

**MINUTES**  
**Seven Hundred Fifty Second Meeting**  
**HOUSING AUTHORITY**  
**CITY OF SANTA BARBARA**  
**814 Laguna St., Santa Barbara, California**  
**5:30 p.m. – November 18, 2009**

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

5:31 P.M. Chair Allen presiding

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

Board Members absent: Cheryl Rogers

Staff Members present: R. Pearson, R. Fredericks, R. Maccianti, S. Szymanski, V. Loza, T. Carter, R. Lawrence, M. Trejo and A. Fink

**II. PUBLIC COMMENT – None**

**III. CONSIDERATION OF MINUTES**

1. Consideration of the Minutes of the Regular Meeting of October 21, 2009

**MOTION**

M/S Woodford/Johnson de-Leon moved to approve the Minutes of the Regular Meeting of October 21, 2009 as presented.

**VOTE**

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

**IV. BILLS AND COMMUNICATIONS**

1. Fall 2009 edition of Housing Authority's "Community Times" newsletter
2. September 30, 2009 correspondence from HUD announcing award to the Housing Authority of 25 Family Unification Program Vouchers in the amount of \$241,947

Rob Fredericks explained that the Housing Authority was awarded the subject 25 Family Unification Program (FUP) Vouchers through a competitive grant application (coupled with a lottery) process. Rob Pearson clarified that the grant application was originally approved through a competitive process and we were then placed in a lottery for funding due to funding limitations set by HUD for each State. When additional grant funds were made available, we

were awarded the 25 vouchers as we had previously met all the criteria for eligibility for additional vouchers under FUP. These 25 vouchers, unlike the previously awarded Family Unification vouchers, will allow for assisting youth who are aging out of foster care. Thus, there will be vouchers available through this award to assist one of the target special needs populations we intend to house at Artisan Court, i.e. youth aging out of foster care.

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 approve and authorize the officers of the Housing Authority to execute an updated General Depository Agreement between Santa Barbara Bank & Trust and the Housing Authority on an updated form HUD-51999 (6/91) as requested by the U.S. Department of Housing and Urban Development

**DOCUMENTS**

- November 6, 2009 Executive Director's Report

**SPEAKERS**

Staff: R. Pearson

Rob Pearson clarified that the exhibits pertaining to this staff report were incorrectly labeled and as referenced in the staff report Exhibit A as currently labeled, should be Exhibit B and vice a versa.

Rob Pearson indicated that we have a similar form on file with HUD, but per their November 5, 2009 email they are requesting an updated form. Paragraph 1 of the updated General Depository Agreement indicates that all accounts require FDIC insurance; however, further examination of the agreement, specifically paragraphs 2 and 12, indicated that collateralization is permitted. Commissioner Hughes asked when it was anticipated that HUD would give final approval of the updated agreement. Mr. Pearson responded that HUD, based on the language in the agreement, is open to the collateralization and that the only foreseeable holdup would be if Santa Barbara Bank & Trust had issue with the new form.

**MOTION**

M/S Johnston de Leon/Green moved to approve and authorize the officers of the Housing Authority to execute an updated General Depository Agreement between Santa Barbara Bank & Trust and the Housing Authority on an updated form HUD-51999 (6/91) as requested by the U.S. Department of Housing and Urban Development.

VOTE

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

**VII. TREASURER'S REPORT**

1. Recommendation that the Commission adopt the Resolution setting forth costs incurred and payments made for the period ending October 2009

DOCUMENTS

- November 5, 2009 Executive Director's Report prepared by Finance Department
- Resolution referenced above together with list of October 2009 expenditures

SPEAKERS

Staff: R. Pearson, R. Lawrence

Commissioner Woodford requested clarification on the Housing Authority's payments/relationship to the Regents of UCSB as it appears on the presented check register. It was clarified by Rob Pearson that the Regents are a current Section 8 Landlord, and the register reflects Housing Assistance Payments paid out to UCSB on behalf of Section 8 participants residing in student housing—most likely married student housing.

