

**HOUSING AUTHORITY OF THE CITY OF PASO ROBLES  
BOARD MEETING MINUTES  
October 8, 2019**

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

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

1. **Public Comment:** None.
  
2. **City Liaison Report:** Ms. Garcia turned the City report over to Mr. Strong. Mr. Strong said the biggest thing right now, is Grand View Apartments, it's living condition and wants the board to know this information. There was much discussion on this topic. The tenants' attorney feels that the City is responsible for not enforcing the codes. The attorney wants the City to make sure the tenants are housed. The feeling is that between Paso Robles Housing Authority and Peoples' Self-Help Housing should take care of the tenant's while their units are brought up to code and their current owner/landlord not be able to evict them. Mr. Cooke reported that he has been meeting with the City regarding these issues. Mr. Strong stated that parts are still trying to be worked out so the tenants won't be evicted. However, if the units were brought back up to code, PRHA or PSHH would do this with the help of the City's Economic Development people. Mr. Strong thought if the property were sold for public purpose, there could be a significant tax benefit to the project. There would be an incentive for them to sell. Mr. Fonarow questioned this because he understood that the judge had already ruled the tenants could be evicted and this is in effect. Mr. Strong said that the tenant's attorney is working on an appeal/hearing for re-consideration and Mr. Cooke agreed. Mr. Strong said no matter what the case may be to bring these units back up to code including fumigation, etc. means the tenants will

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still need to find temporary housing until the units are ready and would be done in stages. Mr. Cooke reported that many things are going on and he has been in contact with the Mr. Tom Frutchey, City Manager and Mr. Warren Frace, Community Development Director. There are 54 units, and about 300 people currently living at Grand View. Mr. Cooke reported that the next day, a meeting will be held for Grand View tenants to provide them with Housing information in which PRHA, HASLO, PSHH and other Non-profit agencies will be attending. Mr. Cooke said that all tenants had received either 60 or 90 Day Notice to Vacate. The owner wants the property vacant and the judge has agreed to this. Mr. Cooke reported that possibly of PRHA, PSHH and Real Estate Development Services would put in an offer to buy property. There is the possibility that the tenants can be given priority in Oak Park 4, due to the emergency need of housing but Oak Park 4 will not be ready for lease up until March 2020. Mr. Strong stated this could be a good argument for the judge to extend more time for the tenants. So far, the tenants have not been paying rent since May 2019, will get \$1,000 security deposit refund and \$1,000 relocation money that would total an estimated \$8,000, which will help the tenants to move out and pay rent elsewhere. Mr. Cross said that the board could advocate and generate a letter of support saying to delay the eviction and wait until March 2020. Mr. Cooke said that he would know more after the meeting on 10/9/19.

Mr. Strong reported good news that San Luis Obispo Council of Governments finalized its Regional Housing Needs Allocation numbers on the last five years and gave a report through the end of this year and Paso Robles is the only city in the County or County, that met low income numbers and came in at 147%, compared to what the State required. The new numbers of units is approximately 1400 total of all types for the next 5 years and our numbers for low income are similar but the other possible twist is they are currently considered market rate apartments. Oak Park played a huge part of this number and Mr. Strong congratulated the board on this.

He said that Grand View are useable apartments but run down, let go horribly, one of the biggest issue is the vermin and pests, needs to be fumigated even maybe some torn down/tear outs. Cooke reported the owners have a report saying it would cost \$2.5 million dollars to bring the units up to standard but Mr. Cooke thinks the cost would be probably be double this amount. What would need to happen is a total assessment to include the cost of the infrastructure, sewer, mold, bugs, the entire thing. Mr. Strong said that if you tear down the units, there will be a problem with terrain, size/shape of lot, meeting housing and parking requirements on the space will be very difficult. Mr. Cooke said PRHA previously we put an offer at fair market value plus capital need assessment. The Owners rejected our offer. Mr. Fonarow said the property has been on the market for \$10 million dollars.

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Ms. Garcia said City approved purchase of property for Police and Fire Station #3 on Union Road. Also, City approved contract with El Camino Homeless Organization (ECHO) for homeless services and Ms. Wendy Lewis, will oversee. As she currently is the President & CEO of ECHO.

