ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD JUNE 28, 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, Kevin Healy, and Andrew Jackson. Absent: Commissioner Tom Espinoza. Also Present: Jin Nakashima, Executive Director; Jean Goebel, Director of Asset Management and Compliance; Lynn Santos, Director of Finance; Shelley Giancola, Director of Administrative Services; Starla Warren, Fee for Service Director of Development; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC:

Susan Price, resident of Plaza House, commented that she was here for the same thing that she has been coming to the meetings about for the last several months; she stated she is trying to get a meeting with Mr. Nakashima regarding incidents that took place in 2009. Ms. Price provided a document dated August 28, 2009 to the Clerk to the Board. Chair Styles emphasized that the Board again would not address her issue because it belonged with the Monterey County Housing Inc. Board.

PRESENTATION:

The Board thanked and congratulated the following individuals for their service to HACM: Elizabeth Gonzales, Bill Shearer, and Hector Caroro for Five years of service; and Luis “Roy” Hernandez and Fred Quitevis for Ten years of service.

Chair Styles noted without a quorum at this point in the meeting, that the current Board members would move to the Reports of Committees.

REPORTS OF COMMITTEES

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Personnel Committee: Commissioner Stewart arrived late to the meeting; his report is located between Consent Agenda and New Business.

Finance/Development Committee: Commissioner Williams reported the Finance/Development Committee recommended Resolution 2662 be placed on the Consent Agenda and Resolutions 2663 and 2664 be placed under New Business. She stated the reserve is now at $1M.

Monterey County Housing, Inc.: Mr. Rose reported he had two things to report: one was MCHI’s Board was very enthused with the re-appointment of Mr. Caldwell; it was like he never left so the transition was incredibly smooth. The other thing he would like to report was the MCHI Board appreciated all the efforts that Ms. Santos made with the City of Monterey to collect $200K that they owed MCHI; that $200K will be forthcoming prior to the fiscal year end. To Board query, Mr. Rose stated there is one vacancy on their Board.

Affordable Acquisitions: Same as MCHI.

Resident Advisory Board: Ms. Goebel reported the RAB met this month and had about 15 people in attendance.

Monterey County Housing Development Corporation and LP’s: Ms. Warren reported that all items for that entity and the LP’s were either in the development report or on the HDC agenda.
REPORT OF SECRETARY

A. Executive Report

Mr. Nakushima reported HUD is in the midst of a battle with the appropriations committee regarding funds. Staff is moving along with the rescission payments but HUD's PIC system is not accepting the data on a timely basis; unfortunately a letter came last Friday from HUD that stated the repayment deadline had been moved up to July 1st. HACM is only one/third of the way through the repayment process so we will not be able to meet that July 1st deadline. An extension to September has been requested because of the problems with HUD's system for inputting the data.

Commissioner Stewart arrived at 6:16 p.m.

Mr. Nakushima stated that HUD has recalled, out of retirement, the person that designed the HUD system to help fix the problems. If HUD doesn't approve our extension request, we will be faced with the same issue again of whether any Section 8 vouchers will need to be terminated. If HUD recaptures the $2M for the waivers and also pulls back the $1.1M we will have nothing in reserves and more tough decisions will have to be made. He stated he was told that PETRA money was going to stay funded for this year; Barney Franks and Maxine Waters have stated they will not address this issue until next year and they will not fund PETRA next year.

To query, staff responded that HUD is well aware of the problems with their system because other housing authorities are also experiencing the same problems and will not make the deadline either. The scheduled VMS and audit on NRA have been pushed back to September or later due to the rescission issues. It is problematic on many fronts and poses a problem on our audit because those dollars really need to be recorded in that fiscal year and we have an August 31st deadline to submit our REAC schedule.

Mr. Nakushima stated to Chair Styles that there was now a quorum in attendance.

The Board moved back to consider the Consent Agenda.

