



Regional Housing Authority of Sutter and Nevada Counties

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January 25, 2017

TO: Chairperson Martha Griese
Vice-Chairperson Dan Miller
Commissioner Brian Foss
Commissioner Manny Cardoza
Commissioner Charles Epp
Commissioner Diane Hodges
Commissioner Suzanne Gallaty
Commissioner Luis Uribe
Commissioner Ron Sullenger
Commissioner Toni Benson
Commissioner John Loudon
Commissioner Doug Lofton
Commissioner Mike Leahy

Sutter County Board of Supervisors
Nevada County Board of Supervisors
Yuba County Board of Supervisors
Colusa County Board of Supervisors
City Council, Live Oak
City Council, Yuba City
City Council, Colusa
Appeal-Democrat
Duane Oliveira, Legal Counsel
SCEA
Terrel Locke, City of Yuba City
Darin Gale, City of Yuba City
The Union
Rob Choate, County of Nevada
Kara Gash, Sutter County Health Division

**NOTICE OF REGULAR MEETING
February 1, 2017**

You are hereby notified that the Commissioners of the Regional Housing Authority of Sutter and Nevada Counties are called to meet in Regular Session at **12:15 PM on Wednesday, February 1, 2017 at Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.**


Gustavo Becerra
Executive Director

s: No020117



The Housing Authority is an equal opportunity employer and housing provider.



AGENDA
REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF
REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991
February 1, 2017, 12:15 PM

- A. CALL TO ORDER: ROLL CALL
- B. PLEDGE OF ALLEGIANCE
- C. PUBLIC PARTICIPATION: Members of the public shall be provided with an opportunity to address the Board on items of interest that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring something before the Board that is not on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda.
- D. AWARDS AND PRESENTATIONS: NONE
- E. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that the Board votes on the motion, unless members of the Board request specific items to be discussed or removed from the Consent Calendar for individual action.
 - 1. Approval of Minutes – December 7, 2016 pg. 1
 - 2. Approval of Minutes – January 11, 2017 pg. 5
 - 3. Approval of Out of State Travel for Executive Director, Occupancy Manager and Operations Manager pg. 10
- F. OLD BUSINESS: Discussion/Possible Action: NONE
- G. NEW BUSINESS: Discussion/Possible Action:
 - 4. Approval of Roofing project at 476 Garden Highway, Yuba City, CA pg. 12
 - 5. Approval of Fiscal Year Ending 2018 Operating Budget pg. 14
 - 6. Resolution 17-1485, Approval of Fiscal Year Ending 2018 Operating Budget pg. 22

H. ADMINISTRATIVE REPORT:

7. Administrative Update

I. HOUSING COMMISSIONERS' COMMENTS:

J. EXECUTIVE SESSION: May be held under California Government Code regarding pending and/or anticipated litigation, property acquisition, and/or personnel issues.

K. NEXT MEETING:

L. ADJOURNMENT

Ag020117

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Minutes

Regular Board Meeting

December 7, 2016

ITEM NO. A - CALL TO ORDER:

Chairperson Martha Griese called the meeting to order at the Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.

ITEM NO. A - ROLL CALL:

Chairperson Martha Griese, Commissioners Charles Epp, Brian Foss, Dan Miller, Diane Hodges, Suzanne Gallaty, John Loudon and Luis Uribe were present. Commissioner Preet Didbal arrived later in the meeting. Commissioners Ron Sullenger, Toni Benson, Roger Abe, Mark Marshall and John Nicoletti were absent. Legal Counsel Duane Oliveira was also present.

ITEM NO. B. – PLEDGE OF ALLEGIANCE:

Commissioner Epp led the Pledge of Allegiance.

ITEM NO. C. – PUBLIC PARTICIPATION:

Kara Gash, Health and Safe Neighborhoods Coalition and Tammy Andersen, Sutter County Tobacco Control Program were in attendance to review the ruling that went into effect mandating smoke free housing in HUD Public Housing units. They both offered their services to assist in creating policies and educating tenants in making this a smooth transition.

ITEM NO. D. AWARDS AND PRESENTATIONS: NONE

ITEM NO. E. - CONSENT CALENDAR:

Commissioner Miler made a motion to approve the Consent Calendar as submitted. Commissioner Hodges made the second. All were in favor by voice vote.

ITEM NO. F. 2. – RESOLUTION 16-1471 – AUTHORIZATION TO REFINANCE THE EXISTING DEBT AT THE DEVONSHIRE APARTMENT COMPLEX:

Executive Director Gustavo Becerra stated this resolution is in regards to the refinancing of the Devonshire Apartments. He shared River Valley Community Bank was able to negotiate a lower interest rate subject to the closing of the loan.

Commissioner Miller made a motion to approve Resolution 16-1471, Authorization to refinance the existing debt at the Devonshire Apartment complex. Commissioner Uribe made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller

Nays: None

Abstain: None

Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti, Ron Sullenger and Mark Marshall

ITEM NO. G. 3. – APPROVAL OF AGREEMENT WITH PACIFIC WEST COMMUNITIES, INC.:

Assistant Planning and Community Development Manager Beckie Flores explained this agreement is for potential development of senior housing in Grass Valley. She shared the County approached staff in regards to housing for special needs groups. Mrs. Flores stated this agreement would establish the co-developer relationship between the Housing Authority and AMG Associates.

Mrs. Flores explained this project is focused on seniors due to the need for senior housing. Cameron Johnson, AMG Associates, mentioned senior projects are more competitive and you can use 100% Project Based Vouchers. Mr. Becerra said sometimes a project must be focused on the funding available.

