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BOARD OF COMMISSIONERS
REGULAR BOARD MEETING MINUTES
Wednesday, September 11, 2019-5:30 pm

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 5:35 p.m. by Chairman Mark Palajac. Present were Commissioners Maureen Hamm and Vice-Chairperson, Marty McFadden. Commissioner Knowles was noted as an excused absence. A quorum was not present and, accordingly, Chairman Palajac noted that while the Board could not officially act, the meeting could continue, and discussions could occur regarding the Agenda items.

2. APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING OF August 14, 2019.

Chairman Palajac noted that the minutes could not be approved because of the lack of quorum, but again noted that discussion could take place. Commissioners had no comments and did not request changes to the August 14th draft minutes.

3. PUBLIC COMMENT

Interim Executive Director informed the members of the public who were present that if they were in attendance for the Livermore High School Parking Lot discussion, there would be an additional comment period later in the Agenda where they would be heard. He asked at this time only for public comments on any other matter that those in attendance may wish to raise to the Board. There were no such comments.

4. EXECUTIVE SESSION

The regular meeting was halted at 5:55 for the closed session which was attended by the interim Executive Director Scott Ammarell, and commissioners Maureen Hamm and Marty McFadden. Chair Mark Palajac recused himself from attending. The closed session ended at 6:10 and the meeting resumed when members returned to the board meeting room. ED Ammarell indicated there was nothing to report from the closed session.

5. UNFINISHED/OLD BUSINESS

A. Status of Executive Search for ED

Chairman Mark Palajac informed the Commissioners that the search had yielded approximately 60 applicants, 5 of which were invited for Skype interviews. Of those 5, 2 were noted as strong candidates and were invited for further interviews. One of those withdrew their candidacy and the next best candidate was selected for further interviews. Said interviews were scheduled for Monday, September 16th with a 5-person panel comprised of 3 Commissioners, a representative of the City of Livermore and a representative from Nan McKay. Chairman Palajac reported that he believed that this would be the only round of in-person interviews and that the candidates would be reviewed immediately after the interviews and a selection made for recommendation to the Board.

B. Status of Loan Refinancing for Chestnut



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Chairman Mark Palajac reported that the refinancing was completed at the end of August, that the new loan is in place and that the Authority could expect to realize a savings of approximately \$1500 per month in interest charges.

C. Status of Procurements

Interim Executive Director Scott Ammarell updated the Commissioners on the status of the outstanding procurements. He noted that the landscape procurement was reissued in light of the fact that the prior bidders did not follow the bid request and indicated that LHA was attempting to secure bidders who qualified under the federal Section 3 program to enhance the Authority's efforts to comply with Section 3 requirements. He also informed the Board that LHA was attempting to fill the open janitorial position with a Section 3 resident from either Leahy Square or the Housing Choice Voucher program pursuant to allowable preferences under the Section 3 regulations. The Interim ED informed the Board that several Micro Purchases had also occurred under the revised process. Finally, Ammarell noted that bids had been received pursuant to the IT procurement and would be reviewed and the contract awarded in the coming weeks.

6. NEW BUSINESS

A. Livermore High School Parking Lot

At the outset, Interim Executive Director explained that he would first inform the Board of the details of the proposal as he understood them and that he would then give the Commissioners an opportunity to ask questions of School District representatives in attendance (Chris Van Schaack and Kim McNeely). Following that, the floor would be opened to members of the public who would be given 3 minutes to address the Commissioner with their comments. Ammarell then explained the details of the proposal to the Commissioners including:

The construction project at the High School giving rise to the need for the parking lot;

The request from the School District for a temporary easement across a small portion of the Leahy Square parking lot;

The anticipated period of November 2019 to November 2021 that the parking lot would be in existence;

That the parking lot would be for faculty and staff and would have approximately 134 spots;

The anticipated heavy traffic times in the morning and afternoon;

That the lot may be used occasionally in the evenings for other events;

That there would be lighting and monitoring; and

That the lot would be locked when not in use.

Commissioners then asked questions of the School District representatives specifically around the potential usage of the parking lot outside school hours and were informed that the District anticipated that the lot may be used during football games, school dances, back



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to school nights and similar events. They also informed the Board that at these times it was not planned that the lot would be restricted to faculty and staff but would also be open to students and the public.

The floor was then opened to the public and the following categories of concerns were expressed by the public:

- The School District had not properly conducted a traffic safety study and that there were serious concerns about the increase in traffic in the neighborhood and the resulting safety of drivers, cyclists and pedestrians;
- That the School District had not been transparent about its plans and had only informed residents after the School Board had approved those plans;
- That the parking lot was not necessary and that the Board should consider what benefit granting such an easement would provide to its residents;
- That the plan was not temporary in nature and would result in a permanent change to the traffic patterns in the neighborhood;
- That the Authority would not be able to reclaim the easement and would never be able to refuse a future request if and when the School District decided to make this a permanent parking lot;
- That granting the easement to the School District was not consistent with the Authority's value statements; and that Leahy Square traffic was already heavy, and this would result in more traffic in the complex itself.

