Commissioners met at the Central Office. Chair Alan Styles called the meeting to order at 6:02 p.m. Present: Chair Alan Styles, Vice Chair Elizabeth Williams, and Commissioners Josh Stewart, Tom Espinoza, Kevin Healy, and Andrew Jackson. Also Present: Jim Nakashima, Executive Director; Jean Goebel, Director of Asset Management and Compliance; Starla Warren Director of Housing Development; Lynn Santos, Director of Finance, Shelley Giancola, Human Resources Manager; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC: None

PRESENTATION: Service Award

Chair Styles congratulated Gloria Venegas for achieving 10 years of service to the HACM; Ms. Venegas wasn't able to attend the meeting tonight so the pin and certificate will be provided to her.

PUBLIC HEARING: PHA Five Year and Annual Plan.

Ms. Goebel explained this is the Annual Plan that begins in July; one written comment has been received and that comment and response are on the table; other comments were received at the Resident Advisory Board meeting but were regarding tenant issues, not this plan.

Chair Styles opened the Public Hearing at 6:04 p.m.

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board closed the PHA Five Year and Annual Plans. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Espinoza, Jackson
NOES: None
ABSENT: Healy

There were no public comments; the Public Hearing was closed at 6:05 p.m.

CONSENT AGENDA

A. Minutes - Approval of Minutes of the Regular Board Meeting held February 22, 2010
B. Resolution 2646: Authorizing the Execution of a Note Payable in Favor of the Housing Authority of the County of Monterey in the Amount of $80,000
C. Resolution 2647: Authorizing the Execution of an Inter-Agency Agreement to Cover “Fees for Service” Between the Housing Authority of the County of Monterey and the Monterey County Housing Authority Development Corporation
D. Resolution 2648: Acknowledging the Selection of the Contractor for Replacement Of the Community Center at 1415 Del Monte – ARRA Formula Fund
E. Resolution 2649: Resolution of the Housing Authority of the County of Monterey approving the extension of the lease for the Housing Resource Center of Monterey County

Upon motion by Commissioner Stewart, seconded by Commissioner Healy, the Board approved the request by Commissioners Williams and Healy to pull Consent Agenda item A. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Espinoza, Healy, Jackson
NOES: None
ABSENT: None

Minutes of the Regular Board meeting held February 22, 2010 were pulled by Commissioners Williams and Healy: Commissioner Healy asked when was the Tuesday meeting (for the
March 22, 2010

Development Corporation) formally scheduled on Tuesdays? Chair Styles and Ms. Warren responded that took place in a lengthy discussion in January. Commissioner Williams stated she does not recall the Board giving any direction as stated under New Business, item B, Structural Reorganization Proposal, which was stated in the last sentence of the first paragraph, “Mr. Nakashima reminded that the Board had given direction to bring Property Management and Maintenance back under HACM” and this organizational chart reflects that direction. Chair Styles responded that was a comment made by Mr. Nakashima and when we review the organizational chart, we will see if that is the direction we want to go. Commissioner Williams requested the record reflect she questioned this comment. Commissioner Espinoza suggested page numbers be added to the minutes for easier referencing.

Upon motion by Commissioner Healy, seconded by Commissioner Williams, the Board approved Consent Agenda item A, approval of the minutes of the Regular Board Meeting held February 22, 2010. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Espinoza, Healy, Jackson
NOES: None
ABSENT: None

Upon motion by Commissioner Healy, seconded by Commissioner Stewart, the Board approved Consent Agenda items B through E. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Espinoza, Healy, Jackson
NOES: None
ABSENT: None

REPORTS OF COMMITTEES
Personnel Committee: Commissioner Josh Stewart, Chairman
Finance/Development Committee: Commissioner Elizabeth Williams, Chairman
Monterey County Housing, Inc.: Starla Warren, Representative
Affordable Acquisitions: Starla Warren, Representative
Resident Advisory Board: Jean Goebel/Michelle Machado, Representatives

Monterey County Housing Development Corporation: Starla Warren, President
TVI & Tynan Village Affordable Housing LP: Starla Warren, Authorized Signature
Rippling River Affordable Housing LLC & LP: Starla Warren, Authorized Signature
MCHADC & Benito FLC, LP: Starla Warren, Authorized Signature
MCHADC & Benito Street Affordable Housing LP: Starla Warren, Authorized Signature
MCHADC & Monterey Affordable Housing LP: Starla Warren, Authorized Signature
MCHADC & Fanoe Vista, LP: Starla Warren, Authorized Signature

Personnel Committee: Commissioner Stewart reported the Personnel Committee had a very lengthy and fruitful discussion on the entire organizational chart in order for the Committee to understand the direction that staff wanted to go and the direction that was understood from the Personnel Committee side. He recommended a Special Board meeting be called to consider the Structural Organizational Proposal.