Commissioner Miller requested some background information and would like to know legally the Housing Authority is on solid ground. Legal Counsel Duane Oliveira said he would prepare a legal opinion letter addressed to the Board of Commissioners addressing the concerns expressed by Commissioner Miller.

Mr. Johnson said deals such as the Grass Valley project will not be successful without the partnership with the Housing Authority. Commissioner Miller stated the wording in the Resolution is what is causing some concerns in regards to purchasing land in another jurisdiction.

This item will be brought back at a future meeting.

ITEM NO. G. 4. – RESOLUTION 16-1476, AUTHORIZATION TO ACQUIRE LAND FOR THE PURPOSE OF DEVELOPING HOUSING FOR LOW-INCOME PERSON:

This item will be brought back at a future meeting.

ITEM NO. G. 5. – RESOLUTION 16-1477, RURAL DEVELOPMENT COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$512.59:

Occupancy Manager Alisha Parker explained the collection loss write-offs are for families who have moved out and owe for rent and damages.

Commissioner Hodges made a motion to approve Resolution 16-1477, Rural Development Collection Loss Write-Off in the amount of \$512.59. Commissioner Miller made the second. The

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following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller

Nays: None

Abstain: None

Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti, Ron Sullenger and Mark Marshall

ITEM NO. G. 6. – RESOLUTION 16-1478, KINGWOOD COMMONS COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$635.50:

Commissioner Hodges made a motion to approve Resolution 16-1478, Kingwood Commons Collection Loss Write-Off in the amount of \$635.50. Commissioner Miller made the second. The following roll call vote was taken:

Vote: Ayes: Chairperson Martha Griese, Commissioners Luis Uribe, John Loudon, Preet Didbal, Charles Epp, Susanne Gallaty, Diane Hodges, Brian Foss and Dan Miller

Nays: None

Abstain: None

Absent: Commissioners Toni Benson, Roger Abe, John Nicoletti, Ron Sullenger and Mark Marshall

ITEM NO. H.7. –ADMINISTRATIVE UPDATE:

Mr. Becerra stated staff is looking at the non-smoking rule that was recently approved for the Public Housing units. He shared going non-smoking will help save on unit turns for those in which there were smokers. Mr. Becerra also said it may impact the quickness in leasing up vacant units.

Mr. Becerra mentioned the financing for the Stony Creek project was closed and ground breaking should be any day. He said the City of Yuba City gave their approval of the Richland Phase I project that will be located on the corner of Garden Highway and Percy Avenue. The project would target the general homeless, homeless veterans and homeless individuals or families receiving behavior health services. Mr. Becerra explained staff is working on the various funding sources for the project.

Mr. Becerra thanked staff for the amazing job they have done the past year and looks forward to the many projects in the year to come. He mentioned staff continues to work with Placer County about consolidating their Housing Choice Voucher program.

Chairperson Griese also shared her appreciation for staff and all they do.

ITEM NO. I. HOUSING COMMISSIONERS' COMMENTS:

Commissioner Epp wished everyone a Merry Christmas and Happy New Year.

Commissioner Didbal also wished everyone a Merry Christmas and Happy New Year. She also said the forum on public safety was great. She expressed there are still a few residents that are hesitant to speak due to fear. Commissioner Didbal stated she was sworn in as Vice-Mayor at last night's City Council meeting.

Commissioner Loudon stated the hospital in Colusa is moving along. He shared the Old Time Christmas was held on Friday and had a record turnout. Commissioner Loudon mentioned the City was selected to cultivate medical marijuana in conjunction with UC Davis.

Commissioner Uribe wished everyone Happy Holidays.

Commissioner Gallaty wished everyone a Merry Christmas and Happy New Year.

Commissioner Hodges also wished everyone a Merry Christmas and Happy New Year.

Legal Counsel Duane Oliveira stated he would be resigning as the Housing Authority's Legal Counsel after 25 plus years.

ITEM NO. J. – EXECUTIVE SESSION: MAY BE HELD UNDER CALIFORNIA GOVERNMENT CODE REGARDING PENDING AND/OR ANTICIPATED LITIGATION, PROPERTY ACQUISITION, AND/OR PERSONNEL ISSUES: NONE

ITEM NO. K – NEXT MEETING: January 11, 2017

ITEM NO. L - ADJOURNMENT: The meeting was adjourned at 1:34 PM.

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES

Minutes

Special Board Meeting

January 11, 2017

ITEM NO. A - CALL TO ORDER:

Vice-Chairperson Dan Miller called the meeting to order at the Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.

ITEM NO. A - ROLL CALL:

Commissioners Charles Epp, Ron Sullenger, Dan Miller, Diane Hodges, Suzanne Gallaty, John Loudon, Manny Cardoza, Doug Lofton and Luis Uribe were present. Chairperson Martha Griese, Commissioners Brian Foss, Toni Benson, and Mike Leahy were absent. Legal Counsel Duane Oliveira was also present.

ITEM NO. B. – PLEDGE OF ALLEGIANCE:

Commissioner Cardoza led the Pledge of Allegiance.

ITEM NO. C. – PUBLIC PARTICIPATION: NONE

Vice-Chairperson Miller introduced Commissioners Cardoza and Lofton.

