















































**MEMORANDUM**

**TO:** Board of Commissioners,  
Housing Authority of the County of Merced

**FROM:** Rosa Vazquez, Executive Director

**DATE:** October 17, 2017

**SUBJECT:** Revisions to the Housing Authority’s Flat Rent Schedule for units in the Public Housing Program in accordance with HUD’s PIH published Notice 2015-13.

On August 19, 2014, the Board of Commissioners approved Resolution No. 2014-08, adjusting the Flat Rent Schedule for the Public Housing Program.

The Fair Market Rents for the County of Merced were increased effective October 1, 2017. We are requesting to increase the current Flat Rent schedule for the 1 bedroom and 4 bedroom amounts.

	1BR	2 BR	3 BR	4 BR
Current FRs	\$491	\$721	\$977	\$1,090
New FRs	\$498	\$721	\$977	\$1,094

For current program participants that pay the flat rental amount, the new flat rental amount will be offered as well as the income-based rental amount, at the next annual rental option.

## STAFF REPORT

**TO:** Board of Commissioners,  
Housing Authority of the County of Merced

**FROM:** Blanca Arrate, Director of Housing Programs

**DATE:** October 17, 2017

**SUBJECT:** Quarterly Report (July 1<sup>st</sup> through September 30<sup>th</sup>) – Public Housing and Migrant Programs

This quarterly report provides information regarding Public Housing (“PH”) and the Migrant Family Centers. The information consists of vacancies, delinquent rents, and work orders.

### **PUBLIC HOUSING**

The Housing Authority of the County of Merced (“Authority”) PH properties are allocated by Asset Management Project (“AMP”). An AMP may consist of several properties where one AMP can have up to 6 Authority owned property.

**421** Total number of conventional Public Housing units  
**73** Valley View/Project Based units

### **Quarterly Vacancies Filled**

**6** AMP 1 – Merced  
**1** AMP 2 – Atwater/Livingston/Winton  
**4** AMP 3 – Los Banos/Dos Palos  
**0** AMP 4 – Merced  
**0** PBV Valley View (Dos Palos Elderly)  
**0** PBV Valley View (Midway)  
**0** PBV Valley View (Atwater Elderly)

### **Evictions**

**0** AMP 1 – Merced  
**0** AMP 2 – Atwater/Livingston/Winton  
**0** AMP 3 – Los Banos/Dos Palos  
**1** AMP 4 – Merced  
**0** PBV Valley View (Dos Palos Elderly)  
**0** PBV Valley View (Midway)  
**0** PBV Valley View (Atwater Elderly)

### **Quarterly Public Housing AMP Work Orders**

**717** Total for the reporting quarter  
**360** AMP 1 – Merced

- 101 AMP 2 – Atwater/Livingston/Winton
- 252 AMP 3 – Los Banos/Dos Palos
- 4 AMP 4 – Merced

## **FARM LABOR YEAR ROUND HOUSING MIGRANT (SEASONAL) HOUSING**

### **Felix Torres Year Round Housing:**

Felix Torres Year Round Housing consists of 50 family units

- 96% Occupancy rate (Quarterly Vacancy Rate)
  - 48 units leased
  - 2 units vacant

### **Migrant (Seasonal) Housing:**

#### **Atwater Migrant**

Seasonal Housing consists of 59 family units – 2 onsite employee units

- Atwater Migrant Center opened on April 17, 2017. Center is 100% occupied.
- Center is scheduled to close on November 13, 2017. This represents a 31-day extension approved by the Office of Migrant Services (OMS).

#### **Los Banos Migrant**

Seasonal Housing consists of 48 units – 1 onsite employee unit

- Los Banos Center opened on May 16, 2017. Center is 96% occupied (46 out of 48 units).
- Center is scheduled to close on November 13, 2017.

#### **Merced Migrant**

Seasonal Housing consists of 49 units – 2 onsite employee units

- Merced Migrant Center opened on May 22, 2017. Center is 98% occupied (48 out of 49 units).
- Center is scheduled to close on November 17, 2017.

#### **Planada Migrant**

Seasonal Housing consists of 71 units – 2 onsite employee units

- Planada Center opened on May 24, 2017. Center is 37% occupied (26 out of 71 units).
- Center is scheduled to close on November 20, 2017.



