

HOUSING AUTHORITY OF THE CITY OF PASO ROBLES
BOARD MEETING MINUTES
February 9, 2021

Per CA Executive Order N-25-20, this meeting was held by Zoom Meeting

Chairman:	Mr. Dave Anderson
Commissioners:	Mr. Josh Cross
	Mr. Wes Willhoit
	Mr. Harry Ovitt
	Ms. Beatriz Espinoza
	Ms. Nicol Jaurez
Sec/Dir:	Mr. David Cooke
CFO:	Mr. Brent Weickert
Recorder:	Ms. Tiffany Guerrero
Staff:	None
Guest:	Ms. Julie Richardson
Absent:	Ms. Liz Lopez Byrnes
	Ms. Betian Webb

Meeting called to order by Mr. Anderson at 5:10 PM.

1. **Public Comment:** None.
2. **City Liaison Report:** None
3. **Consent Agenda:** Mr. Willhoit motioned to approve the consent items and Ms. Espinoza, seconded, the motion passed. 6 ayes, 0 noes, 0 absent
 - a. **Approval of January 12, 2021 minutes.** The board had no questions or comments.
 - b. **Financials:** Mr. Weickert reported that the statements that were provided are 6 month statements ending December 31. He stated that he will highlight a few key numbers from financial statements. For the 6-month period PRHA had \$560,000 of income, \$483,000 in expenses with a net surplus of \$77,000. PRHA has \$250,000 cash in the bank and PRHA has \$1,509,000 in the investment account. Mr. Weickert did report that there is a number on the balance sheet that we have not seen this amount before. It is the liabilities for the CalPERS/Pension Liability. We will touch bases on this during New Business. For PR LLC the only activity was the accrued interest on the seller notes. PRHA income is above anticipated budget by \$162,000 it is due to developer fees. On the expense side of things PRHA is under budget by \$127,000 due to staffing. There was some discussion.

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4. Directors Summary Report:

a. Summary Report:

PRHA/PRLLC: Mr. Cooke reported that PRHA/Oak Park is still on a COVID-19 protocol. PRHA has two staff members on 4-day work schedule. We don't expect any changes in the current COVID-19 situation for months to come. There have been at least 14 plus reported cases of COVID-19 in the Oak Park Community Apartments including Chet Dotter.

Oak Park 1: Mr. Cooke reported that Oak Park 1 currently has one vacancy and another expected by 2/13. However, we should have at least one unit filled by the end of the month. We have found some water leaks but nothing major. Collection issues have arisen lately as some tenants continue to struggle financially because of COVID-19 situations like unemployment. Oak Park 1 currently has 3 tenants that are late but will pay in the next week.

Oak Park 2: Mr. Cooke reported that Oak Park 2 has one vacancy and this unit could possibly be filled by the end of the month. We received the eviction unit back without any incident. The tenant also left behind a lot of furniture and we had to install new carpet. However, we expect approximately \$4,000-\$4,500 in damages including legal fees. PRHA will probably file a small claims court action against the tenant in the near future. Collection issues have arisen lately as some tenants continue to struggle financially because of COVID-19 situations like unemployment. Oak Park 1 currently has 3 tenants that are late but will pay in the next week. Oak Park 2 currently has past due payments totaling \$2,100 and \$2,000 that are late but should be paid by next week. We have found some water leaks but nothing major.

Oak Park 3: Mr. Cooke reported that Oak Park 3 has two vacancies with a move in date of 2/05/2021 for one and 02/15/2021 for the other. Two residents have been affected by COVID-19 and they are both behind less than one full month of rent at this time. No major maintenance issues have been reported.

Oak Park 4: Mr. Cooke reported that Oak Park 4 has two vacancies with a move in scheduled for 02/11/2021 and 02/15/2021 for the other. Two residents were affected by COVID-19 but only one of these households has a balance of \$400.00. No major maintenance issues have been reported.

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5. Old Business:

- a. Development Pipeline: Mr. Cooke reported not much has changed from last month. Mr. Cooke did touch bases on a few properties. On the Olsen/So. Chandler Mr. Cooke reported that MOU was signed by the City. RFQ on hold until we get better timeline guidance from developer. Original developer is trying to sell the project. We have until December 2022 to close or begin construction. Mr. Cooke did mention that he did reach out to the City to see if they know what is going on with this property. 1041 Creston Road property has been on hold. Seller wants \$4,000,000. Mr. Cooke reported that he did receive an email from the seller to ask if we were still interested if the price was right. We should hear from them soon. Mr. Cooke reported that 2725 Buena Vista Drive property has a potential partner that is interested in making a USDA project farmworker housing and will be receiving profroma. Mr. Cooke mentioned that River Walk Terrace will now be presented next week to the City Council for approval.

6. New Business:

- a. River Walk Terrace Loan Request Memorandum: Mr. Cooke went over the revised memorandum to the board members. The purpose of this memorandum is to consider a request for deferred loan for the development of River Walk Terrace, a proposed affordable senior project. One-hundred percent of the units will be rent restricted with incomes ranging from 30% to 60% of the area median income. The Tax Credit applications are very competitive. By providing the proposed loan it will help increase the CTCAC tie breaker score by approximately .5% which could make a difference between receiving a tax credit allocation or not. The loan amount would be up to \$300,000 for up to 20 years (no prepayment penalty). The revised approval, the Board of Commissioners approved \$200,000 at the January 2021 meeting and stated would consider up to \$300,000 as presented. Mr. Cooke, ED would approve based on final TCAC proformas. Mr. Ovitt motioned to approve the memorandum and Mr. Willhoit, seconded, the motion passed. 6 ayes, 0 noes, 0 absent
- b. Board approval of 2020 PRHA Audited financial: Mr. Weickert went over the memorandum to the board members. Mr. Weickert reported that Bowman and Company, completed the annual audit of PRHA for the June 2020 year-end that we are providing to the Board for approval. The audit report is substantially the same as the internal reports you reviewed and accepted at

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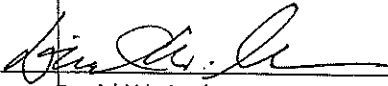
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the August 2020 meeting, but for one significant change. The audit standards have changed on how the CalPERS unfunded accrued liability is presented. The net effect of the change in how this liability is reported reduce PRHA's surplus for the June 2020 year-end by \$114,781 and increase the reported liabilities by \$595,913. The difference between these two numbers, \$481,134, is reflected on the report as a prior period adjustment. The draft financial statements include discussion of this liability and how it was calculated. The recommendation is that the Board of Commissioners approve Bowman's draft audit report and direct staff to research and provide alternatives to the Board for addressing the CalPERS unfunded accrued liability at a future meeting. There was some discussion. Mr. Ovitt motioned to approve the 2020 PRHA audited financial and Mr. Cross, seconded, the motion passed. 6 ayes, 0 noes, 0 absent

7. **Other-Open Forum:** Mr. Cooke reported that next Tuesday the City Council will be conducting two interviews for possible PRHA board members.
8. **Next Meeting scheduled for March 9, 2021 @ 5:00 PM.**
9. **Adjourn:** Mr. Anderson motioned to adjourn the meeting at 5:51 PM:

Chairman


David W. Anderson

Secretary


David A. Cooke

Date

MARCH 10, 2021