

**MINUTES
REGULAR MEETING
HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA AND
SANTA BARBARA AFFORDABLE HOUSING GROUP
Santa Barbara, California via Zoom
4:00 P.M. – July 1, 2020**

I. CALL TO ORDER/ROLL CALL

4:05 P.M. Chair Wheatley presiding

Board Members present: Lucille Boss, Steven Faulstich, Mary Fenger, Geoff Green, Lawrence Larsson and David Rowell.

Board Members absent: None

Staff Members present: S. Szymanski, D. Aazam, B. Peirson, T. Carter, J. Schipa, A. Villarreal Redit, T. Taylor, A. Fink and C. Wright

II. PUBLIC COMMENT – None

Chair Wheatley ordered Item XI.1. Closed Session be moved forward to this point in the meeting.

VII. Closed Session

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code section 54956.9 (a))

Barbara Quinn v. The Parsons Group, Inc. et al., United States District Court, Central District of California, Case No.: 2:20-cv-02300 DMG (JCx)

Chair Wheatley closed the meeting at 4:06 P.M., and re-opened the meeting from closed session at 4:19 P.M. The Authority's counsel, Mark Manion, was in attendance. No reportable action.

III. CONSIDERATION OF MINUTES

Minutes were considered under Item V. Consent Calendar.

IV. BILLS AND COMMUNICATIONS

Staff presented all Bills and Communication and added that KEYT News completed a story on The Gardens on Hope.

V. CONSENT CALENDAR

MOTION

M/S Green/Rowell moved to approve recommendation in Consent Calendar (Items No. 1-4).

VOTE

Ayes:	Lucille Boss	Lawrence Larsson
	Steven Faulstich	David Rowell
	Mary Fenger	Patricia Wheatley
	Geoff Green	

Nays: None

Abstain: None

Absent: None

1. Recommendation that the HACSB Commission and SBAHG Board approve the Minutes of their June 3, 2020 Special Meeting.
2. Recommendation that the HACSB Commission and SBAHG Board approve the Minutes of their June 3, 2020 Regular Meeting.
3. Recommendation that the Commission approve costs incurred and payments made for the month of April 2020.
4. Recommendation that the Commission approve costs incurred and payments made for the month of May 2020.

VI. REPORT OF EXECUTIVE DIRECTOR

1. Recommendation that the Commission: (1) approve a contract with Family Service Agency (FSA) for the period of August 1, 2020 to July 31, 2021 in the amount of \$200,000 for the Supportive Services Program; (2) waive the Housing Authority's procurement procedure for selection of services; and (3) authorize the Executive Director, or his designee, to execute said contract on behalf of the Housing Authority.

DOCUMENTS

- June 9, 2020 Executive Director's Report prepared by Resident Services Supervisor

SPEAKERS

Staff: S. Szymanski, A. Villarreal Redit

Commissioner Green inquired who the recipient of the Cottage Health grant will be, whether it is coming directly to us or through FSA for payment to the contractor. Staff answered that the funds come directly to the Housing Authority as the grantee.

MOTION

M/S Green/Faulstich moved to (1) approve a contract with Family Service Agency (FSA) for the period of August 1, 2020 to July 31, 2021 in the amount of \$200,000 for the Supportive Services Program; (2) waive the Housing Authority's procurement procedure for selection of services; and (3) authorize the Executive Director, or his designee, to execute said contract on behalf of the Housing Authority.

VOTE

Ayes:	Lucille Boss	Lawrence Larsson
	Steven Faulstich	David Rowell
	Mary Fenger	Patricia Wheatley
	Geoff Green	

Nays: None

Abstain: None

Absent: None

2. Recommendation that the Commission: (1) approve a one year contract with Santa Barbara Neighborhood Clinics in the amount of \$90,000 for a Senior Supportive Services Program; (2) waive the Housing Authority's procurement procedure for selection of services; and (3) authorize the Executive Director, or his designee, to execute said contract on behalf of the Housing Authority.