Commissioner Green stated that it appears that there was an intentional redaction of the description of entries pertaining to the Franchise Tax Board. Rob Pearson clarified that these are wage garnishments and staff feels it is proper to redact the name(s) of the employee involved.

Commissioner Allen questioned how the relationship between graphic arts firm Buffalo Brothers developed. Rob Fredericks explained that they are a local company that we have been working with for the past few years. They have done an exceptional job working with us on our Annual Report/Calendar publications, miscellaneous brochures and other collateral material that we have published and are now working on the development of a new Housing Authority website. The website should be complete and ready to be launched in the month of December.

MOTION

M/S Green/Woodford moved to adopt the Resolution No. 2369 of the Housing Authority of the City of Santa Barbara, as presented, ratifying and approving the expenditures of Housing Authority funds by the Executive Director for necessary supplies and services rendered to the Housing Authority and paid during October 2009.

VOTE

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

2. Recommendation that the Commission review and order filed the audited Financial Statements prepared by Thomas H. Sever, CPA for all the Housing Authority programs for FYE 3-31-09

DOCUMENTS

- November 11, 2009 Executive Director's Report prepared by Director of Finance together with audited Financial Statements to 3-31-09 prepared by Thomas H. Sever, CPA

SPEAKERS

Staff: R. Pearson, R. Lawrence

Rita Lawrence expounded on the three non-material findings of Thomas H. Sever. Ms. Lawrence indicated that the three findings are not program or reporting deficiencies. The first identified item was the relationship between the Shelter Plus Care and the Section 8 Program. Shelter Plus Care payments are paid out of the Section 8 Program funds, and funds are then transferred back to the Section 8 program. Currently the reimbursement transfers are not being done regularly, which allows the Shelter Plus Care program to collect interest payments that are really due the Section 8 program. Ms. Lawrence indicated that this had been dealt with internally and there is now a process to transfer funds monthly.

The second finding of Mr. Sever addressing an unpaid debt of the Housing Authority of the City of Los Angeles was addressed by Rob Pearson. Mr. Pearson stated that he believes we can get reimbursement instead of having to write off the balance. Commissioner Hughes requested clarification as to why we believe the Housing Authority of the City of Los Angeles would submit unreimbursed funds to us now, based on their debt being addressed in our internal audit report. Mr. Pearson indicated that The Housing Authority of the City of Los Angeles is historically late with their payments; however, there is a new Executive Director of the Los Angeles Authority who he knows well and if Mr. Pearson is unable to make headway with reimbursement through discussions with the Executive Director, he will contact HUD.

Rita Lawrence addressed the third finding of Mr. Sever's report and indicated that we had not presented the financials of managed properties as the funds are held on behalf of other agencies and not part of Housing Authority controlled funds. In response to this audit item, it

has been decided to segregate these funds and disclose them on a separate set of financials to allow for transparency.

Commissioner Hughes requested clarification as to why Non-HUD program funds were included in this federally mandated form of audit. Rob Pearson indicated that HUD requires all programs administered by public housing authorities be reported in a single audit so as to allow them to better assess the viability of the federally funded programs and make sure they carry reasonable cost burdens when compared to our non HUD programs.

It was discussed that the audit was completed in a timelier manner this year compared to last. While the conversion to the HUD required AMPS made the accurate division and auditing of assets more challenging, our audit was completed timely for HUD submission. Per HUD regulations, we are to submit our audit electronically within 9 months from the close of our Fiscal Year. That deadline is thus 12/31/09.

It was also mentioned that we will be going out for a Request for Proposal for an auditor for this coming year. While Staff and the Commission both agree that Mr. Sever has provided us with good service, the complexity of our newly divided AMPs and the continued growth of our agency may be better served by having a new auditor. This would also provide the benefit of having a "fresh set of eyes" reviewing agency operations

Commissioner Woodford expressed her pleasure with the audit, and the relationship the Housing Authority and Thomas Sever have had.

#### MOTION

M/S Johnston de Leon/Woodford moved to accept and order filed the audited Financial Statements prepared by Thomas H. Sever, CPA for all the Housing Authority programs for FYE 3-31-09.