## STAFF REPORT

**To:** Board of Commissioners,  
Housing Authority of the County of Merced

**From:** Gina Thexton, Director of Housing Programs

**Date:** October 17, 2017

**Subject:** July 1<sup>st</sup> through Sept 30th Monthly/Quarterly Report – HCV Program

### HOUSING CHOICE VOUCHER PROGRAM MONTHLY ACTIVITY

#### **Voucher Count:**

**2660** Voucher families under contract  
**1086** Participant families have at least one disabled family member in their household  
**497** Participant families have at least one elderly family member in their household  
**30** Transfer families housed  
**61** New applicant voucher holders that are currently searching for suitable housing

#### **HCV Waiting List:**

**2660** Families currently are on the wait list  
**488** Have at least one disabled family members in their household  
**283** Have at least one elderly family member in their household

#### **HUD VASH Vouchers:**

**66** Allocated HUD VASH Vouchers  
**62** Under contract  
**2** Searching for Housing  
**2** Pending Briefing

### HOUSING CHOICE VOUCHER PROGRAM QUARTERLY ACTIVITY

#### **Budget:**

Total Budget: \$4,521,897  
Total Actual Expense: \$4,343,311  
Under Expended HAP: \$178,586  
Utilization: 96.1%

#### **Lease-up:**

**9** Voucher holders have ported out to other jurisdictions  
**55** PBV personal declaration packets distributed  
**14** PBV vouchers leased  
**20** HCV personal declaration packets distributed  
**83** HCV vouchers issued

- 58 Request for Tenancy Approval forms received
- 51 HCV New families housed
- 4 Port-in families

**General Statistics:**

- 48 Participants have exited the Housing Choice Voucher Program

**HCV Family Self-Sufficiency:**

- 71 Families are actively enrolled in the Family Self-Sufficiency Program
- 36 Families have escrow accounts (\$78,178.00 combined total escrow amount)
- 0 Family “graduated” from the FSS program
- 3 Families forfeited their escrow account (\$11,424)

**Shelter Plus Care (S+C) Vouchers:**

- 8 Allocated S+C Vouchers
- 8 Under contract

## STAFF REPORT

**TO:** Board of Commissioners,  
Housing Authority of the County of Merced

**FROM:** Brian Watkins, Director of Finance

**DATE:** October 17, 2017

**SUBJECT:** Quarterly Report - Finance

### **Financial Reporting**

September Financial statements are preliminary and there is still much year-end work to be done before the numbers are ready for auditing.

### **Section 8 – Funding**

The Housing Authority of the County of Merced (“Authority”) 2017 Calendar Year (“CY”) Housing Assistance Payments (“HAP”) budget authority from the U.S. Department of Housing and Urban Development (“HUD”) to the Authority for the Housing Choice Voucher Program (“HCV”) is \$18,087,590. This amount was sent to the Authority by HUD on June 29<sup>th</sup>, 2017

The current HAP expenses paid through September 2017 are \$13,066,294, which is 96.3% budget utilization for the first 3 quarters. As of September 30, 2017 the Authority is allocated 2,791 vouchers. The calendar Year to Date (“YTD”) voucher unit months utilization is 24,141 vs authorized unit months of 25,119 (96.1% utilization).

The HAP Equity (Net Restricted Account) as of September 30, 2017 in the HUD held account is \$149,292. The balance of the Administrative Fee Reserve, for the HCV program, as of May 31, 2017 is negative in the amount of \$15,947. This is recognition of net pension liability allocated and booked to the HCV program on September 30, 2015 of \$ 1,146,983. PERS notified the Authority of the unfunded liability that was due and of the total amount of the unfunded liability the HCV department portion was \$1,146,983.00 reducing the Administrative Fee Reserve account.

### **Public Housing**

The preliminary eligibility for 2017 Operating Subsidy for Public Housing is \$1,354,159. This is a decrease from the 2016 amount by \$54,584.

### **Computer Systems**

The upgrade to YARDI Voyager 7 (Café Voyager) has been delayed. We will be working on the upgrade during the 4<sup>th</sup> quarter of 2017 and hopefully will be completed during the 1<sup>st</sup> quarter of 2018.

## MEMORANDUM

**TO:** Board of Commissioners  
Housing Authority of the County of Merced

**FROM:** Maria F. Alvarado, Human Resources Coordinator

**DATE:** October 17, 2017

**SUBJECT:** Human Resources Quarterly Report

### Safety

During this last quarter the agency had two reportable work comp injuries. One staff person was released on full unrestricted duty and the other was placed on modified duty. Accommodations for this staff person have been made.

