

**MINUTES
ADJOURNED 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. – September 11, 2019**

I. CALL TO ORDER/ROLL CALL

4:00 P.M. Chair Wheatley presiding

Board Members present: Lucille Boss, Geoff Green (arrived at 4:03 PM), David Gustafson, Lawrence Larsson, David Rowell and Victor Suhr

Board Members absent: None

Staff Members present: R. Fredericks, S. Szymanski, D. Aazam, B. Peirson, V. Loza, T. Carter, C. Montenegro-Uhl, A. Villarreal Redit, J. Morales and J. Schipa

II. PUBLIC COMMENT – None

III. CONSIDERATION OF MINUTES

Minutes were considered under Item V. Consent Calendar.

IV. BILLS AND COMMUNICATIONS

In addition to the bills and communication included in the packet, staff provided the Board with a flyer for The Gardens on Hope applicants and a flyer for the Housing Santa Barbara Day event on October 19 sponsored by Santa Barbara Foundation and hosted by 2nd Story Associates. Also presented was an opinion letter from the State Attorney General stating Housing Authorities instrumentality non-profits are exempt from documentary transfer tax. Secretary Fredericks informed the Commission that the County of Santa Barbara Assessors office required the payment of the Documentary Transfer Tax on the various property transfers such as RAD conversions and the Garden Court purchase. Staff will be seeking a refund for these taxes paid.

V. CONSENT CALENDAR

MOTION

M/S Gustafson/Green moved to approve recommendations in Consent Calendar (Items 1 – 2) with correction noted.

VOTE

Ayes:	Lucille Boss	David Rowell
	Geoff Green	Victor Suhr
	David Gustafson	Patricia Wheatley
	Lawrence Larsson	

Nays: None

Abstain: None

Absent: None

1. Recommendation that the HACSB Commission and SBAHG Board approve the Minutes of their August 7, 2019 Regular Meeting.

Minutes corrected under Item XII. Commission Matters, to note Commissioner Rowell not Gustafson volunteered to be a member of the Ad Hoc Subcommittee regarding AUD Ordinance changes.

2. Recommendation that the Commission approve costs incurred and payments made for the month of July 2019.

V. REPORT OF EXECUTIVE DIRECTOR

1. Recommendation that the Commission authorize Rob Fredericks and additional staff as deemed appropriate to attend the MRI Software Ascend Conference to be held in Anaheim, CA October 14-16, 2019.

DOCUMENTS

- August 28, 2019 Executive Director's Report prepared by Human Resources Manager

SPEAKERS

Staff: R. Fredericks

MOTION

M/S Green/Rowell moved to authorize Rob Fredericks and up to eight additional staff to attend the MRI Software Ascend Conference to be held in Anaheim, CA October 14-16, 2019.

VOTE

Ayes: Lucille Boss David Rowell
 Geoff Green Victor Suhr
 David Gustafson Patricia Wheatley
 Lawrence Larsson

Nays: None
Abstain: None
Absent: None

2. Recommendation that the Commission: (1) approve a contract with PathPoint for the period of October 1, 2019 to September 30, 2020, in the amount of \$70,000 for the administration of the Authority's Residential Support Services Program at El Carrillo Studios, Artisan Court, and Bradley Studios; and (2) authorize the Executive Director, or his designee, to execute said contract on behalf of the Housing Authority.

DOCUMENTS

- August 26, 2019 Executive Director's Report prepared by Housing Programs Analyst

SPEAKERS

Staff: R. Fredericks, A. Villarreal Redit

MOTION

M/S Green/Larsson moved to (1) approve a contract with PathPoint for the period of October 1, 2019 to September 30, 2020, in the amount of \$70,000 for the administration of the Authority's Residential Support Services Program at El Carrillo Studios, Artisan Court, and Bradley Studios; and (2) authorize the Executive Director, or his designee, to execute said contract on behalf of the Housing Authority.

VOTE

Ayes: Lucille Boss David Rowell
 Geoff Green Victor Suhr
 David Gustafson Patricia Wheatley

Lawrence Larsson

Nays: None

Abstain: None

Absent: None

3. Recommendation that the Commission receive a summary update report on the Section 8 Housing Choice Voucher Program for 2019 year to date.

DOCUMENTS

- August 21, 2019 Executive Director's Report prepared by Director of Housing Programs

SPEAKERS

Staff: R. Fredericks, V. Loza

Commissioner Rowell inquired as to the breakdown of size for vouchers currently looking; staff noted the majority are single individuals. Commissioner Rowell inquired whether the Accessory Dwelling Units (ADUs) have contributed to the increase in new landlords to the Section 8 program; staff noted this does not appear to be the case. Commissioner Green inquired whether the newly signed on landlords are "mom and pop" operations; Mr. Morales confirmed the majority are smaller, family-owned.

Report was for information only, no action necessary.