Ammarell then asked if the School District wished to respond to the safety concerns raised by members of the public. Ms. McNeely informed the Board that additional stop signs would be strategically placed in the vicinity of the entrance. She also stated that the parking lot would not be paved as it was planned only to be temporary and that the School District would be open to further restrictions.

Finally, Ammarell informed the Board that the Authority's legal counsel was involved in negotiations with the School District and was preparing documents that would protect the Authority's legal interests and would ensure that further consideration would be given to the concerns raised this evening.

B. Discussion of Year End 2019 Financials

Interim Executive Director Ammarell provided to the Commissioners a 7-page document containing summary information regarding the Authority's financial statements for the fiscal year ending June 30, 2019. These materials were to replace those provided electronically to the Commissioners prior to the meeting. These materials were also made available to the public and are attached to these minutes as Exhibit A.



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Ammarell explained that the first page of the document showed the overall performance of the Authority and that the 6 following pages showed the performance of Leahy Square, the Housing Choice Voucher Program, the General Fund, Bluebell Apartments, Chestnut Apartments, and Las Posadas Apartments, respectively. As to the overall performance Ammarell indicated that the performance was good in that there was a net cash surplus for the year of approximately \$273,000.

He then explained that this number was derived from the total revenue of \$11,740,558 less total expenses of \$11,432,767. He then compared the total revenue to the budgeted revenue which revealed a substantial shortfall, and the total expenses to the budgeted expenses which revealed a substantial savings.

Commissioners expressed concern over the revenue shortfall and Ammarell explained that the vast majority of the revenue shortfall was due to an error in the budget. Specifically, he explained that the FY2019 budget projected HUD grants in the HCV program of \$9,800,000 when HUD had provided the Authority with a projected budget of only \$9,100,000 and that this \$700,000 difference was responsible for the greatest portion of the shortfall. Commissioners questioned how that could have happened and what could be done to prevent such errors in the future.

Ammarell explained that while he was not able to respond to how the error happened, he said he expected that it was the result of the failure to include staff in the preparation of the FY2019 budget and that similar errors could be avoided by meaningful participation of staff in the preparation of future budgets. Chairman Palajac then confirmed his understanding that staff had not been included in the FY2019 budget process but were included in portions of the FY2020 budget process to the degree that time allowed and that such inclusion would continue in the future.

Following this, additional explanations were provided to the Board regarding items that were higher or lower than the budget and which warranted additional attention. Specifically, it was noted that salaries and benefits were lower than budget due to open positions, but that non-dwelling contracts were higher than budget as that is where the fees for the Interim Executive Directors were paid. Attention was also drawn to the fact that the Authority incurred far lower legal fees than anticipated, but that utility bills were higher due to sharp increases in the cost of water. Ammarell then reminded the Board that the Authority was embarking on a water conservation project in order to address the increased costs.

Ammarell then focused on the three non-federal affordable housing properties of Bluebell, Chestnut and Las Posadas. Collectively, there was an operational cash surplus from the operation of these properties. Next year, the experience is predicted to be even better as the refinancing of the Chestnut properties is projected to achieve



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approximately \$18,000 in interest savings. Ammarell also explained that it was critical to ensure that these properties operated at least at break-even, as any surplus from the operation of the federal property cannot be used to support non-federal properties.

7. STAFF REPORTS

Interim Executive Director Ammarell informed the Board that the new project at Chestnut Square had received provisional occupancy approval from the City and that LHA staff had inspected the units and met with its prospective residents. He informed the Board that staff expected all 30 units and that LHA participants would be moved in by the end of September. He indicated that he and staff were impressed with the quality of the project, its amenities, its location and its aesthetics and views. Commissioners indicated their pleasure that the project was finally completed and that residents would soon be served.

Ammarell also informed the Board that HUD had scheduled the annual REAC property inspection for the morning of September 12th and that staff had been working diligently to prepare the property for inspection. Ammarell praised the efforts of the Housing team for their efforts to get the property into good shape and the remainder of the staff for supporting those efforts. Ammarell indicated that he would provide an update on the results of the inspection following receipt of those results.

8. COMMUNICATIONS

Commissioner Hamm requested further information on the interview process for the upcoming Executive Director interviews. Chairman Palajac informed the Commissioners that a conference call would be scheduled for September 13th to discuss the questions that have been prepared for the candidates and the process by which those questions would be asked and by whom. He also indicated that the Interview panel would meet prior to the actual interviews on September 16th and then again afterwards to discuss the candidates' performances and the selection process.

9. REPORTS/ITEMS FROM COMMISSIONERS

NONE

10. COMMITTEE REPORTS

NONE

11. ADJOURNMENT

The board meeting adjourned at 7:15 p.m.