

# Housing Authority of the City of Paso Robles

## Board Meeting Minutes

September 15, 2015

Present:	Chairman:	Mr. Bob Fonarow
	Vice Chair:	Ms. Sherri Goforth
	Commissioners:	Mr. Wes Willhoit
		Ms. Beatriz Espinoza
		Ms. Eloisa Medina
		Mr. Harry Ovitt
		Mr. Jason Boonstra
	Sec/Dir:	Mr. Dave Cooke
	Recorder:	Ms. Dianne Hanlon
	Staff:	Ms. Liz Lopez Byrnes
Ms. Betian Webb		
	City Liaison:	Councilman, Mr. Fred Strong
Absent:		None

Meeting called to order by the Chairman, Mr. Fonarow at 5:30 p.m.

**1. Public Comment:** None

**2. City Liaison Report:** Councilman Strong reported; the City has accepted a grant from SLO Parks and Recreation to purchase a new off road vehicle for use by Fire and The Public Safety Department. The City is currently in the process of forming a Board of Appeals Panel. The Appeals Panel will field questions regarding The City Building Departments possible misinterpretation of plans/requirements. Those appointed to The Panel must meet specific credentials; such as licensed engineering, and licensed Architect. Council will have final say on who will make up the Board of Appeals Panel. Storm water maintenance issues are being addressed. The City has budgeted \$167,000.00 of general fund monies to address drainage issues. The current City Manager is retiring. The City hired a professional agency to search and screen candidates. The City received 47 applications. Qualified candidates have been narrowed down to 6. Next Thursday, candidates will go through a final screening, and a new City Manager will be chosen.

Ms. Goforth asked if there is any new building going in. Mr. Strong stated that would be a Building Department question, not City Council.

**3. Director's Summary Report:** Mr. Cooke reported on a fire in Old Oak Park, which claimed the life of a former tenant commissioner, Mr. Stainbrook. The Insurance adjustors have been out and are in the process of determining the damage, and cost to repair. The unit will likely go off-line because the cost of repair will be too great. An environmental test has been done, minimal asbestos and lead were found.

Old Oak Park has 60 rentable units with 2 vacancies, one available unit. The other unit being the fire damaged unit which is not rentable.

OP1 had 100% occupancy at the time of the report, however since then one family move out. Currently, there is one vacancy we are in the process of filling. Mr. Fonarow asked if we have to maintain the USDA guidelines. Mr. Cooke stated; yes, we have to replace a USDA unit with another USDA tenant. We are processing a candidate and hope to have them in by the end of October.

The OP1 June and July information was combined since there was not meeting in August. Year to date OP1 is doing quite well with cash balances reflected. The owners have not yet converted to permanent financing, they have been waiting for the occupancy to reach 100%. Within the next 60 days the construction loan should be converted to permanent financing.

OP2 progressing nicely. Photos were provided showing progress. The project is still targeted to be ready by the end of this year. There is a possibility we may do occupancy in 2 phases. There are 4 buildings on the south end that could be ready to rent before the full complex is complete. The City has agreed to work with us on occupancy certification for those buildings before the full complex is complete. Currently, we are working on existing tenant preferences and relocation benefits for existing tenants.

Phase 3 and 4, Mr. Cooke stated he is making progress with Ms. Warren from Monterey County Development Co., she originally didn't want to work on phase 3, but wanted a large amount of money. Mr. Cooke stated he is meeting with her on Thursday and will be addressing issues at that meeting. Mr. Cooke has spoken to other developers who are interested in partnering with us whose fees are a little higher. Mr. Cooke will be meeting with a developer on Thursday. Negotiations continue with Ms. Warren, due to the original structure of OP1, however we need to move the process along so we can apply for the first round of tax credits next year.

**YouthWorks:** Ms. Webb reported that both YouthWorks and Acorns finished well under budget for the year. There were 115 children in 3 different programs that ran all summer, all were very successful. Acorns has a new coordinator, Lucy Avila. We are hoping for a long term relationship with Ms. Avila. YouthWorks received a grant of \$10,000.00 from San Luis Community Fund, which was acknowledged by the press and recognized by the Board. Mr. Cooke stated he and Ms. Webb attended the San Luis Obispo Community Foundation, Woman's Legacy Fund luncheon. The Foundation is offering a \$90,000.00 grant and invited 4 groups to apply, YouthWorks being one of the groups. The \$90,000.00 grant will be paid over a 2 year period. We should hear by mid-October if we have been awarded the grant. Mr. Boonstra recommended a recognition dinner for the youth who worked over the summer. The dinner would be put on by the Chet Dotter tenants. Mr. Boonstra will speak to the residents and get back to us.