ITEM NO. D. 1. FAMILY SELF-SUFFICIENCY GRADUATE ELDA MEDINA:

Occupancy Manager Alisha Parker introduced Elda Medina. She shared Ms. Medina started on the program in December 2010 and graduated on November 1, 2016. Mrs. Parker mentioned when Ms. Medina started on the program she was going to school and became a medical assistant. Ms. Medina plans on continuing her education to become a Registered Nurse. She is currently working full-time at Tri-Counties Schools Insurance Group in their medical office. Ms. Medina plans on using the money she receives to purchase her first home. Mrs. Parker stated Ms. Medina will be receiving \$11,279.51.

Ms. Medina thanked the Housing Authority for all of the help, services and resources she received. She stated the assistance is greatly appreciated and she has volunteered to come back and give her story to others to help inspire them to use these services to better their lives.

ITEM NO. E. - CONSENT CALENDAR: NONE

ITEM NO. F. – OLD BUSINESS: NONE

ITEM NO. G. 2. – RESOLUTION 17-1479, AUTHORIZATION TO SIGN CSBG-CONTRACT 2017SCSBG-06 IN THE AMOUNT OF \$10,000:

Mrs. Parker explained the Housing Authority was awarded the CSBG grant for Sutter County. She explained the money is used to assist Sutter County residents with items such as books for college, bus passes and clothes for job interviews. This resolution will authorize the Executive Director to sign the grant.

Commissioner Sullenger made a motion to approve Resolution 17-1479, Authorization to sign CSBG Contract 2017SCSBG-06 in the amount of \$10,000. Commissioner Epp made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon, Manny Cardoza, Charles Epp, Susanne Gallaty, Diane Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson, Brian Foss, and Mike Leahy

ITEM NO. G. 3. – RESOLUTION 17-1480, FAMILY SELF-SUFFICIENCY GRADUATE ELDA MEDINA:

Mrs. Parker briefly went over the Resolution stating Ms. Medina graduated from the program on November 1, 2016.

Commissioner Hodges made a motion to approve Resolution 17-1480, Family Self-Sufficiency Coordinator Graduate Elda Medina. Commissioner Gallaty made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon, Manny Cardoza, Charles Epp, Susanne Gallaty, Diane Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson, Brian Foss, and Mike Leahy

ITEM NO. G. 4. – APPROVAL OF PEST CONTROL CONTRACT:

Operations Manager Tom Goodwin explained a Request for Proposal (RFP) for Pest Control was sent out. He stated there was a mandatory meeting where three contractors showed up and only one turned in a proposal. The contractor that turned in a proposal is the current pest control provider and has been for the past five years. Mr. Goodwin mentioned the contract will be for one year with four potential one year extensions.

Commissioner Cardoza made a motion to approve the selection of Right Way Pest Control for a

one-year contract with four potential, one-year extensions. Commissioner Gallaty made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon,
Manny Cardoza, Charles Epp, Susanne Gallaty, Diane
Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson,
Brian Foss, and Mike Leahy

ITEM NO. G. 5. – RESOLUTION 17-1481, ANNUAL ADMINISTRATIVE PHA PLAN:

Mrs. Parker said HUD requires Housing Authority's to submit an annual plan each year and then every five year a more detailed plan. She mentioned the only change for this year's annual plan is the Housing Authority will be using 31 vouchers for the Stony Creek project in Williams in which they will become Project Based Vouchers.

Commissioner Cardoza made a motion to approve Resolution 17-1481, Annual Administrative PHA Plan. Commissioner Uribe made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon,
Manny Cardoza, Charles Epp, Susanne Gallaty, Diane
Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson,
Brian Foss, and Mike Leahy

ITEM NO. G. 6. – RESOLUTION 17-1482, CIVIL RIGHTS CERTIFICATION:

Mrs. Parker stated this resolution is part of the annual plan and is required by HUD.

Commissioner Hodges made a motion to approve Resolution 17-1482, Civil Rights Certification. Commissioner Cardoza made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon,
Manny Cardoza, Charles Epp, Susanne Gallaty, Diane
Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson,
Brian Foss, and Mike Leahy

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ITEM NO. G. 7. – RESOLUTION 17-1483, KINGWOOD COMMONS COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$1,805.25:

Occupancy Manager Pattra Runge explained the collection loss write-off process for the new Commissioners.

Commissioner Lofton made a motion to approve Resolution 17-1483, Kingwood Commons Collection Loss Write-Off in the amount of \$1,805.25. Commissioner Uribe made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon, Manny Cardoza, Charles Epp, Susanne Gallaty, Diane Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson, Brian Foss, and Mike Leahy

ITEM NO. G. 8. – RESOLUTION 17-1484, HOUSING CHOICE VOUCHER FRAUD RECOVERY COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$349.00:

Commissioner Lofton made a motion to approve Resolution 17-1484, Housing Choice Voucher Fraud Recovery Collection Loss Write-Off in the amount of \$349.00. Commissioner Uribe made the second. The following roll call vote was taken:

Vote: Ayes: Commissioners Luis Uribe, Ron Sullenger, John Loudon, Manny Cardoza, Charles Epp, Susanne Gallaty, Diane Hodges, Doug Lofton and Dan Miller

Nays: None

Abstain: None

Absent: Chairperson Martha Griese, Commissioners Toni Benson, Brian Foss, and Mike Leahy

ITEM NO. H.7. –ADMINISTRATIVE UPDATE:

Mr. Becerra stated staff has issued Section 8 vouchers trying to get the numbers back to where they need to be after being told by HUD to stop leasing in the later part of last year. He mentioned staff will be able to issue approximately 50 vouchers. Mr. Becerra said staff received approximately 3000 applications during the opening of the waitlist.

