing Authority's 9/80 schedule, this year both the Thanksgiving and Christmas holidays fall on a flex Friday. Under the Authority's Manual of Policies and Procedures staff has 30 days to take the two flex days off. This year he is proposing that the Housing Authority close on Thursday the 31<sup>st</sup> (New Year's Eve) to make up for the flex day that falls on Christmas Day. The Commission did not object to his decision on this. He further stated that staff will be bringing back to the Commission for approval to change the policy to extend the time from 30 days to 45 days where staff can take time off for the holiday that falls on a flex Friday. This year, this would allow staff to use the flex day that falls on Thanksgiving Day during the Christmas holiday season.

**XII. ADJOURNMENT**

Meeting adjourned at 6:33 p.m. on order of Chair Allen.

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ROB L. FREDERICKS, ASSISTANT SECRETARY

APPROVED:

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BARBARA B. ALLEN, CHAIR