DOCUMENTS

- June 15, 2020 Executive Director's Report prepared by Resident Services Supervisor

SPEAKERS

Staff: S. Szymanski, A. Villarreal Redit

Commissioner Green inquired as to a timeframe for the program to be self-sustaining through Medi-Cal reimbursement. Ms. Villarreal Redit answered that the goal is within a year with increased Medi-Cal and Medicare enrollment, ideally maintaining the same level of support. Commissioner Green also inquired about the \$10,000 differential between the grant amount (\$100,000) and the contract amount (\$90,000), noting whether it is administrative support fees. Ms. Villarreal Redit confirmed this, stating the \$10,000 is for the Housing Authority to administer the programs which takes a lot of work. Vice Chair Boss inquired whether the services were a supplement to visits with primary care physicians or for residents who do not have access to this care. Ms. Villarreal Redit noted the program includes services to both, and includes a rapid response element, much like the discontinued DASH program with the after-hours service. Chair Wheatley requested staff return to the Board with an update on utilization and feedback halfway through the grant. Staff will follow up.

MOTION

M/S Green/Faulstich moved to (1) approve a one year contract with Santa Barbara Neighborhood Clinics in the amount of \$90,000 for a Senior Supportive Services Program; (2) waive the Housing Authority's procurement procedure for selection of services; and (3) authorize the Executive Director, or his designee, to execute said contract on behalf of the Housing Authority.

VOTE

Ayes:	Lucille Boss	Lawrence Larsson
	Steven Faulstich	David Rowell
	Mary Fenger	Patricia Wheatley
	Geoff Green	

Nays: None

Abstain: None

Absent: None

3. Recommendation that the Commission receive a report on the status of The Gardens on Hope lease up efforts, operational financial status, and impacts on tax credit delivery.

DOCUMENTS

- June 23, 2020 Executive Director's Report prepared by Deputy Executive Director/COO

SPEAKERS

Staff: S. Szymanski, V. Loza

Ms. Loza notes, to date, 67 residents have leased up at The Gardens on Hope (TGOH), and approximately 20 applicants are being scheduled for eligibility interviews. Staff hopes to fully lease up TGOH by the end of July. Mr. Peirson noted due to slow lease up, the property is losing money and needs to be subsidized. Regarding the LIHTC aspect, Mr. Aazam noted the downward adjuster maxes out at approximately \$200,000 and the developer fee is over \$2M. Commissioner Rowell inquired about TGOH's requirement to relinquish vehicles and whether the current pandemic has an affect or is the resistance to relinquish vehicles standard. Ms. Loza noted this decision really depends on the client and their individual circumstances.

4. Recommendation that the Commission receive a report on HUD's proposed rule on mixed status families and its impact to Housing Authority residents; and, if deemed appropriate, authorize staff to take action as needed to support efforts challenging the proposed rule.

DOCUMENTS

- June 22, 2020 Executive Director's Report

SPEAKERS

Staff: S. Szymanski, V. Loza

MOTION

M/S Green/Boss moved to authorize staff to take action through whatever means necessary to support efforts challenging the proposed rule.

VOTE

Ayes:	Lucille Boss	Lawrence Larsson
	Steven Faulstich	David Rowell
	Mary Fenger	Patricia Wheatley
	Geoff Green	

Nays: None

Abstain: None

Absent: None

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 an unimproved property located at 116 East Cota Street for a purchase price of \$2,600,000 plus closing costs; (2) approve and accept a residual receipts loan from the City of Santa Barbara in the amount of up to \$2,000,000 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

- June 22, 2020 Executive Director's Report prepared by Director of Property, Development and Administration

SPEAKERS

Staff: S. Szymanski, D. Aazam

Commissioner Rowell inquired about ADA compliance for the development. Mr. Aazam noted he will be meeting with building staff in the next few days but believes all units will be made accessible.

Member of the public, Richard Closson, commented that he spoke to City Council asking for cosmetic changes to the outside of 116 East Cota, adding that he received a disappointing email from Assistant Secretary

Szymanski. He noted the modern style of the building, and there is opportunity to bring it into better conformance with Santa Barbara's century-old signature style. He added that redesign of the interior space will provide greater approval hurdles than cosmetic changes to the building's exterior without changes to its height or footprint. He notes Mr. Szymanski's email response regarding delays due to review process of changes sounds similar to prevailing complaints of downtown development community. He inquired if staff have investigated options for expedited review based on City affiliation, the project's community benefit and the timeline. He notes the Authority's projects carry the banner for the City and this is an opportunity to set a design example for private projects. He finished by stating "From the municipal code to its City Council and Commissions and Boards, the City 'talks the talk' about the importance of our historic look and feel to tourist economics and resident livability. Now under the auspices of a City agency it's a good time for you to 'walk the walk'".

Member of the public, Linda Honkiman, commented that she is in favor of this project as were several members of the City Council, including the location. She added that she has an architectural background and agrees that in some situations it makes sense to stick with the classic Santa Barbara architecture, but in this situation she could support the current plan. She finished by stating she is all for getting new homeless housing in the downtown area.