Mr. Becerra mentioned the ad hoc committee met before the meeting in regards to the Legal Services proposals that were received during the RFP process. He also explained the Grass Valley project is on hold due to the discovery of wetlands. Mr. Becerra said the refinancing for the Devonshire Apartments is moving along and the closing documents should be reading for closing in the upcoming weeks.

ITEM NO. I. HOUSING COMMISSIONERS' COMMENTS:

All of the Commissioners introduced themselves to the new Commissioners.

Commissioner Uribe wished everyone a Happy New Year and welcomed the new Commissioners.

Commissioner Hodges also welcomed the new Commissioners.

Commissioner Cardoza stated he is retired from the City of Yuba City in the Public Works department. He said he is interested in affordable housing for our community.

Commissioner Lofton mentioned he is a retired water district manager.

ITEM NO. J. – EXECUTIVE SESSION: MAY BE HELD UNDER CALIFORNIA GOVERNMENT CODE REGARDING PENDING AND/OR ANTICIPATED LITIGATION, PROPERTY ACQUISITION, AND/OR PERSONNEL ISSUES: NONE

ITEM NO. K – NEXT MEETING: February 1, 2017

ITEM NO. L - ADJOURNMENT: The meeting was adjourned at 12:51 PM.

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

STAFF REPORT

Date: February 1, 2017
To: Board of Commissioners
From: Gustavo Becerra, Executive Director

SUBJECT: Out-of-State travel for meetings/trainings/conferences for Executive Director, Occupancy Manager (Asset Division), and Maintenance Operations Manager

RECOMMENDATION: Authorize staff to attend referenced conferences

FISCAL IMPACT: Approximately \$8,750 for all four conferences (inclusive of transportation, lodging, meals, conference registration)

Background:

The Regional Housing Authority of Sutter and Nevada Counties is a member of the National Association of Housing & Redevelopment Officials (NAHRO). NAHRO is the largest and strongest advocate for Housing Authorities nationwide. NAHRO also conducts three conferences per year, the Legislative, the Summer, and the Fall Conference. It is important for the Housing Authority to be tied into the information at a national level with NAHRO, and for staff to learn the various changes in regulations, legislation, and best practices as it relates to federal housing programs.

In 2017, if approved by the Board of Commissioners, the Executive Director would attend the Legislative Conference in Washington DC, from March 26-28; the Occupancy Manager (Asset Division) would attend the Summer Conference in Indianapolis, IN, from July 16-18; and the Maintenance Operations Manager would attend the Fall Conference in Pittsburgh, PA, from October 27-29.

Additionally, it is requested that the Executive Director be approved to attend the 2017 Rural Housing Conference in Washington DC, from November 28 to December 1 (tentative dates, actual dates not yet published). This conference focuses mainly on the rural housing issues facing our communities. USDA-Rural Development presents many workshops at this conference.

Recommendation:

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the out-of-state travel for the referenced staff members.

Prepared and submitted by:



Gustavo Becerra
Executive Director

**REGIONAL HOUSING AUTHORITY
OF SUTTER AND NEVADA COUNTIES**

STAFF REPORT

Date: February 1, 2017
To: Board of Commissioners
From: Gustavo Becerra, Executive Director

SUBJECT: Roofing Project – Richland Senior Apartments – 476 Garden Highway, Yuba City, CA 95991

RECOMMENDATION: Award contract to California Window Industries, as General Contractor, for the roofing replacement project to be performed at 476 Garden Highway, Yuba City, CA 95991

FISCAL IMPACT: \$184,850.00 in HUD-Public Housing Capital Fund Program (CFP) funding, plus \$35,000 as a contingency if necessary (i.e. unforeseen dry rot)

Background:

The Richland Senior Apartments are a 14-unit apartment complex located in Yuba City, CA. The development was built by the Housing Authority in the 1960's. The financing for the roofing project is coming from an annual allocation of the Department of Housing & Urban Development's Public Housing Capital Fund Program (CFP).

The project scope of work will consist of the replacement of roofing, downspouts, scuppers, and fascia boards, plus the painting of the new fascia boards; for all 14 units at the development.

Staff's in-house cost estimate for the project scope of work totaled \$187,372.79.

Four General Contractors signed out bid documents and plans/specifications. The pre-bid project walk-through was conducted on November 29, 2016 with bids due to the Housing Authority on December 20, 2016. Three General Contractors submitted the following bids:

Bids Submitted:

| | |
|--|--------------|
| California Window Industries (Yuba City, CA) | \$184,850.00 |
| Buskirk Building Solutions (Roseville, CA) | \$192,000.00 |
| REM Construction (Paradise, CA) | \$298,795.00 |

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The above bids include the payment of federal Davis-Bacon appropriate wage rates.

Recommendation:

Staff recommends that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the bid from California Window Industries in the amount of \$184,850.00 for the roofing replacement project planned for the Richland Senior Apartments located at 476 Garden Highway in Yuba City, CA, and authorize the Executive Director to execute the construction contract and all required documents.

