

MERRILL ROAD HOUSING CORPORATION
AGENDA OF THE BOARD OF DIRECTORS MEETING
August 24, 2022

**Merrill Road Board of Directors Meeting will take place immediately following the
Housing Authority of the County of Santa Cruz Board of Commissioners Meeting**
HOUSING AUTHORITY OFFICES
2160 41st Avenue, Capitola, CA 95010

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or join the Zoom Meeting via this link:

Topic: Housing Authority of the County of Santa Cruz Board of Commissioners Meeting
Time: Aug 24, 2022 11:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/82661581899?pwd=ZkowbmY4Yk1DSkZnSkxySmVoYWxIZz09>

Meeting ID: 826 6158 1899

Passcode: 910633

One tap mobile

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+1 719 359 4580 US

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

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Meeting ID: 826 6158 1899

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Find your local number: <https://us02web.zoom.us/u/kma1cZ4Yb>

1. Roll Call

MERRILL ROAD BOARD OF DIRECTORS:

Chairperson Andy Schiffrin	4 year term expires, March 17, 2023
Vice Chairperson Carol Berg	4 year term expires, May 21, 2025
Director Ligaya Eligio	2 year term expires, October 18, 2022
Director Annette Melendrez	4 year term expires, September 29, 2023
Director Richard Schmale	2 year term expires, May 12, 2023

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Board of Directors Meeting Format

Motion to Adopt Resolution No. 2022-02 Authorizing the Merrill Road Housing Corporation Board of Directors to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

B. Minutes of the June 22, 2022 Meeting

Motion to Approve as submitted

C. Election of Officers

The Board of Directors of Merrill Road Housing Corporation elect the same Chairperson and Vice-Chairperson that was elected at the August 24, 2022 Annual Housing Authority of the County of Santa Cruz Board of Commissioners meeting

D. Extension to the Term of the Land Loan with the Housing Authority

Authorize 10 Year Extension to the Term of the Land Loan with the Housing Authority of the County of Santa Cruz

4. Oral Communications (All oral communications must be directed to an item not listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Directors is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.

5. Unfinished Business

6. New Business

7. Adjournment

*Merrill Road complies with the Americans with Disabilities Act. If you are a person with disabilities and you require special assistance in order to participate, please contact the Board secretary at 831-454-9455, ext. 201 at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format. Spanish language translation is available on an as needed basis. Please make arrangements 72 hours in advance by contacting the Housing Authority at 831-454-9455, ext. 280.

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3A

FROM: Executive Director

SUBJECT: Board of Directors Meeting Format

RECOMMENDATION: Adopt Resolution No. 2022-02 Authorizing the Merrill Road Housing Corporation Board of Directors to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

BACKGROUND SUMMARY:

On September 16, 2021, California Governor Gavin Newsom signed AB 361 into law, amending the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment, for all local agencies. The new authorization, which largely extends the provisions of the Governor's Executive Order N-29-20 (signed March 17, 2020) and Executive Order N-35-20 (signed March 21, 2020), is effective until January 1, 2024.

Given the continuing COVID-19 state of emergency, AB 361 was introduced to establish clear rules for teleconference meetings during such emergencies, effective immediately and until January 1, 2024. Effective September 16, 2021, new Government Code section 54953(e)(1) allows local agencies to continue to meet via teleconference without complying with the Brown Act's traditional agenda posting, physical access and quorum requirements for teleconferencing, but only during a state of emergency proclaimed by the Governor (in accordance with Government Code section 8625) in which (1) state or local health officials have imposed or recommended measures to promote social distancing, or (2) the legislative body has determined (or is meeting to determine) by majority vote that meeting in person would present imminent risk to the health or safety of the attendees.

This new authority requires local agencies to verify every 30 days that the exemption from traditional teleconference requirements is still necessary. Specifically, the legislative body must redetermine that either i) the state of emergency continues to directly impact the ability of the members to meet safely in person, or ii) state or local officials continue to impose or recommend measures to promote social distancing.

Currently, the Governor's March 4, 2020 proclamation of State of Emergency is still in effect. The California Department of Public Health continues to recommend that all individuals wear masks in indoor public settings. Additionally, the Santa Cruz County Health Officer currently recommends that face coverings be worn in public indoor settings for all individuals in the County.

