

**ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
MONTEREY COUNTY HOUSING AUTHORITY
DEVELOPMENT CORPORATION
HELD APRIL 25, 2011**

Directors met at 123 Rico Street, Salinas, CA 93907. The meeting was called to order by Chair Alan Styles at 6:38 p.m. Present: Chair Alan Styles, Vice Chair Elizabeth Williams, and Directors Josh Stewart, Tom Espinoza, Kevin Healy and Andrew Jackson. Also Present: Starla Warren, President/CEO HDC and Jean Goebel, Acting Executive Director HACM. Also in attendance HACM Staff: Lynn Santos, Director of Finance. HDC Staff: Carolina Sahagun, Senior Community Development Planner and John Shores, Senior Construction Manager. Recorder: Kimmy Nguyen

COMMENTS FROM THE PUBLIC: None

Mr. Jason Retterer introduced himself and his colleagues; Mr. Jeff Gilles, Mr. Soren Diaz and Mr. Patrick Casey who are attorneys from Lombardo & Gilles, LLP, a local law firm. The Board thanked them for coming.

CONSENT AGENDA

- A. Minutes—Approval of Minutes of the Regular Board Meeting held March 21, 2011

Upon motion by Director Williams, seconded by Director Stewart, the Board approved the minutes for the Regular Board Meeting held March 21, 2011. Motion carried with the following vote:

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

NEW BUSINESS

- A. Resolution MDC-71: Consider a Resolution Selecting the most Responsive Respondent to the RFP for Board Legal Counsel

Ms. Warren stated that this resolution was a result of an RFP that was placed in December for a Request for Legal Counsel for the Board of Directors for both MCHI & HDC. She stated that HDC directly solicited 7 firms as well as posting the announcement on the website. Ms. Warren reported that there were 4 responses which were reviewed in accordance with the full Board's direction to include Director Espinoza on the selection committee with staff. The responses were reviewed in accordance with the RFP guidelines. Ms. Warren included some of the information in the RFP for the Board's reference and noted to the Board that HDC does have a number of transactions that result in a lot of legal counsel. She commented that Levy, Levy & Levy who HDC have used in all transactions in the past and the transaction attorney, Paul Renno are not changing. Ms. Warren reported that the Committee scored Meyers Nave as the most responsive bidder. She commented there is familiarity with the firm and HDC has used them before with construction, environmental, contract law and prevailing wage issues. Mrs. Warren introduced Mr. Eric Danly, a legal counsel from Meyers Nave.

Director Healy wanted to hear more on how we came to select the firm that we selected. Ms. Warren stated that we received the responses during the time we were involved in a personnel matter and were sidetracked. She explained that would be the reason for the lag of the timeline as well as other matters that required the attention of both agencies for a period of time. In the process, the respondents were asked to submit a response based on some of the criteria that were listed in the memo and the Committee discussed what were the strengths and weaknesses in those areas and came to the concurrence. Ms. Warren commented that she had a scoring sheet that she provided to the staff members and the Director that was involved. Director Healy was concerned and felt that he was out of the loop in the selection process. Ms. Warren commented that the RFP was put out in December. On January 24th, the Board directed the Committee to look over the responses with Director Espinoza and on February 2nd, the RFP was reviewed. Ms.

Warren stated that it was timely and could have happened sooner but we received direction from the Board that they wanted the Committee to do the selection. The Board had expressed previously that they wanted to be involved somehow in the process. Director Espinoza commented that in terms of the review process it was actually just a Committee meeting. Ms. Warren stated that we were using another law firm for the significant personnel matter and the need for an actual legal counsel was not really huge unless it was a transaction. Ms. Warren commented that this attorney would be similar to the relationship with Mr. Tom Griffin. She stated that in the future, this attorney would handle personnel matters, matters with the board, organizational concerns, etc.

Mr. Danly commented that they have 5 offices throughout the State and he is located in the Santa Rosa office. Ms. Warren stated that they are available to join via conference call unless the Board requests the legal counsel to be present. Director Stewart was curious to know about the cost factor with travel. Mr. Danly commented that he didn't think the RFP was specific but he explained that typically there is not a travel charge and it would depend on what the contract says and what is approved by the Board. He stated that it's normally how it is structured with the general counsel clients he has. He also stated that sometimes the contract provides for travel when specialist attorneys are coming down for a hearing or litigation matter, but it doesn't make sense for advice attorney to have that expense which would be something that discourages the contract with the legislative body. Ms. Warren commented that in her past experience, part of the issue was that she didn't really care to educate anyone at a legal level in terms of what we do. She stated that the thing about Meyers Nave is that she can always access someone in the staff who already has that knowledge. Both Ms. Warren & Ms. Santos commented that Meyers Nave's legal bills have not been large.