4. Recommendation that the Commission approve the Authority's new Payment Standards based upon HUD's published Fair Market Rents for Santa Barbara County effective October 1, 2019.

DOCUMENTS

- August 29, 2019 Executive Director's Report prepared by Leasing Agent

SPEAKERS

Staff: R. Fredericks

Secretary Fredericks confirmed there is a time limit on the rental market data submitted to HUD for re-evaluation of Santa Barbara County's Fair Market Rents (FMRs); he noted the data submitted in 2017 was used for the 2018 and 2019 FMRs and next year will revert back to the amounts published by HUD that does not utilize the data submitted in 2017. Mr. Fredericks indicated that the Authority is working with UCSB Economics department to generate new survey data to submit to HUD for re-evaluation of the FMRs next year.

MOTION

M/S Green/Gustafson moved to approve the Authority's new Payment Standards based upon HUD's published Fair Market Rents for Santa Barbara County effective October 1, 2019.

VOTE

Ayes:	Lucille Boss	David Rowell
	Geoff Green	Victor Suhr
	David Gustafson	Patricia Wheatley
	Lawrence Larsson	

Nays: None

Abstain: None

Absent: None

5. Recommendation that the Commission receive a report on the status of developments in planning and/or under construction.

Mr. Aazam provided the development update. Johnson Court and The Gardens on Hope are 47% completed. The Gardens on Hope time capsule event, planned by Parsons Group, took place in August. Regarding 200 N. La Cumbre, the property is currently 50% leased, the Housing Authority has entered into a listing agreement with Hayes, security will be added to the property and staff has published an RFP for architectural services. Mr. Aazam noted the Housing Authority's loan commitment to La Casa de La Raza expired in August. Staff will most likely bring to the Board the request to accept a life estate donation of a home located on San Felipe Drive. Commissioner Rowell inquired regarding The Gardens on Hope \$500,000 water connection fee in the July expenditure report, whether this is a standard fee and if the City ever provides affordable housing projects breaks as they did in the past. Mr. Szymanski noted the City has been holding affordable housing projects to the same standard as market rate projects. The City has never waived fees for "hard installs", i.e. sewer and water connection, but in the past, the City did waive discretionary fees, such as Planning Commission and Building Department fees. Mr. Peirson added that the City has water and sewer bond covenants that preclude it from waiving fees for any entity, so any assistance in this matter would have to come as a donation/contribution from the General Fund.

VII. TREASURER'S REPORT – None

VIII. COMMITTEE REPORT – None

IX. UNFINISHED BUSINESS – None

X. NEW BUSINESS

1. Recommendation that the Commission: (1) adopt a resolution approving the purchase of the property located at 421 North Alisos Street and containing four houses on one lot for a purchase price of \$1,950,000 plus closing costs; (2) approve and accept a permanent loan from Montecito Bank and Trust in the amount of up to \$1,350,000 to finance the purchase; (3) appropriate unrestricted Non-HUD reserves of up to \$700,000 (including closing costs) to complete the purchase; and (4) determine that the acquisition of the subject property is exempt from the California Environmental Quality Act (CEQA) and that the Authority's Executive Director is directed to file a Notice of Exemption from the California Environmental Quality Act (CEQA) with the Santa Barbara County Clerk.

DOCUMENTS

- August 19, 2019 Executive Director's Report prepared by Director of Property, Development and Administration

SPEAKERS

Staff: R. Fredericks, D. Aazam

Commissioner Rowell inquired about the loan term, noting current historical low rates, and asked staff to look into whether there is a 30-year fixed rate loan available for this purchase. Mr. Aazam noted staff will follow up.

MOTION

M/S Green/Gustafson moved to adopt Resolution No. 2713 of the Housing Authority of the City of Santa Barbara to (1) adopt a resolution approving the purchase of the property located at 421 North Alisos Street and containing four houses on one lot for a purchase price of \$1,950,000 plus closing costs; (2) approve and accept a permanent loan from Montecito Bank and Trust in the amount of up to \$1,350,000 to finance the purchase; (3) appropriate unrestricted Non-HUD reserves of up to \$700,000 (including closing costs) to complete the purchase;

and (4) determine that the acquisition of the subject property is exempt from the California Environmental Quality Act (CEQA) and that the Authority's Executive Director is directed to file a Notice of Exemption from the California Environmental Quality Act (CEQA) with the Santa Barbara County Clerk.

VOTE

Ayes: Lucille Boss David Rowell
Geoff Green Victor Suhr
David Gustafson Patricia Wheatley
Lawrence Larsson
Nays: None
Abstain: None

2. Recommendation that the Commission: (1) approve a Master Lease Agreement with Good Samaritan Shelter for the real property located at 421 North Alisos to be used as an independent living program for clients with special needs; and (2) authorize the Executive Director or his designee to execute same on behalf of the Housing Authority of the City of Santa Barbara.