**4. Financials:** June numbers will likely change due to we are still closing out year end. Month of June lost \$20,000.00, and in July there was an \$18,000.00 loss, however net income for year end will be over \$400,000.00. By the end of the next fiscal year we should see approximately \$300,000.00 in developer fees. We exceeded the 2013/2014 budget by quite a bit. The 2014/2015 audit is in process, and auditors will be here October 19. Mr. Fonarow asked about the June balance sheet vs. July balance sheet. Rabobank Enterprise fund shows \$200,000.00 difference between months. Ms. Webb explained that we put our rents in Rabobank, and pay expenses out of Heritage Oaks, which creates about a \$100,000.00 per month transfer.

Due to receipt of developer fees from Monterey County we were depositing that money to Heritage Oaks, therefore transfers were not needed from Rabobank. Also, recently we started taking fees due from OP1 of approximately \$20,000.00 per month. Ms. Espinoza asked about TRBA on the income statement. Mr. Cooke explained TBRA is a program through the County of San Luis Obispo which assisted residents with their security deposits. Ms. Webb explained that Cynthia, our newest accounting person is going through tenant ledgers and researching some entries in Yardi (software). After Cynthia finishes her research/audit the TBRA number will go away, that program ended in 2014. The program required us to front the money and the county reimbursed us, but reimbursement wasn't received until a year after the program ended, so we are still making adjustments.

Motion to approve the June/July Financials was made by Mr. Ovitt, and seconded by Mr. Willhoit. The motion was passed unanimously.

**5. Approval of July 14, 2015 meeting minutes:** Correction: Mr. Willhoit shows as attending and absent, he was in attendance. Motion to approve by Mr. Ovitt and seconded by Ms. Espinoza. The motion was passed unanimously.

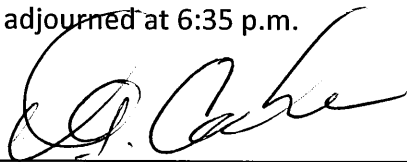
**6. Old Business:** Fiscal investment policy, Mr. Cooke suggest that Ms. Webb and he put together an investment plan and bring it back at a future meeting. Mr. Ovitt stated concern over how much can be used for investments and ask if it would be handled by PRLLC or Housing Authority? The \$10,000.00 YouthWorks grant was through AHPR. On phase 1 AHPR was the co-developer and not PRHA. Technically those developer fees can be used/invested. Currently we have \$140,000.00 in AHPR and approximately \$160,000.00 in developer fees coming to AHPR. There is still \$1.3M in cash. Mr. Fonarow suggested that Mr. Ovitt be involved with Mr. Cooke and Ms. Webb in developing an investment plan, Mr. Cooke agreed.

**7. New Business:** Tax credit investors visit; Ms. Byrnes stated we have an inspection coming up on September 25, with Alliant, our tax credit investors. This will be our first visit from Alliant. Alliant wants to inspect 5 properties. PRHA and Monterey Co. are compiling all of the data required by Alliant. PRHA feels everything will go well. Alliant, will be meeting with Mr. Cooke, Ms. Lopez-Byrnes, and Ms. Warren, and one of Ms. Warren's staff members will be attending.

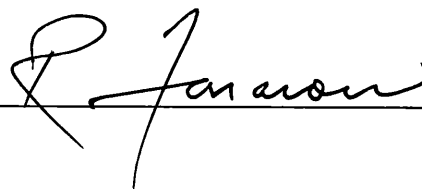
Hiring a new Director of Finance; Mr. Fonarow asked what Ms. Webbs plan are, and if Cynthia would be taking over for Ms. Webb as Director of Finance? Ms. Webb explained, Cynthia will remain part time focusing on tenant income, rents booked, security deposits booked, balance sheet accounts, and tenant receivables. Mr. Cooke explained that he is posting for Ms. Webb's replacement through SLO Jobs, and Craig's List and has received approximately 15 candidates. When we hire a new Director of Finance, Ms. Webb's main focus will be with YouthWorks.

**8. Adjourn the meeting:** Motion to adjourn was made by Mr. Boonstra, Ms. Goforth seconded the motion. The meeting adjourned at 6:35 p.m.

Secretary



Chairman



Date

10/13/15