

**MINUTES
REGULAR MEETING
HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA AND
SANTA BARBARA AFFORDABLE HOUSING GROUP
706 Laguna St. Santa Barbara, California
4:00 p.m. – March 7, 2018**

I. CALL TO ORDER/ROLL CALL

4:00 P.M. Chair Olson presiding

Board Members present: Geoff Green (arrived at 4:45 P.M.), David Gustafson, David K. Hughes, Larry Larsson, Victor Suhr, Patricia Wheatley and Donald Olson

Board Members absent: None

Staff Members present: R. Fredericks, S. Szymanski, D. Aazam, B. Peirson, T. Carter, V. Loza and J. Schipa

II. PUBLIC COMMENT

Robert Burke, a member of the public and resident of Villa Santa Fe I, described a previous public comment in which he was objecting to a Housing Authority action, and commented that he felt the words he used were inappropriate and wanted to apologize to the Commission.

III. CONSIDERATION OF MINUTES

Minutes were considered under Item V. Consent Calendar.

IV. BILLS AND COMMUNICATIONS

V. CONSENT CALENDAR

MOTION

M/S Hughes/Suhr moved to approve recommendation in Consent Calendar.

VOTE

Ayes:	David Gustafson	Patricia Wheatley
	David Hughes	Donald Olson
	Lawrence Larsson	
	Victor Suhr	
Nays:	None	
Abstain:	None	
Absent:	Geoff Green	

1. Recommendation that the HACSB Commission and SBAHG Board approve the Minutes of their February 7, 2018 Regular Meeting.

VI. REPORT OF EXECUTIVE DIRECTOR

1. Recommendation that the Commission receive an introduction of a CEO, executive director, or top manager of one of our community partners. Bill Jennings, CFO for California Lutheran Homes and Community Services, will be present for introduction to the Commission, and discussion of California Lutheran Homes' programs and

Authority partnership.

Bill Jennings was present and provided an overview of California Lutheran Homes, its history, current programs and undertakings, as well as goals for the future.

Chair Olson ordered Item XI. Closed Session be moved forward to this point in meeting.

XI. CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation (Government Code section 54956.9 (a))

Name of Case: Daketta La Cumbre, LLC v. California Lutheran Homes et al.
Santa Barbara Superior Court Case No. 17CV05479

2. Conference with Legal Counsel – Existing Litigation (Government Code section 54956.9 (a))

Name of Case (Arbitration): Housing Authority of the City of Santa Barbara v. 1116 De La Vina Associates, L.P.
Santa Barbara Superior Court Case No. 17CV00422

Chair Olson ordered the meeting closed for Closed Sessions at 4:16 P.M. Authority counsel, Mark Manion, was present for the Closed Sessions. Meeting was reopened at 4:57 P.M. No reportable action.

Chair Olson ordered Item IX.1 Unfinished Business be moved forward to this point in meeting.

IX. UNFINISHED BUSINESS

1. Recommendation that the Commission receive a follow up oral report on the status of the potential court appointment of Housing Authority's Executive Director or Designee to act as Receiver under Health and Safety Code Sections 17980 et. seq.

Staff provided preliminary estimates of the costs of repairs, property values, equity and liens against Mr. Pini's properties considered for receivership, which staff clarified are not actual figures but initial numbers developed using general assumptions. City of Santa Barbara counsel, Ariel Calonne, was present to answer questions and update the Board on the status of the receivership request. He noted the two main reasons for the objections of the opposing parties are that the Authority has a conflict of interest being too closely tied to the City of Santa Barbara, and that the Authority lacks experience as a receiver. He added there are two receivers nominated by the banks and the relocation of tenants is a big unknown because of the uncertainty of number of residents living in the units. Mr. Calonne addressed concerns of the Board about costs of the rehabilitation and lack of equity available in properties by explaining the receiver can obtain first position loans on the properties by order of the Court. Commissioner Olson commented that he felt the receivership is for the community, to help deal with the slum conditions at these properties Commissioner Hughes noted his reservations about the receivership including the many variables that are unknown at this time, the inordinate amount of staff and Authority counsel time, and involvement in a process where the Authority does not have control. Commissioner Larsson noted he also has serious reservations. Commissioner Gustafson inquired whether staff can handle the responsibilities with the additional burden of new projects, which Secretary Fredericks answered by stating the Authority would add to its capacity as needed, by potentially contracting with a project manager, outside contractors, relocation specialist, etc.