Prepared by:



Larry Tinker
Senior Development & Rehab Specialist

Submitted by:



Gustavo Becerra
Executive Director

REGIONAL HOUSING AUTHORITY OF SUTTER AND NEVADA COUNTIES
STAFF REPORT

Date: February 1, 2017
To: Board of Commissioners
From: Gail Allen – Chief Financial Officer

SUBJECT: Fiscal Year Ending 2018 Operating Budgets
RECOMMENDATION: Approve Operating Budgets

Background:

The Regional Housing Authority of Sutter and Nevada Counties (RHASNC) receives funding from several different sources; HUD (Federal), USDA (Federal), HCD (State) and cities and counties (local). Since RHASNC is considered a small Housing Authority (<250 HUD units), it does not come under the HUD Asset Management rule, which requires revenue to remain within the program where it was received/generated. As a result, there is little “general fund” (unrestricted revenue) for special projects.

Challenges:

- HUD, through the Housing Choice Voucher (Section 8) program, continues to prorate Administration Fees by 16%, however, this year HUD will also prorate Housing Assistance Payments (HAP’s) by 5%. This requires RHASNC to even more closely monitor monthly HAP assistance to ensure all participants receive housing subsidy, while determining if residents vacating the program can be replaced. If not, RHASNC’s Administrative Fees will also decrease, resulting in a shortfall of operating capital and the need to both determine potential cost reductions and locate unrestricted sources of revenue.
- OMS continues to provide significantly less funding than required to maintain the property, resulting in increased deferred maintenance for aging buildings.
- Maintaining a source of unrestricted revenue to assist other projects (restricted or unrestricted) will continue far into the future. RHASNC currently has several contracts with local cities and counties to administer, for a management fee, their Owner Occupied Rehab Programs and will continue to pursue those opportunities, along with creating partnerships with affordable housing developers who are willing to share a portion of their Developer Fees.
- GASB requirements to not only post future health care liabilities, but now retirement liabilities to our books.

Anticipated Successes:

- Two projects will either complete construction or finish major rehabilitation programs:
 - Stony Creek Apartments (City of Williams), in partnership with a co-developer
 - Devonshire Apartments (City of Colusa), made possible through a City grant
- Three projects have potential funding for rehabilitation and/or land acquisition:
 - OMS, made possible through a State grant
 - Kristen Court Apartments (City of Live Oak), Phase 2 (family), in partnership with a co-developer
 - Grass Valley, in partnership with a co-developer

- The County of Placer recently contacted RHASNC to determine our interest in combining their Housing Choice Voucher program with ours. If this transpires, RHASNC's tenant based voucher base will increase by an additional 345 vouchers (276 HCV; 69 VASH) bringing our total to 1,989 (1,885 HCV; 104 VASH). Note: In 1998 our count was 605 vouchers.
- Kingwood Commons will continue to produce positive receipts, allowing it to repay other programs that have, since inception, covered its negative receipts.
- Devonshire will have undergone a debt service refinance with River Valley Community Bank which will replace the current interest rate on an interest-only bond with an amortized (principal-interest) loan.
- All programs will meet their monthly reserve mandates while maintaining positive receipts.

What is included in this Report?

- Net Residual Receipt Summary
- Budget comparison between FYE 2017 and FYE 2018 (attached spreadsheets)

What factors do you use when preparing a budget?

- Income Annualized average or maximum revenue minus various vacancy rates
- Expenses Annualized average, prior year budget or actual anticipated needs
- Adjustments Managers recommendations based on anticipated needs; residual Net Income is budgeted for reserves to cover Capital Needs Assessments (CNA)

What are some of the specifics included in each budget?

- 2% COLA for all staff
- 5% step increases for eligible staff
- Where available, Capital Needs Assessments (CNA) for future property/building requirements
- Levee bond taxes along with special assessments
- Revised utility budgets to reflect actual costs

What costs are included in the budget (not an inclusive list):

- Administration Wages/benefits, legal, training/travel, outside consultants (Yardi, IT, Human Resources, commissioners), dues/subscriptions/publications, advertising, supplies, computer parts, telephone/Internet/cell phones, postage, Yardi license fee, equipment leases, answering service, printing
- Tenant Services On-sight manager wages/benefits, tenant functions
- Utilities Water, sewer, gas, electric, trash removal
- Maintenance Wages/benefits, uniform allowance, travel/training, supplies, outside services (alarm, flooring, cleaning, landscape maintenance, pest control, janitorial, vehicle maintenance, painting)
- General Insurance, PILOT's, levee taxes/special assessments, security, major repairs, tenant bad debt

What programs do we administer, including number of units and designations restricted/unrestricted):

- Unrestricted (Affordable) - RHASNC 82 income unrestricted units
 - Kingwood Commons 64 family units
 - Percy Avenue 8 family units
 - Trailer Park 9 family units (space is leased by tenants)
 - LC-35 Miles Market, School

- Transitional Trailer 1 family unit
 - Management Fees RHASNC fee to manage SCAH, city & county programs
- Public Housing 173 income restricted units
 - Richland Housing 99 family & senior units
 - Date Street (Live Oak) 50 senior units
 - Joann Way 24 senior units
- USDA 244 income restricted units
 - Richland Housing 180 + 10 ADA family units
 - Centennial Arms (Live Oak) 21 + 1 ADA family units
 - Butte View Estates (Live Oak) 32 senior units
- Housing Choice Voucher 1,644 income restricted vouchers (includes 35 VASH)
- Other
 - Devonshire (Colusa) 30 income restricted units
 - Mental Health Yuba City & Marysville; 16 income restricted units
 - Migrant Services 79 income restricted units (May-November)
 - Neighborhood Stabilization-1 9 income restricted units
 - Neighborhood Stabilization-3 13 income restricted units
 - Planning & Community Develop Interagency administered programs, development projects, RHASNC maintenance contracts
 - Homes2Families (H2F) 19 income restricted units (managed for Yuba City)
 - TRIO 6 tenant option-to-purchase homes

What factors will affect this budget?