Assistant Secretary Szymanski noted staff received a few emails that were similar to Mr. Closson's comments to look at changing the design. Mr. Szymanski added that given the circumstances and the time it would take, and impact on the project, that is not a consideration at this time, unless the Board decides to wait. He added that in conversations with staff, by not changing the exteriors at all, or very minimally, the Authority could take this process through the existing permit.

Commissioner Green commented that it is his understanding that the attractiveness of this property is its location and capacity to house a significant number of homeless individuals, with minimal design changes, as well, the entirety of the plans and permitting that have been done includes a review by ABR by the prior owner. Assistant Secretary Szymanski confirmed that what has been indicated is that if the Authority does any changes, if minimal, will be reviewed after final, for ABR. Commissioner Green inquired whether the current design as it stands has already gone through that process and gotten the endorsement of the ABR, which Assistant Secretary Szymanski confirmed, and added that they are ready to issue a building permit. He added staff inquired whether the proposed interior changes could be included in the existing permit, which was confirmed.

Vice Chair Boss commented that she feels the design fits into the corridor, as well as neighboring Dune coffee shop. Mr. Aazam added that the aesthetics of the proposed building fit very well into the more modern style of the adjacent shopping center.

MOTION

M/S Green/Rowell moved to adopt Resolution No. 2733, of the Housing Authority of the City of Santa Barbara, (1) approving the purchase of an unimproved property located at 116 East Cota Street for a purchase price of \$2,600,000 plus closing costs; (2) approving and accepting a residual receipts loan from the City of Santa Barbara in the amount of up to \$2,000,000 to finance the purchase; (3) appropriating unrestricted Non-HUD reserves of up to \$700,000 (including closing costs) to complete the purchase; and (4) determining 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

Lawrence Larsson

Steven Faulstich

David Rowell

Mary Fenger

Patricia Wheatley

Geoff Green

Nays: None

Abstain: None

Absent: None

2. Recommendation that the Board of Commissioners and Board of Directors receive an update on staff's development efforts for 400 West Carrillo Street (AKA the Carrillo Castillo commuter lot) and, if acceptable, adopt resolutions appropriating needed funding and authorizing needed actions relative to all agreements necessary (including creating a new limited partnership and making a \$150,000 loan) for pre-development activities.

DOCUMENTS

- June 9, 2020 Executive Director's Report prepared by Director of Property, Development and Administration

SPEAKERS

Staff: S. Szymanski, D. Aazam

Mr. Aazam states the clear feedback received from City Council is to show the neighborhood the high density model for feedback during community meeting. Commissioner Rowell commented on the difficulty in finding funding to build missing middle housing, noting there is a small pot of money that might be available at the City under the Inclusionary Fund Account, possibly over \$1M, which is strongly advised to be used for middle income. He suggested staff might inquire about this with Council members. Staff will follow up.

MOTION

M/S Green/Faulstich moved to adopt Resolution No. 2734, of the Housing Authority of the City of Santa Barbara, appropriating needed funding and authorizing needed actions relative to all agreements necessary (including creating a new limited partnership and making a \$150,000 loan) for pre-development activities.

M/S Green/Faulstich moved to adopt Resolution No. 23, of the Santa Barbara Affordable Housing Group, appropriating needed funding and authorizing needed actions relative to all agreements necessary (including creating a new limited partnership and making a \$150,000 loan) for pre-development activities.

VOTE

Ayes: Lucille Boss

Lawrence Larsson

Steven Faulstich

David Rowell

Mary Fenger

Patricia Wheatley

Geoff Green

Nays: None

Abstain: None

Absent: None

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

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Government Code section 54956.9 (a))

Barbara Quinn v. The Parsons Group, Inc. et al., United States District Court, Central District of California, Case No.: 2:20-cv-02300 DMG (JCx)

XII. COMMISSION MATTERS

Chair Wheatley announced that the August Board meeting would be cancelled due to lack of immediate business.

XIII. ADJOURNMENT

Meeting adjourned at 5:34 P.M. to 4:00 P.M. September 2, 2020, on order of Chair Wheatley.

Skip Szymanski

Skip Szymanski (Sep 3, 2020 12:39 PDT)

SKIP SZYMANSKI, ASSISTANT SECRETARY

APPROVED:

Patricia Wheatley

Joe Wheatley (Sep 3, 2020 12:42 PDT)

PATRICIA WHEATLEY, CHAIR