#### VOTE

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

3. Recommendation that the Commission review and order filed the Housing Authority's quarterly Financial Statements for period ending September 30, 2009 for programs with a March 31<sup>st</sup> Fiscal Year End

#### DOCUMENTS

- November 11, 2009 Executive Director's Report prepared by Finance Department together with Financial Statements for period ending September 30, 2009 for programs with a March 31<sup>st</sup> Fiscal Year End

#### SPEAKERS

Staff: R. Pearson, R. Lawrence

Rita Lawrence addressed the Financial Statements and expressed that all Housing Authority Programs are doing quite well with the exception of Shelter Plus Care which is a program that is historically underfunded in terms of its operating costs. Ms. Lawrence noted that there were only slight variances from the Authority's 2009 proposed budget and our financials. She also pointed out that the Cost of Living Adjustment approved by the Board for effect July 1, 2009 contributed to the variance in salary expense.

Another variance discussed was the Housing Assistance Payments expense. Ms. Lawrence explained that the Housing Assistance Payment funding from HUD that is received monthly based on a formula allocation has not been adequate to cover all of the obligations we currently have for HAP payments to landlords. Luckily, HACSB has HAP reserves available to cover the difference.

Chair Allen expressed her pleasure with the concise, good news that the financial report presented.

#### MOTION

M/S Green/Johnston de Leon moved to accept and order filed the Housing Authority's quarterly Financial Statements for period ending September 30, 2009 for programs with a March 31<sup>st</sup> Fiscal Year End.

#### VOTE

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

4. Recommendation that the Commission review and order filed the Housing Authority's quarterly Financial Statements for period ending September 30, 2009 for programs with a December 31<sup>st</sup> Fiscal Year End

#### DOCUMENTS

- November 9, 2009 Executive Director's Report prepared by Finance Department together with Financial Statements for period ending September 30, 2009 for programs with a December 31<sup>st</sup> Fiscal Year End

#### SPEAKERS

Staff: R. Pearson, R. Lawrence

Rob Pearson indicated that there are only two projects in the financial statements for this program with a December 31<sup>st</sup> Fiscal Year End--El Carrillo and El Patio. Rita Lawrence indicated that there is approximately \$22,000 of unexpected investment revenue that was generated by this program with a December 31<sup>st</sup> Fiscal Year End.

MOTION

M/S Green/Eisele moved to accept and order filed the Housing Authority's quarterly Financial Statements for period ending September 30, 2009 for programs with a December 31<sup>st</sup> Fiscal Year End.

VOTE

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

5. Recommendation that the Commission review and order filed the Housing Authority's quarterly Financial Statements for period ending September 30, 2009 for the Garden Court

DOCUMENTS

- November 9, 2009 Executive Director's Report prepared by Finance Department together with Financial Statements for period ending September 30, 2009 for the Garden Court

SPEAKERS

Staff: R. Pearson, R. Lawrence

Rob Pearson reminded the Commission that The Parsons Group has been hired as the management agent for Garden Court and as part of their contract they are required to keep the books for this project and provide staff with the subject financial statements.

Chair Allen shared that Garden Court, Inc. held its Board Meeting on November 17<sup>th</sup> and that Garden Court is 100% occupied. Commissioner Woodford asked for clarification regarding the books held by Garden Court, Inc. vs. these financial statements. It was clarified by Rob Pearson that Garden Court and Garden Court Inc. do have separate books, as these have to do with the "physical property's operation and Garden Court Inc. was intended and remains a nonprofit through which funds can be raised to fund scholarship needs of the residents of Garden Court as well possible new developments/projects.

Commissioner Green and Commissioner Woodford requested to know how common it is to have prepaid rent from residents. Rita Lawrence and Veronica Loza explained that it is very common to see senior tenants prepay their rent. They do this as a means of security and also many times it is based on the date they receive their social security and/or pension checks. Often, senior residents send their rent checks in mid-month for the upcoming month so as to assure that they budget correctly; and they like to pay bills ahead of time for the most part.

MOTION

M/S Green/Eisele moved to accept and order filed the Housing Authority's quarterly Financial Statements for period ending September 30, 2009 for the Garden Court.

