

**MINUTES  
REGULAR MEETING  
HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA AND  
SANTA BARBARA AFFORDABLE HOUSING GROUP**

706 Laguna St., Santa Barbara, CA

4:00 P.M. – June 5, 2024

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

4:00 P.M. Chair Wheatley presiding

Board Members present: Lisa Carlos, Steven Faulstich, Mary Fenger, David Rowell and Patricia Wheatley

Board Members absent: None

Staff Members present: R. Fredericks, D. Aazam, V. Loza, B. Peirson, T. Carter, C. Montenegro, A. Villarreal Redit, A. Fink, J. Emery, D. Ward, A. Gonzales, J. Pollino and J. Schipa

**II. PUBLIC COMMENT**

**III. CONSIDERATION OF MINUTES**

Minutes were considered under Item V. Consent Calendar.

**IV. BILLS AND COMMUNICATIONS**

One item was presented by Secretary Fredericks.

**V. CONSENT CALENDAR**

**MOTION**

M/S Rowell/Fenger moved to approve recommendation in Consent Calendar (Items No. 1-3).

1. Recommendation that the HACSB Commission and SBAHG Board approve the Minutes of their May 1, 2024 Regular Meeting.
2. Recommendation that the Commission approve costs incurred and payments made for the month of March 2024 and April 2024.
3. Recommendation that the Commission review and order filed the quarterly investment report for quarter ended March 31, 2024.

**VOTE**

Ayes: Lisa Carlos                      David Rowell  
         Steven Faulstich                Patricia Wheatley  
         Mary Fenger

Nays: None

Abstain: None

Absent: None

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

## **XI. CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code section 54956.9 (d)(1))  
Name of case: Gabriel Leon v. Housing Authority of the City of Santa Barbara  
Case No.: 23CV01377

Chair Wheatley ordered the meeting closed at 4:04 P.M. The meeting was reopened at 4:20 P.M. The Authority's counsel, Mark Manion, was present for the Closed Session and reported out that the Commission approved a settlement agreement with Gabriel Leon related to an injury sustained by Mr. Leon on property managed by the Housing Authority located at 514 W. Montecito Street; there is no admission of liability in the settlement agreement; in exchange for a complete release, the Housing Authority has agreed to pay Mr. Leon the sum of \$35,000; this matter was covered by the Housing Authority's insurance.

## **VI. REPORT OF EXECUTIVE DIRECTOR**

1. Recommendation that the Commission receive a presentation by League of Women Voters.

Megan. Turley and Diane Black with League of Women Voters, presented the report "South Coast Housing Data Project". No action taken or needed for this item.

2. Recommendation that the Commission receive a report regarding appropriation of \$10,000 from the Authority's Non-HUD program to replenish the Housing Authority Scholarship Fund administered by the Scholarship Foundation of Santa Barbara.

### **DOCUMENTS**

- May 16, 2024 Executive Director's Report prepared by Administrative and Public Information Coordinator

### **SPEAKERS**

Staff: R. Fredericks

No action taken or needed for this item.

3. Recommendation that the Commission: (1) approve a contract with Family Service Agency for the period of July 1, 2024 to June 30, 2025 in the amount of \$173,055 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**

- May 23, 2024 Executive Director's Report prepared by Resident Programs Supervisor

### **SPEAKERS**

Staff: R. Fredericks, A. Villarreal Redit

### **MOTION**

M/S Carlos/Fenger moved to (1) approve a contract with Family Service Agency for the period of July 1, 2024 to June 30, 2025 in the amount of \$173,055 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: Lisa Carlos David Rowell  
Steven Faulstich Patricia Wheatley  
Mary Fenger

Nays: None

Abstain: None

Absent: None

4. Recommendation that the Commission: (1) approve a contract with New Beginnings Counseling Center ("New Beginnings") for the period of July 17, 2024 to July 16, 2025 in the amount of \$146,942 for the Housing Retention 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

- May 21, 2024 Executive Director's Report prepared by Resident Programs Supervisor

SPEAKERS

Staff: R. Fredericks, A. Villarreal Redit

MOTION

M/S Rowell/Fenger moved to (1) approve a contract with New Beginnings Counseling Center ("New Beginnings") for the period of July 17, 2024 to July 16, 2025 in the amount of \$146,942 for the Housing Retention 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: Lisa Carlos David Rowell  
Steven Faulstich Patricia Wheatley  
Mary Fenger

Nays: None

Abstain: None

Absent: None

5. Recommendation that the Commission: (1) approve the replacement of 74 desktop computers, including monitors; (2) authorize the Executive Director or his designee to execute a Purchase Order with Dell Computers, Inc. in the amount of \$ 139,083.96 and authorize an additional allowance in a not to exceed amount of \$10,000 for any unforeseen upgrade requirements; and (3) allocate the costs equally between the Housing Authority's three largest cost centers: Non-HUD, Santa Barbara Affordable Housing Group and Section 8 HCV.