### Recruitment

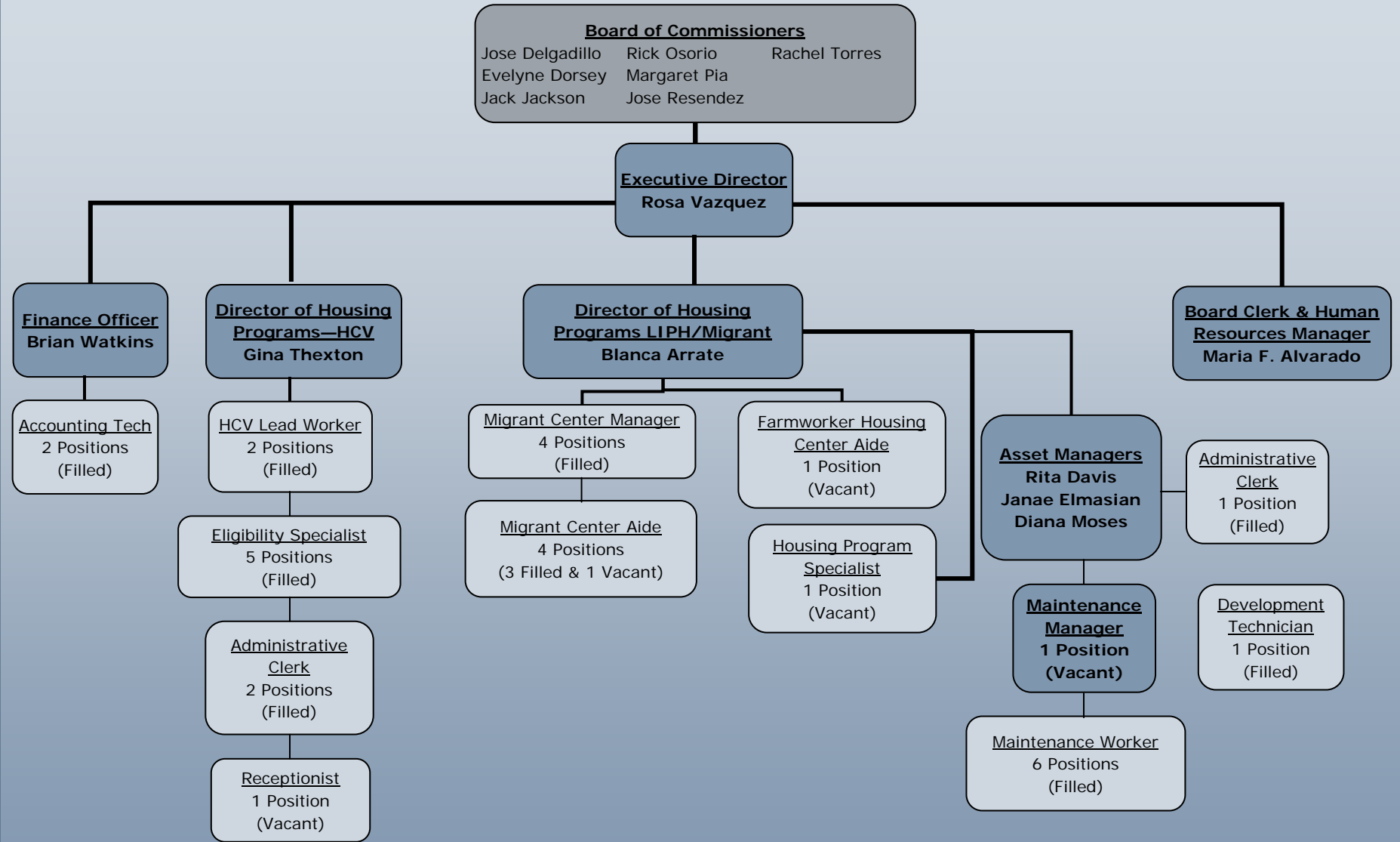
- Public recruitments for the following positions are currently underway and will close on October 31, 2017
  - Migrant Center Aide (Los Banos)
  - Farmworker Housing Center Aide (Felix Torres Year Round)
  - Housing Program Specialist (Felix Torres Year Round)
  - Receptionist/Typist (Housing Choice Voucher)
  
- Completed Recruitments:
  - An internal recruitment for the position of Administrative Clerk II was conducted and Veronica Novoa has been selected as the successful candidate.