VOTE

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

6. Recommendation that the Commission review and order filed the Housing Authority's quarterly Investment Report for period ending September 30, 2009

DOCUMENTS

- November 8, 2009 Executive Director's Report prepared by Finance Department together with Exhibit A, Trust Investments report; Exhibit B, Interest Income on General Fund Investments, Exhibit C, CDARS Investments, Exhibit D, Consolidated Statement for the funds held in trust and Exhibit E, Summary of factors and economic conditions influencing performance of HACSB funds for quarter ending 9-30-09, by Tony Somoza from SBB&T

SPEAKERS

Staff: R. Pearson, R. Lawrence

Rob Pearson addressed issuing a Request for Proposals at the beginning of the year to select perhaps a second as well as the most competitive institution or firm to provide investment services to the Housing Authority. While we have been very happy with our relationship with the Investment/Trust Division at Santa Barbara Bank and Trust (SBB&T) as all of their investment decisions on our behalf have been reasonable and in compliance with the Authority's Investment Policy, moving forward with the issuance of a Request for Proposals will help ensure that we are securing the most competitive rate of return, lowest cost and the best possible service for the Authority with respect to its investment portfolio.

Mr. Pearson pointed out that Garden Court Inc.'s Board recently voted to transfer its investment trust of \$335,000 to Montecito Bank & Trust. This move (as the Authority oversees GC Inc.'s investment trust) will allow the Housing Authority to assess its investment returns and customer service being offered.

Rob Pearson indicated that SBB&T does extend to us a great service and as recently as November 18<sup>th</sup> Mr. Pearson had a conversation with Tony Somoza as to our satisfaction with their service in closely monitoring Authority accounts. Mr. Pearson also mentioned that the investment management has been done with a management fee of 40 basis points which is lower than the fee of 100 (possibly 50) basis points which is commonly extended to nonprofits. Discussions with Montecito Bank & Trust have resulted in negotiation that they would extend a management fee of 50 basis points, which while competitive, is higher than the rate currently charged by SBB&T.

MOTION

M/S Woodford/Green moved to accept and order filed the Housing Authority's quarterly Investment Report for period ending September 30, 2009.

VOTE

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

**VIII. COMMITTEE REPORT - None**

**IX. UNFINISHED BUSINESS – None**

**X. NEW BUSINESS**

1. Recommendation that the Commission adopt the Resolution approving amendment to the Authority's Bylaws changing the time for regular meetings from 5:30 p.m. to 4:30 p.m.

DOCUMENTS

- October 27, 2009 Executive Director's Report
- Resolution referenced above together with Exhibit A, revised Authority's Bylaws

SPEAKERS

Staff: R. Pearson

Rob Pearson addressed two errors in the Resolution approving amendment to the Authority's Bylaws changing the time for regular meetings from 5:30 p.m. to 4:30 p.m. Item number 2 addressed "a regular adjourned meeting" and that the meeting was held at "4:30". This Resolution will be edited to exclude the word adjourned and 4:30 will be modified to 5:30. .

Commissioner Woodford expressed two concerns with the proposed start time. She indicated that many people who are interested in joining a commission look at the start time and while 4:30 p.m. may not pose any problems for this Commission, it may for future commissions. Commissioner Woodford's second concern was with parking. As 4:30 p.m. falls during the regular work day, finding parking at this time will be even more challenging for Board Members than it is currently. She requested to know how parking will be accommodated for. Rob Pearson indicated that this has been discussed amongst the Management Team. The Commission is free to use any available assigned visitor parking and Staff may also be asked to move their vehicles to accommodate the Board.

Commissioner Green reminded the Commission that it was discussed that if the 4:30 p.m. start time becomes a problem in the future it was agreed that we would change the time back to 5:30 p.m. Rob Pearson suggested that if there is an item on the agenda for a particular meeting that would be better served by moving the meeting to 5:30 p.m. that should be accommodated for.

Commissioner Hughes asked that the new 4:30 p.m. start time be highlighted on future agendas. It was acknowledged that this will be done to eliminate confusion.