DOCUMENTS

- May 28, 2024 Executive Director's Report prepared by Systems Administrator

SPEAKERS

Staff: R. Fredericks, A. Gonzales, D. Aazam

MOTION

M/S Carlos/Fenger moved to (1) approve the replacement of 74 desktop computers, including monitors; (2) authorize the Executive Director or his designee to execute a Purchase Order with Dell Computers, Inc. in the amount of \$ 139,083.96 and authorize an additional allowance in a not to exceed amount of \$10,000 for any

unforeseen upgrade requirements; and (3) allocate the costs equally between the Housing Authority's three largest cost centers: Non-HUD, Santa Barbara Affordable Housing Group and Section 8 HCV.

VOTE

Ayes: Lisa Carlos David Rowell  
Steven Faulstich Patricia Wheatley  
Mary Fenger  
Nays: None  
Abstain: None  
Absent: None

6. Recommendation that the Commission: (1) approve the replacement of two servers and one storage array; (2) authorize the Executive Director or his designee to execute a purchase order with Dell Technologies, in the amount of \$115,159.38 and authorize an additional allowance in a not to-exceed amount of \$10,000 for any unforeseen upgrade requirements; and (3) allocate the costs equally between the Housing Authority's three largest cost centers: Non-HUD, Santa Barbara Affordable Housing Group and Section 8 HCV reserves.

DOCUMENTS

- May 29, 2024 Executive Director's Report prepared by Systems Analyst

SPEAKERS

Staff: R. Fredericks, A. Gonzales, D. Ward

MOTION

M/S Carlos/Rowell moved to (1) approve the replacement of two servers and one storage array; (2) authorize the Executive Director or his designee to execute a purchase order with Dell Technologies, in the amount of \$115,159.38 and authorize an additional allowance in a not to-exceed amount of \$10,000 for any unforeseen upgrade requirements; and (3) allocate the costs equally between the Housing Authority's three largest cost centers: Non-HUD, Santa Barbara Affordable Housing Group and Section 8 HCV reserves.

VOTE

Ayes: Lisa Carlos David Rowell  
Steven Faulstich Patricia Wheatley  
Mary Fenger  
Nays: None  
Abstain: None  
Absent: None

**VII. TREASURER'S REPORT**

**VIII. COMMITTEE REPORT**

1. Recommendation that the Commission receive an update from the Ad Hoc committee formed to address affordable housing funding.

Vice Chair Carlos provided the update on affordable housing funding.

**IX. UNFINISHED BUSINESS – None**

**X. NEW BUSINESS**

1. Recommendation that the Commission: (1) adopt a resolution approving and authorizing an unsecured loan up to \$850,000 to fund predevelopment costs and authorizing pre-development activities necessary for the eventual development of 15 South Hope Avenue; and (2) appropriate unrestricted Non-HUD Reserves of up to \$850,000 for same predevelopment loan.

DOCUMENTS

- May 25, 2024 Executive Director's Report prepared by Deputy Executive Director, Real Estate and Technology

SPEAKERS

Staff: R. Fredericks, D. Aazam

MOTION

M/S Faulstich/Carlos moved to adopt Resolution No. 2839 of the Housing Authority of the City of Santa Barbara, (1) approving and authorizing an unsecured loan up to \$850,000 to fund predevelopment costs and authorizing pre-development activities necessary for the eventual development of 15 South Hope Avenue; and (2) appropriate unrestricted Non-HUD Reserves of up to \$850,000 for same predevelopment loan.

