

**HOUSING AUTHORITY OF THE CITY OF PASO ROBLES
BOARD MEETING MINUTES
November 12, 2019**

Present:	Chairman:	Mr. Wes Willhoit
	Commissioners:	Mr. Dave Anderson
		Mr. Harry Ovitt
		Ms. Nicole Jaurez
		Mr. Earl Ward
	Sec/Dir:	Mr. David Cooke
	Director of Finance:	Mr. Brent Weickert
	Recorder:	Ms. Jessica Aguilar
	Staff:	Ms. Liz Lopez Byrnes
	City Liaison:	Ms. Maria Garcia
		Mr. Fred Strong
	Absent:	Ms. Beatriz Espinoza
		Mr. Josh Cross
		Ms. Betian Webb
	Guest:	Mr. Bob Fonarow
		Mr. David Hamilton

Meeting called to order by Mr. Willhoit at 5:30 PM.

1. **Public Comment:** None.
2. **City Liaison Report:** Ms. Garcia reported that she recently attended an Economic Workshop for San Luis Obispo County at Madonna Inn. One of the topics of discussion was the need for housing. The presenter discussed economic growth when a new business comes in it hard for to recruit employees because of it is difficult to find housing they can afford. For example, other cities like San Mateo are looking into more density and may have to build up. Mr. Warren Frace, PR Director of Community Development is looking at different housing types especially on the west side of town. Ms. Garcia felt this conference was very interesting. Mr. Strong joined the meeting at 5:35 PM.
3. **Consent Agenda:** Mr. Ovitt motioned to approve the consent items and Mr. Anderson seconded, the motion passed.
 - a. **Approval of October 8, 2019 and October 30, 2019 minutes.** The board had no questions or comments.
 - b. **Financials:** Mr. Weickert highlighted several numbers from the September 30, 2019 Balance Sheet. He reported that the PRHA cash balance at the end of the month was \$258,932 because monies were transferred into the investment

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account. As a result, the investment accounts are back up to \$950,669. Mr. Weickert reported that income for the three-month period totaled \$207,665 vs the budgeted amount of \$200,363. On the expense side, we have spent \$235,979 vs the budgeted amount of \$285,171. He reported that expenses were lower due to staffing levels with a temporary vacancy in the maintenance department and the vacancy of the property manager. On a net basis, the year-to-date deficit is \$28,314 vs the budgeted deficit of \$84,808 putting a net income of \$56,494 ahead of the projected budget. As for PRLLC, Mr. Weickert reported that we on track with our numbers.

4. Directors Summary Report:

a. Summary Report:

Strategic Five Year Plan update (Verbal): Mr. Cooke reported this plan has been updated and have dismissed the consultant. Mr. Willhoit informed the board they are using the previous model and have made revisions based on the work shop that staff and board members attended. This project is almost completed. Mr. Cooke stated possibly a draft form will be presented at the next board meeting.

Oak Park 1: Mr. Cooke reported that Oak Park 1 currently has one vacancy but staff will be filling this unit by the end of the month and then will be 100% occupied. Mr. Cooke reported Monterey HDC is due unfunded developers' fee's so cash balances will be reduced. Maintenance wise, annual unit inspections are occurring and solar panels are being cleaned. Ms. Byrnes reported the 100-gallon water heater in the laundry room went out and the cost to replace is an estimated \$4,000.

Oak Park 2: Mr. Cooke reported that Oak Park 2 currently is 100% occupied. Ms. Byrnes reported the cleaning of the solar panels will be completed soon.

Oak Park 3: Mr. Cooke reported that Winn Property Management is 100% occupied and things are running smoothly.

Oak Park 4: Mr. Cooke reported that construction is about 60% completed and they anticipate the first eleven units could be available in mid-December 2019, first part of January 2020. They still need Certificate of Occupancy (C of O's) and PG&E services to be connected. These eleven units have been offered to Grand View tenants provided they are income eligible.

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- b. **OP4 Construction Progress:** Mr. Cooke stated construction reports from the Ashwood including photos are in the board packet for review.

5. Old Business:

- a. **Strategic Five Year Plan update (Verbal):** Already reviewed.
- b. **Grand View Apartment Update:** Mr. Cooke reported are moving forward with Eminent Domain process on the Grandview apartment complex. We sent a letter to the owner and are engaging with an appraiser along with a capital needs assessment (CNA) firm. The appraisal and the CNA will take an estimated eight weeks.
- c. **Development Pipeline:** Mr. Cooke reviewed the Development Pipeline handout. Mr. Cooke reported he will have another meeting this week regarding the Avalon Motel, but will still make another offer although they may have another plan. Grandview was discussed already. Mr. Willhoit said there is an offer from an unknown entity and from Peoples' Self-Help Housing. Re: 828 Spring St., Mr. Cooke is currently trying to set up an appointment and this property could provide 25-30 units. Re: Woodland Shopping Center, this could be 70 units for Senior housing and he is working on an early conceptual plan. Re: Montebello Oaks and Aaroe Dr., these two properties are on hold for now. 1041 Creston Road is a nice piece of property and could be made into some single, multi-family housing. There are some issues to resolve and could be very costly but reportedly the City is taking care of the roundabout issue. Re: 3550 Spring Street, Mr. Cooke is trying to reach out to owners of other nearby vacant lots to see if they are available and this could be 25-30 units.

6. New Business:

- a. **Review of Audit Report.** Mr. Weickert handed out a letter from the auditor to the board for review and approval. This is a standard letter, staff was cooperative, no deficiencies identified and a good clean letter. The auditors looked at the financial statements, and presented both PRHA and PRLLC, side by side since PRHA controls 55% of PRLLC. They did one minor adjustment on PRLLC side. As we had different start date on one of the notes that was originally set up here so we discussed a proper amount and this made minor adjustment to the accrued interest income. They went back to inception of the note and corrected this, making a very minor difference in PRLLC's bottom line by an estimated \$1,000 but balance sheet over four years is about a \$4,000

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difference in the amount accrued. Mr. Weickert is not sure how this initially got set up wrong or why Monterey and its auditors didn't catch this before. Other than this, everything else was presented in the original draft that was sent out in August 2019. Mr. Cooke reminded the Board that next year we will need to put audit services out to bid, which is required every three years. Mr. Weickert said that the audit should be cheaper in future years since all the authority owned rentals had been sold and only management services, tenant services and development remain. Mr. Anderson motioned to approve the Audit Report and Mr. Ovitt seconded, the motion passed.

7. **Other-Open Forum:** None
8. **Next meeting scheduled for December 10, 2019 At 11 AM.**
9. **Adjourn:** Mr. Willhoit motioned to adjourn the meeting at 5:58 PM.

Chairman _____

Secretary _____

Date _____

12/17/19