Finance/Development Committee: Commissioner Williams reported most everything the Committee reviewed was placed on the Consent Agenda; she stated Ms. Santos had added a section for Concerns on her report and the Committee recommended that all Directors add a Concerns to their reports if applicable. The Concerns will provide a heads-up for the Board.

Monterey County Housing, Inc.: Mr. Rose reported MCHI has been working with AON Insurance brokerage house to structure a package for renewal of insurance because their current insurance ends at the end of March. While the price itself is going down from last year we're working on getting it down even further. The other items that are significant specifically to HACM are the residual notes with respect to Casa nova and Parkside; this is the first year for paying the principle and they have elected to put forth a resolution to make their principle payment which was due on March 1, 2010 so there will be a few dollars added for the late payment. Ms. Warren added the interest payment is $106K which will be made as well and the Board elected to pay $50K towards the principle debt; that money will be coming from MCHI-AA to HACM. The HACM Board thanked Mr. Rose.

Affordable Acquisitions: Same as MCHI.

Resident Advisory Board: Ms. Goebel reported they had a meeting this month in which the Public Housing residents were again invited. There were approximately 20 residents that attended. Staff is trying to get some interest from the residents in order to get a full Board of
officers; unfortunately no one in this group wanted to be on the RAB Board. Staff will continue to send out meeting notices. Ms. Goebel responded that this was a good attendance. The meetings are primarily here at HACM because most of the attendees are from Salinas, but once the RAB Board is set then they can choose where they wish to have their meetings. The RAB Board is supposed to be representative of Public Housing residents primarily and also Section 8 residents. The RAB Board is independent but is governed by HUD rules and regulations. Once there are enough participants then an election of officers can be held. Commissioner Stewart requested a copy of the letter that is sent to the residents advising them of the RAB meeting.

Monterey County Housing Development Corporation and LP’s: Ms. Warren reported that all her information would be reported out at the Development Corporation meeting tomorrow night. Chair Styles reminded that the Development Corporation meeting is tomorrow at 6 p.m.

REPORT OF SECRETARY

A. Executive Report

Mr. Nakashima reported last Friday he attended a retirement ceremony where HUD employees were in attendance; in talking to one of the HUD employees, it was evident that HUD is moving in a different direction that will focus on Transforming Rental Assistance/Choice Neighborhood Initiatives. This individual wanted to know what our problems were with HUD, but it was clear that they weren't necessarily going to fix them. They are also interested in the data and what value it has to HUD. The bottom line was many of the current programs are going down and will be replaced by programs that fit their new direction and may include social workers. It was stated that the Asset Management program can be made to work as a social program as well as a business oriented program. It was clear that HUD is going to design and guide the programs and the Administration is driving the train, so to speak. It used to be that field experience really counted, but it appears the future will be credentialed or licensed individuals with high degrees of education and very little field experience.

Mr. Nakashima pointed out the last letter attached to his report reflects the good fight we have fought to ensure that HACM gets enough money to last through the year even though we have not heard back on our request, he was very proud of what staff has already accomplished.

Chair Styles stated he wanted to pass on from this Board our thanks and appreciation to the staff of the Housing Authority for a job well done. Thanks also to the families for allowing staff to take on extra responsibility and to work extra long days and weekends to meet deadlines. Thank you very much; we have a tremendous staff!

OLD BUSINESS

A. Structural Reorganization Proposal

In a short dialogue, the Board decided to table this item to the call of the Chair. Commissioner Stewart stated that the Personnel Committee recommends this item be considered at a Special Board meeting. He further requested that the Clerk to the Board provide draft minutes of the Personnel Committee meeting held on March 15th in order for the Board to have the issues and questions already discussed in the Committee meeting. To query, Commissioner Stewart noted that the Amended Conflict of Interest agenda item would need to be tabled also because there is a connection to this agenda item with respect to titles of positions.

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, agenda items 9A, Structural Reorganization Proposal and 10B, Amended Conflict of Interest Code, are tabled to a Special Board Meeting at the Call of the Chair. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Espinoza, Healy, Jackson
NOES: None
ABSENT: None
NEW BUSINESS

A. Resolution 2645: PHA Certification of Compliance with the PHA Plan and Related Regulations (2010)

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board adopted Resolution 2645, approving the Annual and Five Year Plans as submitted to HUD in the PHA Certification of Compliance with the PHA Plan and Related Regulations (2010). Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Espinoza, Healy, Jackson
NOES: None
ABSENT: None

B. Amended Conflict of Interest Code:

This item was tabled under item 9A above.