VOTE

Ayes: Lisa Carlos                      David Rowell  
         Steven Faulstich                Patricia Wheatley  
         Mary Fenger

Nays: None

Abstain: None

Absent: None

2. Recommendation that the Commission: (1) authorize the Executive Director or his Designee to take all actions and execute all documents, in consultation with the Authority's General Counsel, that may be necessary for the Authority to increase the previously approved residual receipts loan of \$1,350,000 by \$300,000 with a new not-to-exceed amount of \$1,650,000 to 2nd Story 821 State LLC, an entity wholly owned by 2nd Story Associates, the Authority's affiliate non-profit organization, for the purpose of facilitating the redevelopment of a commercial building located at 821 State Street into a mixed-use residential/commercial building; (2) appropriate funding for the \$300,000 increase in the residual receipts loan from Non-HUD program reserves; and (3) adopt a resolution approving these actions.

DOCUMENTS

- May 21, 2024 Executive Director's Report prepared by Deputy Executive Director, Real Estate and Technology

SPEAKERS

Staff: R. Fredericks, D. Aazam

MOTION

M/S Faulstich/Rowell moved to adopt Resolution No. 2840 of the Housing Authority of the City of Santa Barbara, (1) authorizing the Executive Director or his Designee to take all actions and execute all documents, in consultation with the Authority's General Counsel, that may be necessary for the Authority to increase the previously approved residual receipts loan of \$1,350,000 by \$300,000 with a new not-to-exceed amount of \$1,650,000 to 2nd Story 821 State LLC, an entity wholly owned by 2nd Story Associates, the Authority's affiliate non-profit organization, for the purpose of facilitating the redevelopment of a commercial building located at 821 State Street into a mixed-use residential/commercial building; and (2) appropriating funding for the \$300,000 increase in the residual receipts loan from Non-HUD program reserves.

VOTE

Ayes: Lisa Carlos David Rowell  
Steven Faulstich Patricia Wheatley  
Mary Fenger

Nays: None

Abstain: None

Absent: None

3. Recommendation that the Commission: (1) approve an increase in the existing Housing Authority residual receipts loan amount for predevelopment expenses to 200 North La Cumbre Associates, L.P. from \$550,000 to up to \$1,200,000 (an increase of \$650,000); (2) approve the conveyance of the real property located at 200 North La Cumbre Road from the Housing Authority to 200 North La Cumbre Associates, L.P. via a sale in the amount of \$5,910,000; (3) approve that, as part of that sale, a new seller-financed residual receipts loan of \$5,910,000 will be made by the Housing Authority to 200 North La Cumbre Associates, L.P.; (4) approve a new residual receipts loan to 200 North La Cumbre Associates, L.P. in the amount of up to \$3,000,000 to provide gap financing for the project; and (5) appropriate funds from Non-HUD Reserves to cover the above-mentioned loan amounts.

DOCUMENTS

- May 24, 2024 Executive Director's Report prepared by Deputy Executive Director, Real Estate and Technology

SPEAKERS

Staff: R. Fredericks, D. Aazam

MOTION

M/S Faulstich/Fenger moved (1) approve an increase in the existing Housing Authority residual receipts loan amount for predevelopment expenses to 200 North La Cumbre Associates, L.P. from \$550,000 to up to \$1,200,000 (an increase of \$650,000); (2) approve the conveyance of the real property located at 200 North La Cumbre Road from the Housing Authority to 200 North La Cumbre Associates, L.P. via a sale in the amount of \$5,910,000; (3) approve that, as part of that sale, a new seller-financed residual receipts loan of \$5,910,000 will be made by the Housing Authority to 200 North La Cumbre Associates, L.P.; (4) approve a new residual receipts loan to 200 North La Cumbre Associates, L.P. in the amount of up to \$3,000,000 to provide gap financing for the project; and (5) appropriate funds from Non-HUD Reserves to cover the above-mentioned loan amounts.

VOTE

Ayes: Lisa Carlos David Rowell  
Steven Faulstich Patricia Wheatley  
Mary Fenger

Nays: None

Abstain: None

Absent: None

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

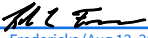
1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code section 54956. (d)(1))  
Name of case: Gabriel Leon v. Housing Authority of the City of Santa Barbara  
Case No.: 23CV01377

**XII. COMMISSION MATTERS**

1. Chair Wheatley noted the Santa Barbara City Council will appoint the Authority's new commissioner next week; Secretary Fredericks noted that most likely the July Board meeting will be canceled.

**XIII. ADJOURNMENT**


Meeting adjourned at 5:56 P.M.

  
Rob L. Fredericks (Aug 12, 2024 10:19 PDT)

---

ROB FREDERICKS, SECRETARY

APPROVED:

  
Patricia Wheatley (Aug 12, 2024 12:50 PDT)

---

PATRICIA WHEATLEY, CHAIR