RECOMMENDATION: Adopt Resolution No. 2022-02 Authorizing the Merrill Road Housing Corporation Board of Directors to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

MERRILL ROAD HOUSING CORPORATION

RESOLUTION NO. 2022-02

On the motion of

Duly seconded by

The Following Resolution is Adopted:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MERRILL ROAD HOUSING CORPORATION REAFFIRMING THAT THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF CALIFORNIA ISSUED ON MARCH 4, 2020 RELATING TO THE COVID-19 VIRUS REMAINS IN EFFECT AND LOCAL OFFICIALS CONTINUE TO RECOMMEND SOCIAL DISTANCING MEASURES TO MITIGATE THE SPREAD OF THE COVID-19 VIRUS AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODY OF THE MERRILL ROAD HOUSING CORPORATION PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Merrill Road Housing Corporation (“MRHC”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the MRHC’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §54950 *et seq.*) (“Brown Act”), so that any member of the public may attend, participate, and watch the MRHC’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, the Board of Directors previously adopted a Resolution. Number 2022-01 on June 22, 2022 finding that the requisite conditions exist for the legislative body of the Merrill Road Housing Corporation to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists, and the Board of Directors has done so; and

WHEREAS, the State of Emergency proclaimed by the Governor of California on March 4, 2020, due to the outbreak and spread of the COVID-19 virus remains in effect and active in order to be able to prepare, respond, and implement measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, local officials within the State of California and the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, as a consequence of the proclaimed state of emergency pursuant to the COVID-19 virus which continues to remain in effect, and local officials continuing to recommend social distancing measures to mitigate the spread of the COVID-19 virus, the Board of Directors does hereby find that the legislative bodies of the MRHC shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the meetings of the MRHC's legislative bodies continue to be open to the public, in accordance with the law.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MERRILL ROAD HOUSING CORPORATION DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Reaffirmation of Governor's Proclamation of a State of Emergency. The Board hereby finds that the Governor of the State of California's Proclamation of State of Emergency pursuant to the COVID-19 virus, effective as of its issuance date of March 4, 2020, continues to remain in effect.

Section 3. Reaffirmation of Local Officials Recommendation of Social Distancing Measures. The Board hereby finds that local officials within the State of California and the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus.

Section 4. Remote Teleconference Meetings. The Executive Director of the MRHC and legislative bodies of the MRHC are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for thirty (30) days or until such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the MRHC may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of the Merrill Road Housing Corporation, this Twenty Fourth Day of August 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson of Merrill Road

ATTEST:

Secretary of Merrill Road

AGENDA ITEM NO. 1 **Roll Call**

Chairperson Schiffrin called the meeting to order at 12:49 p.m. Members present via Zoom meeting Directors Berg, Brunner, Eligio, Melendrez, Schiffrin and Schmale

Members Absent

Director Garcia (excused)

Staff Present

Jennifer Panetta, Aaron Pomeroy and Courtney Byrd of the Housing Authority

AGENDA ITEM NO. 2 Consideration of Late Additions and Changes to the Agenda
None.

AGENDA ITEM NO. 3 Consent Agenda

Chairperson Schiffrin asked for a motion to approve the Consent Agenda.

Director Schmale moved for approval of the Consent Agenda; Director Melendrez seconded the motion and it was passed by the following vote:

AYES: Directors Berg, Brunner, Eligio, Melendrez, Schmale and Schiffrin

NOES: None

ABSENT: Director Garcia

ABSTAIN: None

Agenda Item 3A. Approval of the Minutes of the Regular Meeting held June 23,2021

Agenda Item 3B. Adopted Resolution No. 2022-01 Authorizing the Merrill Road Housing Corporation Board of Directors to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

AGENDA ITEM NO. 4 Oral Communications

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or join the Zoom Meeting via this link:

Join Zoom Meeting

<https://us02web.zoom.us/j/88088832746?pwd=MVpSYU81bUpHYm1EaWhsRVVydGFKQT09>

Meeting ID: 880 8883 2746

Passcode: 068002

One tap mobile

+14086380968,,88088832746#,,,,*068002# US (San Jose)

+16699006833,,88088832746#,,,,*068002# US (San Jose)

MERRILL ROAD HOUSING CORPORATION, MINUTES OF THE MEETING HELD JUNE 22, 2022, AT THE HOUSING AUTHORITY OFFICES, 2160 41ST AVENUE, CAPITOLA, CA 95010

Dial by your location

- +1 408 638 0968 US (San Jose)
- +1 669 900 6833 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 312 626 6799 US (Chicago)
- +1 646 876 9923 US (New York)
- +1 301 715 8592 US (Washington DC)

Meeting ID: 880 8883 2746

Passcode: 068002

Find your local number: <https://us02web.zoom.us/j/kPHTJ39QB>

No emails with comments were submitted. Chairperson Schiffrin asked if there were members of the public in attendance who would like to comment on items not on the agenda. No members of the public in attendance.

