

**ACTION  
MINUTES OF THE REGULAR BOARD MEETING  
OF THE  
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY  
HELD MAY 24, 2010**

Commissioners met at the Central Office. Chair Alan Styles called the meeting to order at 6:03 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; Lynn Santos, Director of Finance; Shelley Giancola, Director of Administrative Services; and Starla Warren, Fee for Service Director of Development. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC:

Susan Price, resident at Plaza House, asked that some photos be identified as to whether they were HACM employees; she also wanted to be sure that the inspection of her room was finally finished; and she asked why these Board meetings were public. After a short discussion, the Board again recommended that Ms. Price talk with Mr. Rose, Executive Director, Monterey County Housing, Inc. (MCHI) or that agency's Board of Directors.

PRESENTATION:

Service Award: Chair Styles congratulated Sandra Rosales for her 10 years of service to the Housing Authority; Ms. Rosales was unable to attend tonight's meeting.

Ms. Goebel presented the Board with an Award of Merit from the Pacific Southwest Regional Council of NAHRO. She further stated that award applications were submitted for Fanoe Vista and Monterey Street Affordable; the one for Fanoe Vista also has been forwarded to the NAHRO Committee for Award of Excellence. The Board congratulated staff on all their hard work.

CONSENT AGENDA

- A. Minutes – Approval of Minutes of the Special Board Meeting held April 15, 2010
- B. Minutes - Approval of Minutes of the Regular Board Meeting held April 26, 2010
- C. Resolution 2657: Revised Conventional Low Rent Utility Allowances

Upon motion by Commissioner Williams, seconded by Commissioner Espinoza, the Board approved the Consent Agenda. Motion carried with the following vote:

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

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 items are on the agenda.
Finance/Development Committee:	Commissioner Williams reported that most of the

Finance/Development items are on the consent agenda; the Committee also looked at the budget for 2010 and that is under New Business. The Committee will be reviewing the budget for 2011 next month. Commissioner Williams stated that she and Ms. Santos also would be looking over the Board budget.

Monterey County Housing, Inc.: The Board welcomed Mr. Rose back from his vacation. Mr. Rose reported there was a meeting in April to review the IRS Form 990 which got off on a timely basis; Ms. Santos effectively made that happen. Ms. Warren stated that the lending partner for Plaza House is waiving the requirement to pay the back-end income tax liability and has offered to sell that property to MCHI for one dollar. MCHI has elected to go forward with that sale.

Affordable Acquisitions: Same as MCHI.

Resident Advisory Board: Ms. Goebel reported the RAB had a meeting on May 4th and they had five people attend; no one, other than the regular officers, was interested in serving on that Board. Staff will be sending invitations to these meetings to a larger number of our properties for the next few weeks to continue looking for officers. To query, she stated there are two officers and four are needed on the Resident Advisory Board.

Monterey County Housing Development Corporation and LP's: Ms. Warren reported that all items for that entity are either in the development report or on the HDC agenda.

### REPORT OF SECRETARY

#### A. Executive Report

Mr. Nakashima reported he had nothing to add to his report.

### OLD BUSINESS

#### A. Appointment of HACM Representative to MCHI

Chair Styles appointed Tony Caldwell, former HACM employee and HACM Representative to MCHI, and currently the Executive Director of Kitsap Consolidated Housing Authority in Washington, as the HACM Representative to MCHI. Chair Styles stated that Mr. Caldwell expressed that he would like to continue his appointment as HACM Representative to MCHI. To Board query, Chair Styles stated that Mr. Caldwell and Mr. Rose are working out the particulars for attending these meetings; possibly by teleconference.

### NEW BUSINESS

#### A. Resolution 2659: Budgets for 2009/2010

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board adopted Resolution 2659, approving the Housing Authority Budget for FY 2009-2010. Motion carried with the following vote:

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

### INFORMATION

#### A. Financial Report: Finance Update

Ms. Santos reported that a letter was received stating that the HELP loan would be extended for the Housing Authority for six months; she stated we do have to pay the \$200K in interest that we offered as a good faith effort and that was part of the reason we received the extension. The

interest rate is going to change from 3 to 3.5% effective June 1, 2010 and then to 4% two months later and then to 5% two months after that. To query, staff responded that there is no clause stating we cannot pay sooner. Chair Styles congratulated staff on a good job.

Ms. Santos pointed out that we have paid over a 1,000 waivers so far but now that May is almost over, we can see where we are going with the funding for the rest of the calendar year. To query, Ms. Santos responded that Section 8 program is funded on a calendar year, not fiscal. The additional funding we received from HUD was less than expected at \$1.1M, but they now have given us \$3.8M in waiver money so it looks like we're going to be okay for this year and after June, staff will know more about going forward financially.