Upon motion by Director Williams, seconded by Director Jackson, the Board approved MDC-71 selecting Meyers Nave to be the most Responsive Respondent to the RFP for Board Legal Counsel. Motion carried with the following vote:

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

B. Resolution MDC-72: Authorization to Change Bank Account Signators for all LP Developments

Ms. Warren commented that they currently have an issue with 6 bank accounts where authorizations to open the accounts were probably executed at close of construction loans. The signature cards reflect the signature of the past Executive Director of HACM and only the past Executive Director. She stated that HDC needs to transfer funds and needs to update signature cards in order to do so. Ms. Warren expressed that these are not operating accounts but some of these accounts would need a check book. She commented that this is just a housekeeping item and not related to any prior discussions of getting a checking account. These are not HACM held accounts but they are HACM and HDC managed accounts. Ms. Warren stated that staff is recommending that the signature card should be the President/CEO of HDC and the HACM Finance Director.

Upon motion by Director Stewart, seconded by Director Healy, the Board approved Resolution MDC-72 authorizing to change bank account signators for all LP developments. Motion carried with the following vote:

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

OLD BUSINESS

A.2 Resolution MDC-69: Authorization to Accept the 2nd Amendment to the HDC Bylaws and Provide Direction for the Replacement and Appointment of New Officers

Ms. Warren commented that we had this agenda item for quite some time and had discussed it for several months about who should be the Corporate Officers for the HDC. She had brought

some of the issues that Meyers Nave had raised to her in a phone conference and it was the Board's desire to have a legal counsel here to discuss the issue relative to assignment of Corporate Officers. Before Mr. Danly spoke, he thanked Ms. Warren and thanked the Board. He stated that he had reviewed the By-laws concerning Officers appointment and was ready to answer any questions that the Board might have. Director Espinoza commented that they did review the By-laws at the last meeting. In terms of the President's absence, there were discussions about the Vice-President stepping in and whether we had a Vice-President or an acting Vice-President. There were also changes around the Secretary and Treasurer and a thought that HACM staff would be appointed Officers for HDC. Ms. Warren stated that you can have the flexibility to have as many Officers as you want but from an operational perspective, you need to have a President, Secretary and Treasurer which are the officers that would need to be filled.

Director Styles stated that the issue was whether the Officers should all be in HDC or should they be a mixture of HDC & HACM. He felt that the Board was under the impression that they should be a mixture but they were told by Ms. Warren that Mr. Danly didn't believe that they should be. Mr. Danly reviewed the By-laws and noted to the Board that there are some key languages in there stating that the Board would be directing these Officers and staff functions. He commented that the Officers would only have the independent authority that the By-laws give them and the Board may delegate. He also commented that however these responsibilities are allocated, they will continue to be under the Board's oversight.

Ms. Warren recommended appointing Ms. Santos as Treasurer and Ms. Nguyen as Secretary since both of their roles fall under these descriptions. Director Healy would be willing to make a motion to appoint Ms. Nguyen as Secretary and Ms. Santos as Treasurer at HDC and leave the Vice-President vacant if that is appropriate for the By-laws. Mr. Danly commented that Director Espinoza was correct that the current By-laws required President, Vice-President, Secretary and Chief Financial Officer. He stated that what was proposed for the amendment was to have the President, Vice-President/Treasurer and Secretary and the Board could act upon what direction they would like to take.

The Board further discussed whether or not to agree on if we should combine the Officers; President/CEO, Vice-President, Treasurer and Secretary or have them all separate. Ms. Warren stated that at the last board meeting, the redlined amended By-laws reflected the change of the title of the CFO to Treasurer. She stated that the CFO is in the current By-laws and her proposed title changed is to Treasurer. The selection of the Officers goes with the changing of the wording in the By-laws. Ms. Warren stated that there were two things in the By-laws which were to add the stipend and the change of the title of CFO to Treasurer. Director Williams stated that the first order of business is to amend the By-laws to say Vice-President, Secretary and Treasurer. Director Espinoza made a motion to amend Article 6, Section 6.1 on the By-laws of HDC to break out the Vice-President and CFO positions to two separate positions and rename the CFO to Treasurer.

Upon motion by Director Espinoza, seconded by Director Williams, the Board approved the first part of the Resolution MDC-69 authorizing to accept the 2nd Amendment to the HDC Bylaws with changes to the amended By-laws. Motion carried with the following vote:

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

Director Healy made a motion to appoint Ms. Nguyen as Secretary and Ms. Santos as Treasurer and leave the Vice-President vacant until such time as the Board has found an acceptable candidate.