- Federal proration -- HUD properties
 - Housing Choice Voucher Administrative Fee 84%
 - Housing Choice Voucher Housing Payments 5%
 - Public Housing Operating Subsidy 84%
- Higher vacancy
- Decrease in tenant income
- Major building repairs due to unforeseen conditions

Staff closely monitors expenditures for cost savings as well as potential revenue streams making cost corrections throughout the year, as necessary, to meet approved budgets. Board of Commissioners are updated quarterly.

What is the income and/or expense methodology of each budget?

- **Unrestricted/Affordable Properties (attachment A)**
 - Kingwood Commons – no operating subsidies
 - Income – Rents increased October 1, 2016
 - Expenses
 - Debt Service refinanced resulting in annual savings of \$129,432 (\$10,786 monthly)
 - Minimal unit rehab during turns
 - Major unit rehab pending available funding or as project loans (due to/due from) are reimbursed (2019 projected year)
 - Rent incentives are offered
 - Percy Avenue
 - Income – Rents increased October 1, 2016

- Trailer Park
 - Income -- 5% increase
- Transitional Trailer
 - Income -- Rents increased September 1, 2016
- LC-35
 - Income
 - \$2,773 Miles Market
 - \$1,000 Yuba City Unified School District
 - \$ 62 Del Norte Clinic – Increasing to \$140 December 1, 2017
 - \$2,222 Solar Farm
 - \$4,669 PILOT
 - \$6,000 Office debt service (reimbursed by projects)
 - Expenses
 - \$1,507 Solar Farm Agreement and Reserves
 - \$6,000 Debt Service -- Office
 - \$ 486 Debt Service – Miles Market
- **Public Housing Income (attachment A)**
 - Operating Subsidies \$411,967 84% proration
\$254,036 Capital Funds (CFP)
- **USDA (attachment B)**
 - Rental Assistance Subsidies
 - Richland Housing \$1,237,823
 - Centennial Arms \$ 141,182
 - Butte View Estates \$ 183,682 (paid by HUD)
- **Mental Health (attachment B)**
 - Teesdale no annual subsidy
 - Heather Glenn Building Better Partnerships nonprofit; California Housing Finance Agency (CalHFA) potential subsidy
- **Devonshire (attachment B)**
 - HUD subsidy \$149,248
- **Housing Choice Voucher (attachment C)**
 - Operating Subsidies -- Administrative Fee and Housing Assistance Payments (HAP)
 - Admin Fee 1,644 vouchers x published rate - \$1,006,749
Column A <7,200 - \$65
Column B >7,200 - \$61
97.5% utilization x 84% HUD proration
 - HAP Expend to HUD allowance
 - Proration 84% Admin Fee; 95% HAP (current 99%)
- **Migrant Services (attachment C)**
 - OMS subsidy \$290,870; reimbursement of expenses

Net Residual Receipt Summary


| | <i>Revenue</i> | <i>Expenses</i> |
|--|---------------------------------|------------------|
| Unrestricted (attachment A) | | |
| Kingwood Commons | 514,643 | 512,703 |
| Percy Avenue | 44,560 | 39,127 |
| Trailer Park | 46,719 | 46,631 |
| LC-35 | 200,715 | 88,290 |
| Transitional Trailer | 7,862 | 3,879 |
| PCD | 610,740 | 406,622 |
| Total | 1,425,239 | 1,097,252 |
| Public Housing (attachment A) | | |
| Richland Housing | 902,106 | 811,702 |
| Date Street | 313,117 | 331,627 |
| Joann Way | 133,614 | 159,368 |
| Total | 1,348,837 | 1,302,697 |
| USDA (attachment B) | | |
| Richland Housing | 2,053,471 | 2,052,633 |
| Butte View Estates | 205,082 | 204,640 |
| Centennials Arms | 286,140 | 285,627 |
| Total | 2,544,693 | 2,542,900 |
| Mental Health (attachment B) | | |
| Teesdale | 29,694 | 29,692 |
| Heather Glenn | 41,011 | 41,001 |
| Total | 70,705 | 70,693 |
| Devonshire (attachment B) | | |
| | 252,856 | 243,816 |
| Housing Choice Voucher (attachment C) | | |
| Administrative Fee | 1,006,749 | 962,139 |
| Housing Assistance Payments | Manage to HUD subsidy | |
| FSS Coordinator | 104,180 | 104,180 |
| Total | 1,110,929 | 1,066,319 |
| Migrant Services (attachment C) | | |
| | New budget pending OMS approval | |


RECOMMENDATION:

It is recommended that the Board of Commissioners of the Regional Housing Authority of Sutter and Nevada Counties approve the fiscal year ending 2018 operating budgets.