Ms. Santos further reported that we received \$136K for the stop loss reimbursement for the health trust, but there is another month of stop loss premiums to pay which will be about \$36K. The claims are coming in slowly. Staff will still be bringing the write-offs on the health trust in June or July, but they should not be as much as first anticipated.

To query on inventory, Ms. Santos responded that the inventory did not reveal any specific problem, but there are variances on almost every item counted and some were significant. Staff will be doing inventory again at the end of June and if we can't find the causes of the variances at that time we're going to have to record our losses at that point, which could mean an audit finding.

To another query, Ms. Warren responded that regarding the Joe Serna Funds, she had been informed the check request had been submitted last week. No action required.

#### B. Human Resources Report /Summary of Activity – May 2010

Ms. Giancola reported that there was an application that came in that might fit the Housing Program Manager position, which has been opened for a long time. The applicant is not local but wants to relocate to our area. She stated a telephone screening had been conducted with this applicant by her and Ms. Goebel and they are hoping this individual will be a good candidate. She will be making a trip to California on her own in the middle of June so we will set a time to meet with her during her stay.

Ms. Giancola reminded that the Commissioners had been notified that we have an acceptance for the Chief Operations and Finance Officer position and Mr. Politzer will start with HACM on Tuesday, June 1st. The Caretaker positions application periods are currently closed; a total of 16 applications were received for these two positions. The Housing Management Manager position application period closed last week with a total of 29 applications received. Those applications are being reviewed by Staff. The application period for the Finance Specialist II position will close on Wednesday of this week.

Ms. Giancola stated we have another employee who went out on maternity leave so we have another person to add to the Acting Capacity/Working out of Classification. This is an Eligibility Specialist who is working as a Housing Programs Specialist. Ms. Giancola stated she did not bring any Personnel Policies this month but would bring ten more policies to the June Board.

To query, Ms. Giancola stated that the HR Assistant position has not been opened yet due to the number of positions that are currently being recruited.

Commissioner Espinoza commented that he will not be available for the Committee or Board meetings this next month; Chair Styles reminded that there was a Special Board meeting for HACM scheduled for this Wednesday. Commissioner Stewart informed the Board that the Personnel Committee has changed their regular meeting date and time to the third Tuesday of

each month at 9:30 a.m. He also stated that he has requested Ms. Giancola provide position openings to the Commissioners because sometimes the open and close periods do not coincide with a meeting where the Commissioners can be informed. Ms. Giancola stated that she emails Staff when an opening takes place and that the Clerk to the Board receives these notifications and would forward them to the Commissioners as requested. No action required.

C. Status Report: Monthly Development Report

Ms. Warren reported that the Tynan Update would be provided on the HDC report. She reminded that the Special HACM Board meeting on Wednesday is to certify the Mitigated Negative Declaration for the redevelopment of the Haciendas site, which is out for the 30-day comment period. She stated the Board would get a copy of the comments that are received and staff's response and a copy of the environmental final draft will be made available for anybody to see. She stated with regard to the disposition of Haciendas and its environmental requirement, we have been unfortunate on this particular disposition action because it has received three different sets of guidance from HUD. She stated today she spoke with the head environmental person for HUD and another individual in Denver and we have to do another 15-day publication and include a couple of words that they would prefer. She stated attached to this report is a copy of the last extension for the HELP loan for the Tynan Village project and HACM, and that the last extension was not a resolution; it was just executed by Mr. Nakashima and herself which is what the plan is in order to do the conversion on Tynan. No action required.

D. Status Report: Monthly Property Management Report

Ms. Goebel reported she had nothing to add to her report; no action required.

E. Status Report: Monthly Asset Management Report

Ms. Goebel reported that a letter was received this week from HUD stating that our Annual and Five-Year Plans have been approved for the fiscal year beginning July 2010. Staff continues to work on the rescission to meet the deadline. Two employees were sent to HUD in San Francisco for a HUD VASH training session. To query, Ms. Goebel explained that VASH stands for Vouchers for Supportive Services for Veterans and we work in concert with the VA in Palo Alto, CA on these vouchers. The Housing Authority manages the voucher program and the VA refers veterans that are eligible and we then qualify them for the Section 8 Program under the special rules for VASH. We have 35 vouchers and we have applied for 50 more. The funding for this program is separate from our regular HAP. Ms. Santos explained it is part of our net restricted assets but these funds are further restricted and are to be used for only these kinds of vouchers.