DOCUMENTS

- August 23, 2019 Executive Director's Report prepared by Director of Property, Development and Administration

SPEAKERS

Staff: R. Fredericks

Sylvia Barnard, Executive Director of the Good Samaritan Shelter, was present to provide an overview of the non-profit's services and shelters/housing for homeless. Vice Chair Gustafson inquired about the families currently occupying the houses and the plan for their move. Staff responded that a letter to the tenants notifying them the Housing Authority is in the process of purchasing the property were sent, that one family will most likely be income eligible for one of the Authority's other programs, and the other family, if over income, would receive assistance through the Authority's relocation policy.

MOTION

M/S Green/Rowell moved to (1) approve a Master Lease Agreement with Good Samaritan Shelter for the real property located at 421 North Alisos to be used as an independent living program for clients with special needs; and (2) authorize the Executive Director or his designee to execute same on behalf of the Housing Authority of the City of Santa Barbara.

VOTE

Ayes: Lucille Boss David Rowell
Geoff Green Victor Suhr
David Gustafson Patricia Wheatley
Lawrence Larsson
Nays: None
Abstain: None

3. Recommendation that the Commission adopt a resolution authorizing the Housing Authority (HACSB) to join the California Affordable Housing Agency (Cal AHA) Joint Powers Agreement as a New Member to allow for the issuance of tax exempt bonds by Cal AHA within the jurisdiction of HACSB.

DOCUMENTS

- August 19, 2019 Executive Director's Report prepared by Director of Property, Development and Administration

SPEAKERS

Staff: R. Fredericks, D. Aazam

Tom Lewis, an attorney, was present to provide the Board with an overview of benefits of Cal AHA. He provided a map of member areas/counties in the state of California. Vice Chair Gustafson inquired as to large metro areas not representing membership on the map, to which Mr. Lewis responded they have been speaking to Los Angeles City attorney and to NAHRO members, but most of the interest has been project driven. Commissioner Rowell inquired whether the "moderate income households" noted in the memo is set at 120% AMI. Mr. Lewis responded there is flexibility, noting statewide 80/20 affordability requirement, and confirmed he believes there remains "wiggle room" in this percentage. Chair Wheatley noted Cal AHA might allow the Authority a source to develop middle-income projects. Commissioner Green inquired about the governance structure of the joint powers of authority; Mr. Lewis responded a board of directors includes each member agency, and monthly operations are controlled by the executive committee of the board.

MOTION

M/S Green/Gustafson moved to adopt Resolution No. 2714 of the Housing Authority of the City of Santa Barbara to authorizing the Housing Authority (HACSB) to join the California Affordable Housing Agency (Cal AHA) Joint Powers Agreement as a New Member to allow for the issuance of tax-exempt bonds by Cal AHA within the jurisdiction of HACSB.

VOTE

Ayes:	Lucille Boss	David Rowell
	Geoff Green	Victor Suhr
	David Gustafson	Patricia Wheatley
	Lawrence Larsson	

Nays: None

Abstain: None

XI. CLOSED SESSION – None

XII. COMMISSION MATTERS

1. Recommendation that the Commission receive a brief update on the progress of the Ad-Hoc Committee formed to review the forthcoming Average Unit Size Density Incentive Ordinance changes and State Street revitalization with housing options.

Secretary Fredericks noted staff met with Commissioners, reviewed the studies produced and what the City is proposing. The committee is generally in favor of the City's proposals, but all members were interested in brainstorming further ideas to propose to City Council and Planning Commission. The committee expects to meet one more time before formalizing recommendations, present for approval the formal recommendations to the entire board at the October Authority board meeting, and subsequently forward these to the Planning Commission and City Council. Secretary Fredericks added that he, Mr. Szymanski and Chair Wheatley had a lunch meeting with the Planning Commission last week and noted they are receptive to the Authority's input. Commissioner Green inquired about the one exception to the committee's consensus on City staff's recommendation, concerning the Milpas overlay, and whether to discuss or wait until October meeting. Secretary Fredericks responded that the City staff recommendation regarding the Milpas overlay was to remove the priority overlay and leave it high-density, because they have heard from the community about concerns about building along Milpas. He added that the committee understood the concerns to be more about the lack of

affordable housing on the Eastside. The committee's idea, as a result, is to allow for priority overlay in the zone if a certain level of affordable housing is deed restricted as affordable in the development. Therefore, allow the higher density if the developers agree to inclusionary density at a certain percentage. Staff and the committee will continue to discuss to firm up recommendation. Chair Wheatley added that she felt the Planning Commission left the door open to future joint meetings.

XIII. ADJOURNMENT

Meeting adjourned at 5:26 P.M.



ROB FREDERICKS, SECRETARY

APPROVED:



PATRICIA WHEATLEY, CHAIR