### Staff Training

During the last quarter staff received the following training:

- The Development Tech and Lead Foreman attended Capital Fund Program training at the San Francisco HUD office.
- Asset Managers, Lead Foreman and Department Director Arrate attended UPCS – REAC Inspections Update training.

# Housing Authority of the County of Merced





















**RESOLUTION 2017-26**

**RECOMMENDATION TO ADOPT RESOLUTION NO. 2017-26 APPROVING SIDE LETTER OF UNDERSTANDING BETWEEN LOCAL 2703, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFL-CIO) AND THE HOUSING AUTHORITY OF THE COUNTY OF MERCED REGARDING EMPLOYEE ORIENTATION BILL (AB 119)**

**WHEREAS**, under AB 119, public employers must provide the exclusive representative of a bargaining unit with access to new employee orientations; and

**WHEREAS**, AB 119 defines a new employee orientation as "the onboarding process of a newly hired employee, whether in person, online, or through other means or mediums, in which employees are advised of their employment status, rights, benefits, duties and responsibilities, or any other employment-related matters; and

**WHEREAS**, this access obligation may encompass a range of meetings concerning a number of topics. Public employers must give unions 10 days advance notice about new employee orientations, but may provide less notice if an urgent and unforeseeable need "critical to the employer's operations" arises

**WHEREAS**, the American Federation of State, County and Municipal Employees has approved and signed the "Side Letter";

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of the County of Merced hereby approves the "Side Letter" to the current Union Memorandum of Understanding.

Motion:

Second:

Ayes:

Nays:

Absent:

Abstain:

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Chairperson, Board of Commissioners  
Housing Authority of the County of Merced

Dated: October 17, 2017

**SIDE-LETTER OF AGREEMENT #1  
BETWEEN  
THE HOUSING AUTHORITY OF THE COUNTY OF MERCED**

**AND**

**LOCAL 2703, AMERICAN FEDERATION OF STATE, COUNTY AND  
MUNICIPAL EMPLOYEES, AFL-CIO**

**WHEREAS**, the HOUSING AUTHORITY OF THE COUNTY OF MERCED (“HACM”) and Local 2703, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO (“AFSCME”), collectively “the Parties”, have previously entered into a Memorandum of Understanding covering the period February 1, 2017 through January 31, 2020; and,

**WHEREAS**, California Assembly Bill 119 (June 27, 2017) enacted legislative changes mandating that Local Government Agencies in the State of California negotiate with recognized employee associations over provision of employee information, notice of employee orientations and participation of the employee association in such new employee orientations; and,

**WHEREAS**, HACM and AFCME have met and conferred on a reasonable number of occasions and for a reasonable duration, on or about August 8, 2017, over the subject matter and topics required by AB 119, each having had the opportunity to prepare and present proposals, request information, and submit proposals and information in response, each also having had the opportunity to consult with counsel of their choosing;

**NOW THEREFORE**, the Parties agree as follows for all bargaining unit employees:

1. HACM shall provide the union with ten (10) days advance notice prior to any new employee orientation when practicable. The union and employer jointly recognize that HACM is a small employer, therefore, employee orientation frequently occurs with much less time than ten days between acceptance of an employment offer and new employee orientation. While the HACM will provide the advance notice required by this section, it is not required to do so if the notice period would delay orientation for a new employee.
2. The union may elect to participate in new employee orientation and shall be allotted fifteen minutes to present information about the union and union membership.
3. Union presentations or other participation in orientation shall be by a recognized steward or union paid staff only. If the union determines it will send a Steward who is also a HACM bargaining unit employee to the orientation rather than its own paid staff, this shall not be considered “representation”, but rather a union marketing function; and such time shall not be on HACM paid time. The steward must provide at least 24-hour notice to their supervisor that they will be attending an orientation to request the time off and may elect to use accrued vacation time to cover their absence from work to participate in the orientation process.
4. Union participation in orientation relieves the HACM from providing any information regarding the union to the new employee as the union would fulfill that function exclusively during orientation.