Prepared by:

Submitted by:


 Gail L. Allen
 Chief Financial Officer


 Gustavo Becerra
 Executive Director

A

Proposed Budget - FYE 2018

Unrestricted Properties

| | Kingswood Commons | | Percy Avenue | | Trailer Park | | LC-35 | | Transitional Trailer | | PCD | | Total | |
|------------------------------|-------------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------------|--------------|----------|----------------|----------------|------------------|
| | Current | Proposed | Current | Proposed | Current | Proposed | Current | Proposed | Current | Proposed | Current | Proposed | Current | Proposed |
| Tenant Income | 503,741 | 514,634 | 46,202 | 44,560 | 47,466 | 46,719 | 69,452 | 46,020 | 7,889 | 7,858 | 0 | 0 | 674,749 | 685,461 |
| Grant Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 578,379 |
| Other Income - PILOT & Solar | 19 | 9 | 0 | 0 | 0 | 0 | 74,267 | 154,695 | 4 | 4 | 0 | 0 | 74,290 | 160,512 |
| Total Income | 503,760 | 514,643 | 46,202 | 44,560 | 47,466 | 46,719 | 143,719 | 200,715 | 7,893 | 7,862 | 0 | 610,740 | 749,040 | 1,424,352 |
| Administrative Expenses | 103,871 | 107,127 | 15,467 | 14,399 | 13,583 | 14,867 | 21,208 | 10,370 | 0 | 197 | 0 | 390,999 | 154,129 | 537,959 |
| Tenant Services Expenses | 10,148 | 14,305 | 0 | 12 | 31 | 31 | 0 | 125 | 0 | 0 | 0 | 13,638 | 10,179 | 28,110 |
| Utility Expenses | 65,436 | 69,736 | 7,854 | 8,167 | 9,691 | 9,834 | 0 | 0 | 0 | 0 | 0 | 145 | 82,982 | 87,882 |
| Maintenance Expenses | 126,971 | 145,596 | 13,039 | 14,750 | 9,272 | 19,938 | 0 | 0 | 3,300 | 3,531 | 0 | 1,041 | 152,583 | 184,856 |
| General Expenses | 20,584 | 14,299 | 2,440 | 1,798 | 1,953 | 1,962 | 0 | 0 | 139 | 151 | 0 | 799 | 25,116 | 19,009 |
| Financing Expenses | 161,641 | 161,641 | 0 | 0 | 0 | 0 | 78,548 | 77,795 | 0 | 0 | 0 | 0 | 240,189 | 239,436 |
| Total Expenses | 488,652 | 512,703 | 38,800 | 39,127 | 34,531 | 46,631 | 99,756 | 88,290 | 3,439 | 3,879 | 0 | 406,622 | 665,178 | 1,097,252 |
| Net Income | 15,108 | 1,940 | 7,402 | 5,433 | 12,935 | 88 | 43,963 | 112,425 | 4,454 | 3,982 | 0 | 204,118 | 83,862 | 327,100 |

Public Housing

| | Richland Housing | | Date Street | | Joann Way | | Combined Total | |
|-----------------------------|------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | Current | Proposed | Current | Proposed | Current | Proposed | Current | Proposed |
| Tenant Income | 465,859 | 446,761 | 160,578 | 168,245 | 67,358 | 67,668 | 693,795 | 682,674 |
| Grant Income | 524,597 | 455,328 | 120,266 | 144,742 | 51,477 | 65,932 | 696,340 | 666,003 |
| Other Income | 17 | 17 | 129 | 129 | 7 | 14 | 152 | 159 |
| Total Income | 990,472 | 902,106 | 280,974 | 313,117 | 118,841 | 133,614 | 1,390,287 | 1,348,836 |
| Administrative Expenses | 350,209 | 345,198 | 92,548 | 97,950 | 71,603 | 68,902 | 514,360 | 512,051 |
| Tenant Services Expenses | 61,820 | 16,959 | 10,991 | 10,920 | 12,106 | 6,113 | 84,918 | 33,992 |
| Utility Expenses | 121,959 | 125,477 | 56,468 | 66,089 | 22,722 | 23,849 | 201,149 | 215,415 |
| Maintenance Expenses | 312,904 | 248,657 | 99,983 | 128,615 | 58,852 | 45,574 | 471,740 | 422,847 |
| General Expenses | 100,308 | 74,307 | 36,661 | 28,052 | 25,957 | 14,930 | 162,926 | 117,289 |
| Housing Assistance Payments | 681 | 1,103 | 0 | 0 | 0 | 0 | 681 | 1,103 |
| Total Expenses | 947,881 | 811,702 | 296,651 | 331,627 | 191,241 | 159,368 | 1,435,773 | 1,302,697 |
| Net Income | 42,591 | 90,404 | -15,678 | -18,510 | -72,400 | -25,755 | -45,486 | 46,139 |
| Transfer to Date Street | -15,678 | -18,510 | 15,678 | 18,510 | 0 | 0 | 0 | 0 |
| Transfer to Joann Way | -72,400 | -25,755 | 0 | 0 | 72,400 | 25,755 | 0 | 0 |
| Revised Net Income | -45,486 | 46,139 | 0 | 0 | 0 | 0 | -45,486 | 46,139 |