C. Health Insurance Update – Information Only

Ms. Giancola explained that a new fully insured plan for the employees has been chosen with Anthem Blue Cross, but the current Health Trust will have to remain open until the remaining claims are completed. A resolution will be brought to the June Board meeting for a decision on dissolving the Health Trust and another resolution on whether the Board wishes to write off the amount that is owed to HACM by the Health Trust. Ms. Giancola responded to query, that the new employee health plan is better than the current one. She reminded that there was a Health Insurance Committee made up of employees from the departments that made the final selection; the union also had been notified in a meet and consult meeting. For information only; no action required.

The Board thanked Ms. Giancola for her hard work and written information on this issue.

D. Appointment of HACM Representative to MCHI

The Chair tabled this agenda item for right now to do further research. He requested that any Commissioner wishing to be the Representative to the MCHI Board to please let him know.

E. Change Time of April 26, 2010 Board meeting

The Board changed the meeting time to 5:30 p.m. for their April 26, 2010 Regular Board meeting to accommodate the dinner scheduled to honor former Commissioner Merri Bilek.

INFORMATION

A. Financial Report: Finance Update

Ms. Santos responded to queries that the HAP funding for the current year is around $2.6M monthly at the 95% payment standards but if we are forced to go back to 100-110% the monthly HAP could increase as much as $250K and that would leave us short funded. Set aside funds were applied for on March 9th but we have not heard back on our application. Ms. Santos noted that HUD provided $3.8M in funding for the shortfall for September through December 2009 which we think we will have quite a bit left over. She further explained that any residual funds must be returned, probably by way of a deduction in our next allocation.

Mr. Nakashima stated that out of 3,187 Housing Authorities, 523 were directly affected and 300 were drastically affected and the final count for applications for the set aside funds, because there were other categories that could be applied through, came out to just under 700 applications.

Ms. Santos reminded that HUD is very adamant about HAP funds being restricted and cannot be utilized for anything else. Commissioner Stewart emphasized that we want the repayment to go to the tenant and not the landlord. To query, Ms. Goebel responded that there would be extraordinary administrative fees we could apply for to cover our administrative costs.
March 22, 2010

Mr. Nakashima applauded Ms. Webster and her staff for making a decision to keep HACM open on Fridays during this rescission process in order to continue service to the clients.

To Board query, Ms. Goebel reported that staff is trying to accomplish all the May annuals and get those all into PIC and loaded so then we can basically start at the new rate in May. Then we will have to literally go through and void every action out of PIC all the way back to September; each file is different depending on whether they have had an annual or interim in addition to the change payment standard. Staff has to do one file at a time all the way back to September and then go forward and put in their information with the new payment standard and go forward again. There are approximately 4,000 vouchers so it takes a lot of time. The timeline is to get back to September and get the September data done so Ms. Santos and her Finance Department can do the input into VMS by May 1st--that's the deadline HUD has given us. Then they have given us through September to remit all the payments. In order to get back there, you literally have to go forward plus the other impact is that we have to maintain 95% submission rate with PIC so you can't just do everybody back to September, you have to go one file at a time because you have got to get them right back in to PIC or the submission rate will fall and we will then be in trouble with SEMAP.

Ms. Santos explained the other issue is if you don't get them back in PIC and then a check run takes place those changes post automatically to the rent in HAP so if someone is mid-way through a file you can overpay or underpay a landlord. Therefore, in between each check run, staff has to complete a full file; it is a very complex process. To query, Staff responded that if an individual is no longer a tenant, we have to demonstrate every effort to locate them and pay them.

To Board query, Ms. Santos explained her concern regarding inventory and work orders is that when an item is purchased it doesn't go to the General Ledger until that work order is closed so it appears the inventory is higher in the General Ledger than what is actually on hand in the General Ledger. Yardi didn't have an inventory module, but now they do but it doesn't work like regular inventory processes work. Yardi contact will be coming out the first week of April to help us resolve these types of issues. Another concern is the HELP loans that come due May 24th and all of those funds are invested in Tynan Village. Commissioner Williams stated that the Line of Credit should have been on the Finance Concerns list because it is getting dangerously close; staff had mentioned at the Finance/Development Committee meeting that some funds were coming in from the sale of the Moss Landing units. Ms. Warren stated she would again refer to the cash flow projections that she has prepared for the Development Corporation meeting tomorrow night which will show the kinds of sources that can be used as potential short term funding.