5. If the union is unable, or elects not, to participate in orientation, the HACM will provide new employees with a packet of information from the union to new employees, including a union card allowing the employee to elect membership, or entry into employment through becoming an agency fee payer in the union, or allowing an employee to opt-out of membership due to religious objection if desired. All packet materials shall be provided by the Union.
6. The HACM shall, no more than 30 days following a new hire, provide the union with the following information regarding the new employee: name, job title, department, work location, work, home, and personal cellular telephone numbers, personal email addresses on file with the employer, and home address.
7. The HACM shall provide a list of the above information about all bargaining unit employees every 120 days (quarterly).
8. The HACM shall not be required to furnish any of the above information for any employee who completes an HACM provided form or makes a written request identifying specific items of information that the employee is electing not to share, that are not otherwise required to be provided by law.
9. HACM and AFSCME jointly agree that provision of any information pursuant to this section shall not cause the information to become a public record.
10. Any information provided under this section shall be safeguarded by the union and shall be used exclusively by the local union and its international parent. No personal information regarding employees shall be shared by the union with any third-party vendors or affiliated organizations, other than those directly involved in representation of bargaining unit employees in labor and employment relations matters with HACM.
11. Unless expressly provided for in this side-letter of agreement, all other terms and conditions contained in the MOU shall remain unchanged.

**EXECUTION:**

For AFSCME Local 2703:

For The Housing Authority of the County of Merced:

Date:

Date:

\_\_\_\_\_  
Debbie Macias, Business Agent

\_\_\_\_\_  
Rachel Torres, Board Chair

APPROVED AS TO FORM:

Date:

\_\_\_\_\_  
David G. Ritchie  
Attorney for the Housing Authority of the  
County of Merced



## STAFF REPORT

**TO:** Board of Commissioners,  
Housing Authority of the County of Merced

**FROM:** Rosa Vasquez, Executive Director  
David. G. Ritchie, General Counsel

**DATE:** October 17, 2017

**SUBJECT:** Recommendation to adopt **Resolution No. 2017-27**, authorizing the Executive Director to enter into an amended purchase and sale agreement with Patricia Murillo for 2314 First Street, Atwater, CA accepting the \$142,000.00 indebtedness as satisfied in full, and authorizing the reconveyance of the property and recordation thereof.

For your consideration, is Resolution No 2017-27. The property at 2314 First Street is a former Housing Authority of the County of Merced (HACM") property that was transferred in 2005 to Ms. Murillo as part of a HACM first time homebuyers program in which properties would be removed from the housing authority public housing stock and transferred to private owners, who purchased them for value, and the housing authority recorded subordinate indebtedness against the properties to ensure that the properties would not simply be "flipped". In other words, the public purpose for the transfer was so that the purchaser would become a new owner, and the new owner would maintain the property indefinitely, rather than the HACM inefficiently attempting to maintain a list of individual properties scattered throughout the County.

This type of First time Home Buyers program is not unusual for Housing Authorities, and in most cases, the subordinated debt is forgiven after a period of time during which the new owner fulfills the social contract of caring for the premises, and occupying it as a primary residence, typically after a period of several years\*. These "forgiveness" programs are a form of social welfare expenditure, and are squarely within the mission statement of the HACM to provide Self Sufficiency for the families living in Public Housing and become home owners, "provide...home ownership opportunities by participation in the acquisition...of affordable housing through utilization of various funding sources and partnerships that builds pride and responsibility in our residents..." and, moreover, "to promote self-sufficiency and enhance the quality of life for those we serve."

In this case, the public purpose of the program is frustrated by market conditions. The decline in housing values after 2008 has resulted in the property value continuing to lag behind what it was in 2005; such that the total of the first mortgage and subordinate amount in the short form deed of trusts recorded by the HACM, together, substantially eclipse the value of the property, even today.

The current owner has routinely and continuously maintained the property and kept it in good condition. It is still owner-occupied and the owner has sought to refinance the

primary mortgage to reduce interest rates, while continuing to service the debt on the property to the primary lender. Because the property is significantly encumbered, and the loan-to-value ratio exceeds the total value of the property, lenders are unable to assist the owner in refinance efforts. The property owner has turned to the HACM for assistance to find a resolution. As a result, and after research and legal review the staff is recommending the following:

### RECOMMENDATION

It is recommended that the Board of Commissioners of the Housing Authority of the County of Merced adopt **Resolution No. 2017-27**, approving an amendment to the agreement for purchase and sale of the property located at 2314 First Street, in Atwater, CA; identified as APN 003-221-025. The amendment results in satisfaction in full of the \$142,000.00 indebtedness. The Executive Director is thereafter authorized, as a consequence of the indebtedness being satisfied in full to reconvey the property and record the Deed of Reconveyance with the Merced County Recorder's Office.