Upon motion by Director Healy, seconded by Director Jackson, the Board approved the second part of the Resolution MDC-69 in providing direction for the replacement and appointment of new Officers. Motion carried with the following vote:

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

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Director Healy made a motion that the Board entertain a vote amending the HDC By-laws to reflect the new policy relative to Director's compensation.

Upon motion by Director Healy, seconded by Director Williams, the Board ratified the 2nd Amendment of the HDC By-laws. Motion carried with the following roll call vote:

A YES: Styles, Williams, Stewart, Espinoza, Jackson

NOES: Healy

ABSENT: None

INFORMATION

A. Monthly Development Report – April 2011

Ms. Warren stated that she had quite a bit of information in the report and is prepared to answer any questions. Director Styles and all the Directors complimented the way Ms. Warren put the report together. The Board commented that it is much easier to read and thanked her.

Ms. Warren was pleased to comment on attachment 1. She stated that on the \$1.2M that was guaranteed for the Haciendas development, HDC received another \$300K on top of that. She wanted to thank the Board for covering the shortfall for the application. Ms. Warren felt confident that we would be covered by the City and it was. She stated that HDC will not have any guarantee in Haciendas as a result of the City funding commitment.

B. President's Report – April 2011

On attachment 4, Ms. Warren highlighted the areas on the budget chart that were pertinent to us in terms of development and had also included some items that was pertinent to HACM relative to funding for various programs. She wrote a little narrative about what those areas were about and how they would affect us and our partners. She also did a narrative on the State and Local funding and how it impacted us as well as the impact fees and construction costs.

Director Healy was curious about the recent letter that was received by the City of Soledad and wanted more information on it. Ms. Warren commented that she has Mr. Shores working on this and a whole list of things was provided to the City that we felt needed to be reconsidered. Ms. Warren commented that HDC is working on the responses and staff has come back with some things in which HDC will be responding to that.

Director Stewart requested information on the article about the man arrested for smashing the table at Rippling River. Ms. Warren reported that the person has recently filed their notice to vacate.

Director Healy requested information on the presentation to the Paso Robles Board. Ms. Warren commented that the Paso Robles Board is very sharp. They were concerned about whether or not the bids that were received are still valid. She mentioned that they spoke with HDC about their tenant protection vouchers and she spent about 2 ½ hours answering questions and they were fully engaged. She also talked about the funding issues. The following day, Ms. Warren and staff went to San Luis Obispo Housing Authority and met with the Executive Director and talked about what the project needs were going forward. They talked about the timing and the utilization of the tenant protection vouchers. She commented that after talking to HUD in LA, those vouchers will go directly to SLO Housing Authority because Paso Robles does not have a Section 8 program. Ms. Warren mentioned that they have worked on the MOU between SLO and Paso Robles Housing Authority to administer those vouchers on their behalf. She stated that it was a very in-depth presentation. Ms. Warren suggested that anytime any of the Board members would like to attend the Paso Robles board meeting, she can make that happen. She commented that in the rare event that HDC doesn't get funded this round, we will resubmit in the July 7th round.

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CLOSED SESSION

The Board convened to Closed Session at 7:38 p.m.

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

- A. Closed Session: Government Section 54956.9: Conference with legal counsel regarding existing or anticipated litigation
ACTION: No actions were taken in closed session

The Board reconvened to regular session at 7:51 p.m.

DIRECTOR COMMENTS

Director Jackson commented that everything is okay.

Director Stewart commented that he was impressed with some of the things that staff has been trying to do. Director Stewart congratulated Director Healy again on his newborn son.

Director Williams wished a Happy Birthday to Director Styles & Director Jackson. She also thanked the staff again. She commented that staff is awesome and amazed her with the things they do. She hope's that Ms. Santos gets better. Director Williams commented that she will make a report on her Washington DC trip at the next board meeting.

Director Healy commented to Ms. Warren, "Way to go". He commented that he is very happy that we finally have a yellow brick road paved on the money associated with the effortlessness and he thanked her. He also thanked everyone who contributed.

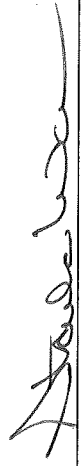
Director Espinoza thanked Ms. Warren for putting up with him especially tonight with the work that was done but he really wanted to congratulate her on the money from the City of Salinas. He commented that it is potentially exciting and will keep a good thought for her future applications.

Director Styles thanked staff very much.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:55 p.m.

ATTEST:



President/CEO



Date



Chairman