VI. REPORT OF EXECUTIVE DIRECTOR - Continued (Item VI.1 was presented earlier in meeting)

2. Recommendation that the Commission receive an informational fact sheet on the Authority's current affordable housing programs. No action is necessary. This is a periodic report provided for information only.

DOCUMENTS

- February 6, 2018 Executive Director's Report prepared by Administrative and Public Information

Coordinator

SPEAKERS

Staff: R. Fredericks, J. Schipa

3. Recommendation that the Commission receive a development update. No action is necessary. This is a periodic report provided for information only.

SPEAKERS

Staff: R. Fredericks, D. Aazam

Staff noted the Low Income Housing Tax Credit applications for The Gardens on Hope and Johnson Court have been submitted.

4. Recommendation that the Commission receive an oral report on the status of the Grace Village development.

SPEAKERS

Staff: R. Fredericks, V. Loza

Staff updated the Board on the status of occupancy process and noted that since summer 2017, 160 interviews have been completed, resulting in 70 viable applicants, including 5 to 10 who are homeless, and 5 who are Veterans. The building is anticipated to be ready for occupancy in April.

5. Recommendation that the Commission receive a report on the status of the HACC and DASH programs.

DOCUMENTS

- February 6, 2018 Executive Director's Report prepared by Deputy Executive Director/COO

SPEAKERS

Staff: R. Fredericks, S. Szymanski

Mr. Szymanski provided an overview of the programs, noting that the Housing Authority intends to keep some aspects of the HACC program in-house. Staff is currently reviewing the list of HACC and DASH recipients to identify the most vulnerable.

VII. TREASURER'S REPORT

1. Recommendation that the Commission adopt a resolution approving the Authority's proposed consolidated operating budget for the fiscal year ending March 31, 2019.

DOCUMENTS

- February 27, 2018 Executive Director's Report prepared by Director of Finance

SPEAKERS

Staff: R. Fredericks, B. Peirson

MOTION

M/S Green/Wheatley moved to adopt Resolution No. 2680, of the Housing Authority of the City of Santa Barbara, approving the Authority's proposed consolidated operating budget for the fiscal year ending March 31, 2019.

VOTE

Ayes: Geoff Green Victor Suhr
David Gustafson Patricia Wheatley
David Hughes Donald Olson
Lawrence Larsson

Nays: None
Abstain: None
Absent: None

2. Recommendation that the Board approve the proposed operating budget for the Santa Barbara Affordable Housing Group for the fiscal year ending March 31, 2019.

DOCUMENTS

- February 28, 2018 Executive Director's Report prepared by Treasurer

SPEAKERS

Staff: R. Fredericks, B. Peirson

Chair Olson inquired about the 2018 expenses under "Maintenance" of over \$2M, noting the high amount. Mr. Peirson answered that a large portion of the expenses, \$741,900, was for salaries of maintenance staff, and the balance is reflective of what it takes to maintain SBAHG's properties to the Authority's standards.

MOTION

M/S Green/Hughes moved to approve the proposed operating budget for the Santa Barbara Affordable Housing Group for the fiscal year ending March 31, 2019.

VOTE

Ayes: Geoff Green Victor Suhr
David Gustafson Patricia Wheatley
David Hughes Donald Olson
Lawrence Larsson

Nays: None
Abstain: None
Absent: None

VIII. COMMITTEE REPORT – None

IX. UNFINISHED BUSINESS – *This Item moved forward in meeting*

X. NEW BUSINESS – None

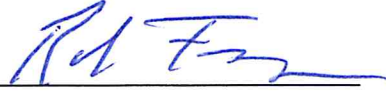
XI. CLOSED SESSION – *This Item moved forward in meeting*

XII. COMMISSION MATTERS

1. Secretary Fredericks reminded the Board of the Grace Village Ribbon Cutting Celebration on Monday, March 12, 2018 – 11:00AM to 12:30PM.
2. Secretary Fredericks announced that Matthew Fienup has confirmed his attendance and presentation at April's Board meeting.

XIII. ADJOURNMENT

Meeting adjourned at 6:28 P.M. on order of Chair Olson.



ROB FREDERICKS, SECRETARY

APPROVED:



PATRICIA WHEATLEY, VICE CHAIR