3. **Consent Agenda:** Mr. Anderson motioned to approve consent items and Ms. Espinoza seconded, the motion passed.
  - a. **Approval of August 13, 2019 minutes.** The board had no questions or comments.
  - b. **Financials:** Mr. Weickert highlighted several numbers from the August 31, 2019 Balance Sheet. He reported that the PRHA checking account balance at the end of the month was \$750,000 higher than normal due to the implementation of the changes in the investment policy. Cal Trust funds were transferred to the checking and held pending the opening of the investment account with Wacker Wealth Management. He noted that next month the checking account will be normal. From the Income Statement, Mr. Weickert reported that income for the two-month period totaled \$163,000 vs the budgeted amount of \$156,000. On expense side, we have spent \$159,000 vs budget \$190,000. He reported that expenses were lower due to staffing levels costs with a temporary vacancy in the maintenance department and the vacancy of the property development manager. The results put PHRA ahead of budget by \$37,000.  
  
PRLLC reported accruing interest on four long-term notes from the sell of the land for the 4 phases of redevelopment. The principal balance of those notes total \$12,109,000 and interest accrued to date totals \$1,400,000.  
Mr. Weickert noted that Oak Park 1 & Oak Park 2 both have healthy balances in their operating accounts so they may be able to start making payments in the near future, subject to the waterfall calculations
4. **Directors Summary Report:**
  - a. **Summary Report:**

**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. Cash has gone up.

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**Oak Park 2:** Mr. Cooke reported that Oak Park 2 currently is 100% occupied. However, we are in the process of evicting one tenant and will be getting back two other units but staff is in the process of qualifying applicants for these unit. Oak Park 2 just received a check for \$238,493 from Energy Resource Conservation Reimbursement from the State of CA. Ms. Espinoza asked "Why do we have vacancies" and Mr. Cooke responded that sometimes tenants move out for whatever reason and occasionally, we evict a tenant for due cause. Ms. Aguilar gave a quick review of numbers of applicants on our waitlist for both properties.

Mr. Cooke reported that recently they had met with Paso Robles Police to discuss the idea of a proposed new police officer dedicated to the North end of Paso. In the past, this happened before in Old Oak Park. The cost of this would be an estimated \$150,000 annually, this cost would include benefits and a police vehicle. Currently this is just a "seed" and we would see if this could be put in our budget and if our other property owners would contribute to this. Ms. Webb said that Mr. Dave Zaragoza, Anti-Gang Coordinator for SLO county Anti-Gang Commission had also suggested this. Mr. Strong mentioned the possibility of the Housing Authority to apply for some CDBG funds to help fund dedicated police officer. There was discussion as to where these funds could come from. Mr. Cooke did say that currently we don't know of anything major going on in the community. Although Ms. Espinoza mentioned that it's always beneficial to stay ahead of the game especially with the growth in Paso Robles.

**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 50-60% completed and they are making up for past rain. Mr. Cooke attended a construction meeting and it was reported that possibly eleven units could be available in December 2019. Completion of construction should be by the end of March 2020 and lease up to start soon.

**5. Old Business:**

- a. **Investment Addendum Recommendation & Approval:** Mr. Anderson motioned to approve investment recommendation & approval and Mr. Cross seconded, the motion passed.
- b. **Strategic Five Year Plan update (Verbal):** Mr. Willhoit reported he would be meeting with Mr. Cooke on 10/9/19 to work on completing the plan.

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- c. **Development Pipeline:** Mr. Cooke reviewed the Pipeline sheet. Mr. Cooke reported that the Avalon Motel might be going into a different direction but we will still make another offer. Grandview was discussed already. Mr. Cross made the introduction to Mr. Cooke re: 828 Spring St. Woodland Shopping Center could be a three story-60 units for Senior housing and he is working on some early conceptual. Mr. Strong suggested some possible federal monies available due to the amount of homeless in the area and the use of some VASH Vouchers. Aaroe Drive, currently nothing is going on with this property. 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 but Mr. Strong said that there is the possibility that some monies are committed to resolving some of the issues. 3550 Spring Street and Ramada Drive, probably will not be pursued due to not being beneficial with our need.
- d. **Oak Park 3 Grand Opening:** Mr. Cooke reported that Paso Robles Daily News wrote an article about Oak Park 3 ribbon cutting. Mr. Cooke thanked Ms. Jaurez for the picture and the publicity.

6. **New Business:** None.

7. **Other-Open Forum:** None

8. **Next meeting scheduled for November 12, 2019.**

9. **Adjourn:** Mr. Willhoit motioned to adjourn the meeting at 6:30 PM.

Chairman \_\_\_\_\_

Secretary \_\_\_\_\_

Date \_\_\_\_\_

11/12/19