Ms. Santos explained that the Line of Credit was raised to $4.5M but $247K of that has been issued as a Letter of Credit on Tynan Village so that means that approximately $4.2M was available so we basically got $1M of which $650K has to be used for the Housing Authority side of the HELP loan invested in Tynan Village and because basically $3.7M is invested in the land lease for Tynan Village. No action required.

The board moved to agenda item C, Monthly Development Report


Ms. Warren reported that everything in this report is relative to the Housing Authority and the cross over between the HACM and the Development Corporation. Staff is working on lengthy rehabs for the Housing Authority; staff is also working to resolve the physical issues at the Castroville rehab site; Casanova project is a MCHI owned site but is managed by the Housing Authority. The Seaside housing project could end up being a Development Corporation project in the future, but right now it is on the HACM side. Dispositions are HACM related and Maintenance is HACM related as well as the project at 134 Rossi office building. She further reported that the Community Center on Del Monte is on the Consent Agenda; this will be a demolish and rebuild but when the other components to this project are added in the total cost will be around $220K. No action required.
Commissioner Williams noted that she was surprised that the Representative for the John Stewart Company was not present at the meeting; the Board decided it was too late to add this representative to the Development Corporation agenda for tomorrow night.

The board returned to agenda item B, Human Resources Report:

B. Human Resources Report /Summary of Activity March 2010

Ms. Giancola reported we are still recruiting for the Housing Programs Manager position and the Chief Operations and Finance Officer (COFO). She stated the COFO announcement closed on March 15th and we ended up with nine submissions; six were applications and three were just resumes. The three resumes will be considered due to the low number of applications, and if needed the applications will be requested. The applications will then be forwarded to the Commissioners on the Selection Committee. She further reported there was one voluntary termination from one of the caretakers; we were aware of this upcoming vacancy and that position has already been filled. No action required.

C. Status Report: Monthly Development Report:

This agenda item was considered after the finance report above.

D. Status Report: Monthly Property Management Report

Ms. Goebel reported that we are working with the property managers in moving the eligibility waiting list for public housing to the sites, but it is be worked slowly in order to make sure each manager gets their waiting list and accepts that responsibility and understands the process and what they need to do to stay in compliance; it is a methodical process and once those waiting lists are completed then we will work with Section 8 staff to take on the responsibility for their waiting lists. No action required.

Mr. Nakashima congratulated Ms. Tonkin and Ms. Machado as well as Ms. Goebel on the Pueblo del Mar inspection by the State; he stated that the State inspector had commented to him how beautiful that property was. Thank you all for a great job!


Ms. Goebel reported the Pueblo del Mar inspection went very well and the inspector told us that we may be past the ten year compliance requirement and could request to be removed from the regular annual monitoring because we don't have any issues; they will be sending us the information to apply. This inspection process takes a lot of staff time; we will continue to send in the annual reporting documentation. She further reported that staff continues to work on the voluntary compliance transfer list so there are lots of things going on in this arena. No action required.

F. Status Report: Eligibility/Section 8 Reports

Ms. Goebel reported that Eligibility and Section 8 had already been reported on, but they are focused right now on the rescission process for Section 8 clients. Mr. Nakashima responded to query that he already has a media release ready to put out but is holding until the issue on the funding is known. Ms. Goebel stated that once the information is put out, there will be massive phone calls coming in from clients. No action required.

G. Status Report: Administrative Report

Ms. Giancola reported she had nothing to add to her report; she did note that the contract management course mentioned in the second bullet was offered by NAHRO instead of HUD. No action required.

H. Legislative Update

Mr. Nakashima reported that he had already provided information on this update, as well as on the documentation placed on the table, in his executive report. No action required.
I. Media Update

Mr. Nakashima reported that Mr. Hernandez has written a program to collect housing news, similar to the Sherwood Report. He puts this information out to staff each day; sometimes twice a day. He will be preparing the Media Report. No action required.

The Board took a break at 7:21 p.m. and convened to Closed Session at 7:31 p.m.

CLOSED SESSION

The Board of Commissioners met in Closed Session for the following purpose and reason:

A. Closed Session: Government Section 54956.8: Conference with Real Property Negotiators: Property: 30 East Market Street, Salinas, CA
   Negotiating Parties: Starla Warren and Jim Nakashima
   ACTION: No action to report.

The Board reconvened to regular session at 8:28 p.m.

COMMISSIONER COMMENTS:

Commissioner Healy commented that there was not a representative at the Sunrise House meeting. Chair Styles responded that he had sent out an email, but wasn't able to get anyone to attend.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at the call of the chair at 8:29 p.m.

___________________________________  
Chairman

ATTEST:

_________________________________  
Secretary

_________________________________  
Date