Chairperson Schiffrin suggested that Agenda Items 6A, 6B and 6C be on the Consent Agenda next year. The Board agreed. Staff will take the Boards direction next year. Chairperson Schiffrin asked for a motion from the Board to re-open the Consent Agenda and add Agenda Items 6A, 6B and 6C to this Consent Agenda,

Director Schmale made a motion to move Agenda Items 6A, 6B and 6C to this Consent Agenda; Director Eligio seconded the motion and it as passed by the following vote:

AYES: Directors Berg, Brunner, Eligio, Melendrez, Schiffrin and Schmale
NOES: None
ABSENT: Director Garcia
ABSTAIN: None

Chairperson Schiffrin asked for a motion to approve the Consent Agenda as amended.

Director Brunner moved for approval of the Consent Agenda as amended; Director Eligio seconded the motion and it was passed by the following vote:

AYES: Directors Berg, Brunner, Eligio, Melendrez, Schmale and Schiffrin
NOES: None
ABSENT: Director Garcia
ABSTAIN: None

Agenda Item 6A. Approved Operating Budget and Schedule of Rental Income for Merrill Road Apartments for FY 2022-23

Agenda Item 6B. Received FY 2020-21 Tax Returns

Agenda Item 6C. Approved the Audited Financial Statements for Fiscal Year Ending June 30, 2021 for Merrill Road Associates

AGENDA ITEM NO. 4

Adjournment

Chairperson Schiffrin adjourned the meeting at 12:53 p.m.

I hereby certify that these minutes were approved by the Merrill Road Housing Corporation, on the Twenty Fourth Day of August, 2022.

Chairperson of Merrill Road

ATTEST: _____
Secretary

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Election of Officers

RECOMMENDATION: The Board of Directors of Merrill Road Housing Corporation elect the same Chairperson and Vice-Chairperson that was elected at the August 24, 2022 Annual Housing Authority of the County of Santa Cruz Board of Commissioners meeting

BACKGROUND SUMMARY:

Each August, the Board of Directors elects or re-elects a Chairperson and Vice-Chairperson for the next twelve months. It has been the practice of Merrill Road Housing Corporation to elect the same officers elected for the Housing Authority of the County of Santa Cruz. There is no term limit for Board Officers.

RECOMMENDATION: The Board of Directors of Merrill Road Housing Corporation elect the same Chairperson and Vice-Chairperson that was elected at the August 24, 2022 Annual Housing Authority of the County of Santa Cruz Board of Commissioners meeting

MERRILL ROAD HOUSING CORPORATION

AGENDA ITEM SUMMARY

MEETING DATE: August 24, 2022

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: Extension to the Term of the Land Loan with the Housing Authority

RECOMMENDATION: Authorize 10 Year Extension to the Term of the Land Loan with the Housing Authority of the County of Santa Cruz

BACKGROUND SUMMARY:

On February 11, 1997, Merrill Road Associates (MRA) entered into a land loan agreement with the Housing Authority of the County of Santa Cruz (Authority) whereby the Authority loaned to the partnership a sum of \$252,763 for the acquisition of land for the construction of the 15 unit low-income housing development in Aptos. The term of the loan commenced on September 15, 1995 with a 27 year term at a simple interest rate of 3% which matures next month in September 2022. Outstanding principal and interest on the land loan were to be paid by MRA to the extent of available surplus cash by the project at the end of each fiscal year. Surplus cash is determined by a Regulatory Agreement with the State of California Housing & Community Development (HCD).

To date, the original principal balance of \$252,763 remains unpaid and an additional \$128,416 in unpaid interest has also accrued. The rent increases permitted over the years by HCD have not been sufficient to keep pace with rising operational costs and generate surplus cash to repay the loan. Plans are in the works to project base the 15 units at Merrill Road which will increase the total rent to market rate levels. Once this occurs, MRA will generate a considerable amount of surplus cash flow which will allow for an accelerated repayment of outstanding loan obligations.

Staff recommends that the MRA enter into a loan amendment with the Authority to extend the term of the land loan by an additional 10 years. MRA's current financial position will not enable the partnership to repay the land loan by the original maturity date of September 2022. An extension of 10 years will provide MRA with time to project base all units at the site in a move that will put the Partnership on a firm financial footing, thereby creating sufficient annual surplus cash for repayment of the land loan to the Authority.

RECOMMENDATION:

Authorize 10 Year Extension to the Term of the Land Loan with the Housing Authority of the County of Santa Cruz

MERRILL ROAD CORPORATION