CONSENT AGENDA

A. Minutes – Approval of Minutes of the Regular Board Meeting held May 24, 2010
B. Minutes - Approval of Minutes of the Special Board Meeting held May 26, 2010
C. Resolution 2661: Revisions to Housing Choice Voucher Administrative Plan
D. Resolution 2662: Revisions to Public Housing Program Admissions and Occupancy Plan

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

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

Commissioner Stewart reported that the Personnel Committee reviewed ten policies that will be brought to the Board in July. Everything else reviewed by that Committee is on the agenda.

Commissioner Jackson arrived at 6:25 p.m.

NEW BUSINESS

A. Resolution 2663: Semi-Annual Write-offs

Upon motion by Commissioner Williams, seconded by Commissioner Healy, the Board adopted Resolution 2663, approval of the semi-annual write-offs in the amount of $43,356.39 for the period ending June 30, 2010. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Healy, Jackson
NOES: None
ABSENT: Espinoza
B. Resolution 2664: Authorization to: (1) Transfer Lagunas Haciendas Into the Monterey County Housing Authority Development Corporation (HDC), Upon Disposition Approval from HUD (2) Provide Short Term Guarantee on the New Development Known as Haciendas, LP (3) Enter into a Property Management Contract for the New Development

Ms. Warren stated she needed to add a fourth item to this resolution, to enter into an MOU for resident services.

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board adopted Resolution 2664, with the addition of number (4), authorization to: (1) Transfer Lagunas Haciendas into the Monterey County Housing Authority Development Corporation (HDC), upon disposition approval from HUD (2) Provide short term guarantee on the new development known as Haciendas, LP (3) Enter into a Property Management contract for the new development (4) Enter into an MOU for Resident Services. Motion carried with the following vote:

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

C. Recruitment Policies – Information Only

Commissioner Stewart stated he had requested these policies be provided to the full Board for information. Commissioner Healy asked Ms. Giancola if there was anything in these policies that the Board should be concerned about. Ms. Giancola replied no.

INFORMATION

A. Financial Report: Finance Update

Ms. Santos reported as of today HACM has paid over 1,400 residents just under $820K on the rescission payments. To query on Yardi, Ms. Santos responded that a full inventory is scheduled for tomorrow. Upgrades that HACM had previously obtained for Yardi are also being installed. The majority of things on Yardi are working well, just some tweaking needs to be done.

Ms. Giancola responded to query that HACM is not ready to close the Health and Welfare Trust until all the claims come through which will probably be within the next 60 days. She reminded that the Stop Loss policy ends this month. Ms. Santos stated to Board query that the write-offs for the Trust should be $610K.

No action required.

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

Ms. Giancola reported the possible candidate for the Housing Programs Manager has had a change in personal plans and is no longer available. An acceptance has been received to our offer for the Housing Management Manager (HMM) position and that individual will start on July 12th; Commissioner Stewart requested the job description for this position. Ms. Giancola further reported that the background check on an individual for the Finance Specialist II position has not been received yet. Two candidates have been identified for the two Caretaker positions; an offer has been accepted by one individual for the Sanborn position and he will start on July 12th; we are waiting on the background check on the candidate for the Rider position. Please note that under bullet h, the four individuals working with HACM through the subsidized employment training program have been added to the report. Under bullet k, the youth employment for the summer have also been added; we planned for three youths and we have two currently working. Mr. Nakashima noted that the youth employment has been a highly successful program.
June 28, 2010

Ms. Giancola stated the Safety Committee will have their first meeting on July 8th and CHWCA is very happy about this. The transition of the six development employees from HACM into the Housing Development Corporation is moving forward; there are some transitional processes that need to still take place but the effective date will be today, June 28th. This date was chosen for payroll purposes. To a query regarding the Human Resources Assistant position, Ms. Giancola responded that she would try to have this position opened by the next Board meeting.

No action required.


Ms. Warren reported that the documents on Tynan are almost ready for the close which is scheduled for June 30th; currently staff is incorporating comments into the documents. Ms. Warren stated she was looking into refinancing Tynan using a HUD form 221F if that is feasible considering US Bank has a prepayment penalty of 20%.