#### MOTION

M/S Hughes/Eisele moved to adopt Resolution No. 2370 of the Housing Authority of the City of Santa Barbara, as presented, approving amendments to the Authority's Bylaws changing the time for regular meetings from 5:30 p.m. to 4:30 p.m.

#### VOTE

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

2. Recommendation that the Commission adopt the Resolution approving amendment to the Authority's Manual of Policies and Procedures relative to the Authority's Holiday policy

#### DOCUMENTS

- November 4, 2009 Executive Director's Report prepared by Human Resources Analyst
- Resolution mentioned above together with Exhibit A, revised Section 4.13 Holidays of the Authority's Manual of Policies and Procedures

#### SPEAKERS

Staff: R. Pearson, T. Carter

Rob Pearson summarized that especially during the end of the year holidays many of the approved Holidays fall on Staff's flex day off, the alternate Fridays on which the Housing Authority Offices are closed. Staff then has 30 days within which time they must take the 8 hour paid flex day or they lose the option. This Resolution would extend the required 30 day time frame to 45 days.

#### MOTION

M/S Woodford/Green moved to adopt the Resolution No. 2371 of the Housing Authority of the City of Santa Barbara, as presented, approving amendment to the Authority's Manual of Policies and Procedures relative to the Authority's Holiday policy.

VOTE

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

3. Recommendation that the Commission adopt the Resolution approving amendment to the Authority's 401(a) Employee Money Purchase Pension and 457(b) Deferred Compensation Plans

DOCUMENTS

- November 5, 2009 Executive Director's Report prepared by Human Resources Analyst
- Resolution referenced above together with Exhibit A, amendment to the Authority's 401(a) Employee Money Purchase Pension Plan and Exhibit B, amendment to the Authority's 457(b) Deferred Compensation Plan Document, effective 12-1-09

SPEAKERS

Staff: R. Pearson, T. Carter

T. Carter explained that the Resolution provides further clarification to the Pension Protection Act of 2006 allowing for non-spouse designated beneficiaries the same rollover rights as spousal designated beneficiaries.

MOTION

M/S Eisele/Green moved to adopt the Resolution No. 2372 of the Housing Authority of the City of Santa Barbara, as presented, approving amendment to the Authority's 401(a) Employee Money Purchase Pension and 457(b) Deferred Compensation Plans.

VOTE

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

**XI. COMMISSION MATTERS**

1. Oral Report on the current vacancies on the Community Development Block Grant (CDBG) Allocation Committee.

Chair Allen explained that there are currently vacancies on the City's CDBG/Human Services Committee. This Committee is responsible for reviewing all applications for CDBG funding and allocating approximately 2 million dollars annually. There is a current vacancy in both the senior and the housing interest seats. Chair Allen indicated that she had already discussed the vacancy of the senior seat with Commissioner Eisele and that he would be considering it. Chair Allen presented the information in hopes that the Commission members and staff might know of someone interested in joining the Committee in the housing interest seat. Commissioner Woodford clarified that this seat was once the construction seat but that they changed it to the housing interest to accommodate her on the Committee. Veronica Loza who currently chairs the Committee shared that while the Committee's workload can be heavy, particularly in the early months of the calendar year, it is very rewarding.

2. Oral report on the upcoming Garden Court Fundraiser

Chair Allen advised the Commission and staff of the date for the upcoming Garden Court fundraiser. The fundraiser will be a Hawaiian themed casual event and will be held at the Canary Hotel on February 25, 2010 at 6 p.m. This is the third event held at the Canary and there will be two more following this event. The Housing Authority will be honored at the event and Kathy Korner the original Gidget, will be the event's honorary chair. In order to help raise money for this event Chair Allen is requesting, in addition to attendance at the event, that the Board and staff are being asked to help collect gift certificates for the silent auction. Commissioner Woodford also asked for help in obtaining gift items for give away bags, especially for the gift bags for men.

**XII. ADJOURNMENT**

Meeting adjourned at 6:30 p.m. on order of Chair Allen.

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ROBERT G. PEARSON, SECRETARY

APPROVED:

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BARBARA B. ALLEN, CHAIR