### ALTERNATIVES

The Board could choose not to enter into the amended agreement and not to authorize reconveyance. This alternative is not recommended as it would frustrate the public purposes of the original transfer in 2005 and result in an inability of the current owner to refinance.

### ATTACHMENTS:

Short Form Deed of Trust and Assignment of Rents  
Draft Amended Agreement for Purchase and Sale (to be provided at meeting)  
Deed of Reconveyance (to be provided at meeting)  
Resolution No. 2017 - 27

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\* Similar transfers, for example, of land from a Housing Authority to a private entity for purposes of constructing low and moderate-income housing have been held not to be a gift of public funds. see *Wikleman v. City of Tiburon* (1973) 32 CA3d 834, 844. As well, social welfare expenditures of Counties have been held not to be illegal gifts of public funds (see *City and County of San Francisco v. Collins* (1932) 216 C 187, 193) and the public purpose of the transfer is not converted to a private purpose merely because an individual may incidentally benefit (see *American Co. v. City of Lakeport* (1934) 220 C 548, 556.)

**RESOLUTION NO. 2017-27**  
**AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AMENDED PURCHASE AND SALE AGREEMENT WITH PATRICIA MURILLO FOR 2314 FIRST STREET, ATWATER, CA ACCEPTING THE \$142,000.00 INDEBTEDNESS AS SATISFIED IN FULL, AND AUTHORIZING THE RECONVEYANCE OF THE PROPERTY AND RECORDATION THEREOF**

**WHEREAS**, the Housing Authority of the County of Merced (HACM) entered into an agreement for purchase and sale of real property located at 2341 First Street in Atwater, CA 95301 APN 003-221-025 with Patricia Murillo and caused a Deed of Trust to be recorded documenting the sale on May 23, 2005; and

**WHEREAS**, the Deed of trust provided an indebtedness of \$142,000 to the benefit of the HACM as beneficiary; and,

**WHEREAS**, the property transfer was conducted as part of a HACM First Time Homebuyers program intended to promote self-sufficiency, make available new first-time homebuyer opportunities and to otherwise enhance the quality of life and build pride and responsibility in citizens we serve by utilizing various funding sources supporting low and moderate income housing; and,

**WHEREAS**, the owner, Patricia Murillo has demonstrated an ongoing commitment to these values that are also part of the mission statement of the HACM through consistently maintaining responsibility, maintaining and caring for the property as was intended by the public purpose goals supporting the original decision to transfer the property;

**NOW THEREFORE BE IT RESOLVED**, that the Board of Commissioners of the HACM finds and directs as follows:

1. That although there is an incidental benefit accrued to Ms. Murillo through the determination that the debt obligation of \$142,000 is hereby satisfied, that the forgiveness of the debt amount is for a public purpose, specifically, to support home ownership opportunities by participation in the acquisition of affordable housing through utilization of various funding sources and partnerships that builds pride and responsibility in our residents; and to promote self-sufficiency and enhance the quality of life for those we serve.
2. That this public purpose in (1), above, is consistent with the mission statement and values of the HACM.
3. That the above factors have caused the HACM Board of Commissioners to conclude that the facts demonstrate that the cancellation of the \$142,000 debt to the HACM is therefore not a gift within the meaning of California Constitution Article XVI, Section 6.
4. That the Executive Director is hereby authorized to execute the First Amended Agreement for Purchase and Sale for the property located at 2314 First Street in Atwater, CA, described herein and bearing APN 003-221-025,

5. That the Executive Director is hereby authorized to execute a Deed of Reconveyance memorializing that the \$142,000.00 indebtedness is satisfied in full, to record such Deed of Reconveyance with the County Recorder's Office, and to execute all other necessary documents related to the reconveyance.

The foregoing resolution was introduced at the October 17, 2017 Board meeting of the Board of Commissioners of the HACM and adopted by the following vote:

Motion:

Second:

Ayes:

Nays:

Absent:

Abstain:

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Chairperson, Board of Commissioners  
Housing Authority of the County of Merced

Dated: October 17, 2017