Ms. Warren responded to Board query that there are about six other developers standing with HACM on the solar situation with PG&E; we have contacted legal counsel who will provide a letter stating that the PG&E tariff is unlawful and we will provide that letter to the CPUC who in turn will direct PG&E to overturn their tariff and fix the solar within 30 days. We will be going to the CPUC on July 8th.

To Board query on Castroville, there was a lengthy discussion on whether it should undergo an extensive rehab or be demolished and rebuilt. Ms. Warren reported that we are waiting to hear back from USDA on what we will be awarded on their NOFA that they had issued in error. Mr. Nakashima commented that the Castroville property is now to the point that it has reached its functional obsolescence and needs to be demolished. Ms. Warren noted that part of the problem is that USDA has capped their participation at $3M and sometimes you have to figure out what can be done with the money that is available at the time. She stated this property will require a substantial rehab at almost $3.5M on 50 units, but the rehab could last ten to twelve years. Commissioner Healy questioned doing a rehab instead of a permanent fix.

Ms. Warren responded to a query on Lakeview that she was looking at refinancing for the rehab on this property but that she really thinks it should be demolished. Mr. Nakashima commented that part of the problem is that USDA has new staff members which means things are not moving as fast as before through this agency.

No action required.

D. Status Report: Monthly Property Management Report

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


Ms. Goebel reported HUD has approved the Annual Plan; the results from the audit on Pueblo del Mar in March have still not been received, but the results from the inspection on June 10th at Portola Vista have been received and we did really well. Ms. Goebel further reported that we got the additional VASH vouchers that we had applied for but the VA has to send the eligible veterans to us so they have to start the process. Staff continues to move forward with the waiting list transition out to the properties. Recycling should be fully implemented at all our sites by the middle of July; this program has definitely saved HACM some money. Mr. Nakashima pointed out that now people are stealing recyclables right out of the recycle bins; this is becoming a huge theft problem. Commissioner Styles stated this problem will probably increase tremendously over the next few years. No action required.

F. Status Report: Eligibility/Section 8 Reports

Ms. Goebel reported she had nothing to add to her report; 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 he has no changes to his report and he hoped he had provided enough legislative information. He stated housing authorities are trying to be first on the list for PETRA but Maxine Waters doesn’t want the public housing title to be lost and that seems to be part of the PETRA holdup. The advantage to this program is we will be allowed to manage the property if we own the property. Mr. Nakashima pointed out that there also is a push for County regionalization through a specified non-profit. No action required.

I. Media Update

Mr. Nakashima reported that this report will be modified to reflect the sources on the next report. No action required.

COMMISSIONER COMMENTS

Commissioner Jackson commented he was sorry to be late to the meeting tonight.

Commissioner Healy commented he was glad to be back.

Commissioner Stewart thanked staff for a great job.

Commissioner Styles commented that everyone is going through stressful times right now to include the Board members. It is not going to get any easier or any prettier over the foreseeable future. Everyone is tired and has their feelings on their sleeves and he just wanted to say this staff has done one heck of a fine job all the way around—not one of you has budged or moved from this place and he wants to say “Thank you” for that. He reiterated it is not going to get any easier, but we’re all here for the same mission and it’s the mission right up there on the wall. Everyone here feels that every single day. If we walk around or drive around our units, we see it even more—so Thank You for being a partner in taking care of that mission. You have done one heck of a job!

Commissioner Styles further commented that he has to accept the responsibility for miscommunicating the agenda information for the Housing Development Corporation (HDC) meeting which should have been held tonight. He asked how many Directors would be available for the HDC meeting scheduled for tomorrow evening. He stated he would talk with Ms. Nguyen tomorrow morning and they would check on whether a quorum would be available.

Mr. Nakashima commented that he would be attending a four-day course from 9 a.m. to 9 p.m. starting tomorrow at Asilomar and scheduled through the Department of Justice regarding warfare in Ireland and how that relates to crime here in the States. He reminded that we want to keep our properties crime free.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:58 p.m.

[Signature]
Chairman
ATTEST:

[Signature]

Secretary

[Date]

6/28/10