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Proposed Budget - FYE 2018

| | USDA | | | | | | | |
|-----------------------------|------------------|------------------|-----------------|----------------|--------------------|----------------|------------------|------------------|
| | Richland Housing | | Centennial Arms | | Butte View Estates | | Total | |
| | Current | Proposed | Current | Proposed | Current | Proposed | Current | Proposed |
| Total Tenant Income | 2,022,705 | 2,053,471 | 204,142 | 205,082 | 287,720 | 286,140 | 2,514,568 | 2,544,693 |
| Administrative Expenses | 481,920 | 431,303 | 27,858 | 38,655 | 72,725 | 63,057 | 582,503 | 533,016 |
| Tenant Services Expenses | 20,530 | 20,765 | 9,555 | 9,555 | 6,993 | 13,793 | 37,078 | 44,112 |
| Utility Expenses | 234,611 | 246,417 | 26,473 | 27,138 | 40,162 | 41,115 | 301,246 | 314,670 |
| Maintenance Expenses | 922,474 | 779,067 | 56,143 | 45,560 | 72,567 | 63,993 | 1,051,184 | 888,619 |
| General Expenses | 100,506 | 104,576 | 7,429 | 6,565 | 8,514 | 9,709 | 116,449 | 120,850 |
| Housing Assistance Payments | 0 | 1,226 | 0 | 430 | 0 | 0 | 0 | 1,656 |
| Financing Expenses | 238,579 | 238,579 | 56,854 | 56,854 | 59,364 | 66,997 | 354,797 | 362,430 |
| Non-Operating Items | 0 | 230,700 | 19,884 | 19,884 | 26,962 | 26,962 | 46,846 | 277,546 |
| Total Expenses | 1,998,620 | 2,052,633 | 204,196 | 204,640 | 287,287 | 285,627 | 2,490,103 | 2,542,900 |
| Net Income | 24,086 | 838 | 138 | 441 | 578 | 633 | 24,802 | 1,912 |

| | Mental Health Housing Services | | | | | |
|-------------------------|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| | Teesdale | | Heather Glenn | | Total | |
| | Current | Proposed | Current | Proposed | Current | Proposed |
| Tenant Income | 23,081 | 29,694 | 26,224 | 29,830 | 49,305 | 59,524 |
| Grant Income | 0 | 0 | 11,181 | 11,181 | 11,181 | 11,181 |
| Total Income | 23,081 | 29,694 | 37,405 | 41,011 | 60,486 | 70,705 |
| Administrative Expenses | 7,407 | 8,447 | 6,083 | 8,051 | 13,490 | 16,497 |
| Utility Expenses | 7,253 | 9,315 | 11,033 | 15,816 | 18,287 | 25,131 |
| Maintenance Expenses | 7,733 | 11,213 | 14,463 | 13,115 | 22,196 | 20,828 |
| General Expenses | 683 | 718 | 576 | 2,270 | 1,259 | 2,988 |
| Non-Operating Items | 0 | 0 | 5,250 | 1,750 | 5,250 | 5,250 |
| Total Expenses | 23,076 | 29,692 | 37,405 | 41,001 | 60,481 | 70,695 |
| Net Income | 5 | 2 | 0 | 9 | 5 | 10 |

| | Devonshire | |
|-----------------------------|----------------|----------------|
| | Current | Proposed |
| Total Tenant Income | 237,180 | 252,856 |
| Administrative Expenses | 33,088 | 31,659 |
| Tenant Services Expenses | 24,762 | 25,571 |
| Utility Expenses | 54,392 | 53,027 |
| Maintenance Expenses | 50,877 | 52,727 |
| General Expenses | 4,850 | 2,832 |
| Housing Assistance Payments | 129 | 0 |
| Financing Expenses | 69,063 | 78,000 |
| Total Expenses | 237,160 | 243,816 |
| Net Income | 21 | 9,040 |

C

Proposed Budget - FYE 2018

| Housing Choice Voucher (Admin Fee) | | |
|------------------------------------|----------------|------------------|
| | Current | Proposed |
| Total Grant Income | 889,627 | 1,006,749 |
| Administrative Expenses | 858,838 | 931,944 |
| Tenant Services Expenses | 102 | 726 |
| Utility Expenses | 7,384 | 10,043 |
| Maintenance Expenses | 10,962 | 9,971 |
| General Expenses | 12,230 | 9,456 |
| Total Expenses | 889,627 | 962,139 |
| Net Income | 0 | 44,610 |

| Migrant Services (already approved) | |
|--|-------------------|
| CENTER PERSONNEL | |
| 101 Permanent Salaries/Wages | 79,950.00 |
| 103 Personnel Benefits | 40,776.00 |
| SUBTOTAL | 120,726.00 |
| OPERATING EXPENSES | |
| 201 Center Office Supplies | 1,000.00 |
| 202 Household Supplies | 100.00 |
| 203 Communications | 2,500.00 |
| 204 Travel | 200.00 |
| 205 Auto Repairs/Maintenance | 600.00 |
| 206 Gas/Oil | 500.00 |
| 209 Major Equipment Repair/Maintenance | 10,000.00 |
| 212 Electricity and Gas | 35,000.00 |
| 213 Garbage, Trash | 10,000.00 |
| 214 Sewer, Water | 40,000.00 |
| 215 Other Costs | 10,000.00 |
| SUBTOTAL | 109,900.00 |
| MAINTENANCE EXPENSES | |
| 301 Elec/Plumb/Paint/Solar Supplies | 12,000.00 |
| 302 Lumber and Materials | 75.00 |
| 303 Grounds Maintenance | 12,500.00 |
| 304 Minor Rehabilitation | 2,500.00 |
| SUBTOTAL | 27,075.00 |
| CONTRACTOR ADMINISTRATION | |
| 401 Administrative Support Services | 26,443.00 |
| 403 Audit | 6,726.00 |
| SUBTOTAL: | 33,169.00 |
| COMBINED TOTAL | 290,870.00 |

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PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Regional HA of Sutter & Nevada Counties PHA Code: CA048

PHA Fiscal Year Beginning: 04/01/2017 Board Resolution Number: 17-1485

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on: 02/01/2017
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

| | | |
|--|------------|---------------------|
| Print Board Chairperson's Name: Martha Griese | Signature: | Date: 02/01/2017 |
|--|------------|---------------------|