Ms. Goebel further reported with regard to the multi-family recycling grant that it will expire in December. Since they extended the first one, they probably will not extend this one. We have completed almost all the projects. We have saved a substantial amount of money by starting the recycling program. Chair Styles stated he thought HACM would be recognized by the Solid Waste Authority for the successful recycling program by HACM.

Mr. Nakashima thanked Commissioner Williams for her participation in the VASH meeting in her capacity as Chief of Staff of the California VFW Women's Auxiliary. He hopes she will be able to help get the word out through her contacts to the veterans in South County about the VASH program.

F. Status Report: Eligibility/Section 8 Reports

Ms. Goebel reported that under the VASH Program regulations if the individual owes us money, they cannot be denied housing because of that; we can only check for sex offender and methamphetamine in the background checks, therefore, they're still eligible for the program with

other criminal offenses. In the regular Section 8 Program we do a criminal background check and if they have a drug related or violent offense in their background we can deny them for the program. Also, if they owe us money, we can deny them regular Section 8 until that is paid. Ms. Santos stated that in the rescission waiver repayments the tenants that have been underreporting their income have had their waivers deducted by what they owe us but that deduction goes back into the HAP funds and not to HACM directly. No action required.

G. Status Report: Administrative Report

Ms. Giancola reported she had nothing to add to her report; no action required.

H. Legislative Update

Mr. Nakashima reported that he has summarized the lengthy attachments to his report on the first page, but the bottom line is that HUD is going through a major change and the push is towards preserving TRA or what is now called PETRA. There is nothing that says HUD can't do this program under current regulations, but it still has to go through an approval process. It is being rewritten under the scrutiny of OMB who has stated all they approved was the policy and the movement of current funds to support TRA. HUD took 20% of our capital funds in public housing, \$480M, to do the pre-funding for the TRA program so that means we will most likely get a lot less capital funds and we were hoping for \$1.3M. The other thing is that if we go for TRA, we can't administer the Project Based Special Section 8 program because it will have to be administered by a third-party non-profit and one that is not affiliated with any development or any other non-profit. Renewals will be annually so however TRA goes may impact our Section 8 program. Another thing mentioned was just because Monterey is in a high market rate area doesn't mean that we would get that funding through HAP. Commissioner Williams pointed out the way it is being rewritten is that it should be fair across the board for funding purposes. Mr. Nakashima stated there are some legal questions that are being reviewed by Legal Counsel regarding these issues. To query, Mr. Nakashima responded that he was told that those that volunteer first for TRA will get it by February 2011. He further stated that Section 3 is also included throughout this program. He stated we are going to let NAHRO and PHADA try to get the right language added into the program but HUD has this program moving very quickly. No action required.

I. Media Update

There was nothing to add to the Media Update, no action required.

The Board convened to Closed Session at 7:06 p.m.

CLOSED SESSION

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

- A. Conference with legal counsel – anticipated litigation (Gov. Code § 54956.9(c)  
**ACTION:** No actions were taken in closed session-information only.

The Board reconvened to regular session at 7:35 p.m.

COMMISSIONER COMMENTS

Commissioner Espinoza thanked Staff and Mr. Griffin for researching the TRA procedures.

Commissioner Williams complimented Ms. Giancola for her search for the Chief Operations and Finance Officer and how she handled it; she also thanked Ms. Santos for her expertise on the

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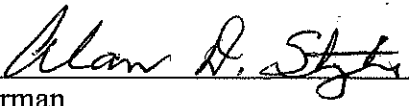
finances. Commissioner Williams further stated she would thank Ms. Warren on Wednesday. She also thanked Ms. Tebbs for her duties as the Clerk to the Board. Commissioner Williams welcomed Mr. Nakashima back from his leave.

Commissioner Jackson thanked everyone for the education he is receiving as a Commissioner; he is enjoying it.

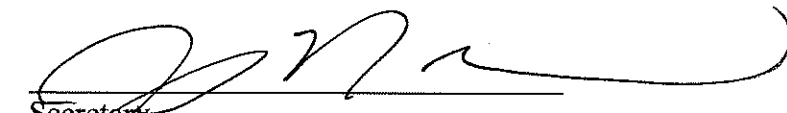
Commissioner Styles thanked all Staff and stated they have done a great job while being under a tremendous amount of pressure.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:39 p.m.

  
\_\_\_\_\_  
Chairman

ATTEST:

  
\_\_\_\_\_  
Secretary

6/28/10  
\_\_\_\_\_  
Date