ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD JUNE 27, 2011

Commissioners met at the Central Office. Chair Elizabeth Williams called the meeting to order at 5:07 p.m. Present: Chair Elizabeth Williams, Vice Chair Alan Styles, and Commissioners Josh Stewart, Kevin Healy, and Andrew Jackson. Absent: Commissioner Tom Espinoza. Also Present: Jean Goebel, Acting Executive Director; Lynn Santos, Director of Finance; Joni Ruelaz, Housing Programs Manager; Pat Wyatt, Interim Human Resources Manager; Sturla Warren, Fee for Service Director of Development; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

PRESENTATION: Service Award

The Board congratulated and thanked Espidirion Estrada for his five years of service to HACM; Mr. Estrada was not able to attend tonight’s meeting.

COMMENTS FROM THE PUBLIC: None

CONSENT AGENDA

A. Minutes - Approval of Minutes of the Regular Board Meeting held May 23, 2011
B. Minutes – Approval of Minutes of the Special Board Meeting held June 13, 2011
C. Minutes – Approval of Minutes of the Special Board Meeting held June 20, 2011
D. Resolution 2703: Semi-Annual Write-offs
E. Resolution 2705: Authorization to Contract with Sun Street Centers for Supportive Services at Pueblo Del Mar

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

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

REPORTS OF COMMITTEES

Personnel Committee: Ms. Wyatt reported that Commissioner Espinoza asked her to mention the memorandum on page 67 and the email on page 68 of the packet; the email from Mr. Griffin provides updated information on how we might go forward with an alternative work week. Commissioner Healy noted that the Committee discussed the alternative work schedule as being more tangible based on this information from Mr. Griffin. The Committee wanted the full Board to receive this information because it appears this alternative work schedule is workable. Mr. Griffin stated that his comment was with respect to how the 9/80 schedule could be accomplished without incurring overtime hours. To query, Mr. Griffin noted after further research that he realized the work week could begin at 12 p.m. and therefore put the split hours in one week and the next week and overtime would not be incurred. The second issue had to do with the particular work units that would be voting on it and the manner in which an election has to take place. He stated there are some additional requirements with regards to adopting the 9/80 schedule such as a secret ballot requirement from employer to employees. Ms. Goebel reminded that from management’s perspective, we want to make sure that we can do this agency-wide versus department-wide because of the lack of supervisory personnel required to stay open five days a week because when one group does not want to do this, then it is very difficult without enough supervisors and there isn’t a financial benefit for HACM in terms of cost savings from closing the building down one day every ten days. To query, Mr. Griffin responded that the current agreement with the Union includes the fact that they can agree to do an alternative work schedule. To another query, Ms. Wyatt explained that she and Mr. Griffin had tried to find out why the County stopped their 9/80 schedule, but no one at the County returned their calls. Commissioner Styles emphasized that he would like somebody to check with County Legal Counsel and determine why it is they stopped doing the 9/80 schedule. Ms. Wyatt further noted that a survey was done by the Housing Authority Human Resources departments in California and within this consortium, there was a tremendous amount of positive feedback. To query
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regarding timeline, Ms. Wyatt stressed there is no timeline, Staff is interested in doing it right and making sure that everybody is in agreement.

Finance/Development Committee: Commissioner Styles stated everything is on the agenda.

Monterey County Housing, Inc.: Mr. Rose reported since May, MCHI has had two meetings one on June 1st and the other on June 22nd. The MCHI Bylaws were changed and a copy will be provided to HACM; budget issues were discussed in working with Ms. Santos and property management and there should be a budget resolution brought to their next meeting. He further stated the Board talked about Form 990’s and getting them to the IRS as well as the policies associated with the Form 990’s. Mr. Rose also reported MCHI has an automated version on the internet for recruitment purposes; he stated they have been disappointed in the newspapers' publishing assistance. He stated MCHI is going through individual employers to advertise their Board vacancies. Ms. Warren noted that MCHI’s Board did authorize the payment of $128K towards their principal and interest note to HACM in accordance with the bond documents for Parkside and Casanova.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP’s: Ms. Warren reported this information is in the HDC development report.

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel stated she had nothing to add to her report.

NEW BUSINESS

A. Resolution 2702: Approving the Agency Operating Budget for the Fiscal Year

Beginning July 1, 2011 and ending June 30, 2012

Ms. Santos provided an overview of the budget; the Finance/Development Committee noted that they have requested a mid-year review of the budget in December. Ms. Santos requested the Board adopt this budget in order to meet HUD’s submission requirements and any changes that the Board deems necessary can be brought back to the Board for approval at another meeting. During the overview, Ms. Santos reported that this budget is assuming that the Housing Authority will be made whole by the Housing Development Corporation on the Tyman Land Lease and Master Lease as well as assuming the repayment of the HELP loan for $650K which is due in January 2012. Ms. Warren stated she is confident she can provide about $100K as a good faith payment and then obtain an extension of about eight months on the HELP loan. To Board query on whether Resolution 2706 would make it a deficit budget, Ms. Santos replied in the affirmative. She stated the most difficult part in preparing a budget is not knowing some of the biggest funding components. The HUD budget has a big impact on our revenues. We are six months into the year and we still do not know our CY funding for HAP, administrative fees, operating subsidy or capital funds.

Upon motion by Commissioner Stewart, seconded by Commissioner Styles, the Board adopted Resolution 2702 approving the Agency Operating Budget for FY 2011-2012. Motion carried with the following vote:

AYES: Williams, Styles, Stewart, Healy, Jackson

NOES: None

ABSENT: Espinosa

Chair Williams thanked Ms. Santos and Ms. Goebel and everybody else who worked on the budget; it was very much appreciated.

B. Resolution 2704: Authorization to Enter Into Financing Agreement for Portola Vista

Ms. Warren noted that once we refinance Portola Vista, it should generate $42,000 annually which will rise to $70,000 annually once the vacancy required in the proforma is eliminated. This refinance process will take approximately four to five months to be completed.
Upon motion by Commissioner Healy, seconded by Commissioner Styles, the Board adopted Resolution 2704, authorization to enter into financing agreement for Portola Vista. Motion carried with the following vote:

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

C. Resolution 2706: Change in Executive Director Salary Range

Upon motion by Commissioner Healy, seconded by Commissioner Styles, the Board adopted Resolution 2706 establishing a revised salary range for the position of Executive Director at $136,000 to $175,000. Motion carried with the following vote:

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

INFORMATION

A. Finance Report

Ms. Santos reported we are still waiting for a final report from the OIG audit; they expect to send that by mid-July. We have had a few additional discussions with the Recovery Team regarding the operating fund subsidy with regard to scoring based on only Public Housing for 2011; the Recovery Team understands the nuances of their programs and the issue of building up reserves as part of the scoring and then HUD recaptures the reserves that were built up. There were also conversations with the Recovery Team regarding the calculation processes and they stated they can’t do negative adjustments in their system. Ms. Goebel reminded the Recovery Team is scheduled to come out the first week of August.

Ms. Santos further reported Staff is working on doing the operating fund submissions which are due July 22nd. She stated we have positive movement regarding Lakeview; RHCP will be sending us a revised contract and we think they are going to come up with what they owe us. To Board query regarding the HELP loan on Greenfield and the fact there is nothing set aside yet for that project, Ms. Warren responded that we have an entitled piece of land in Greenfield and our goal is to do a 202 on that project which is a totally refurbished elderly Public Housing property. The 202 application is due in June so we are working towards transferring that property into a rental project versus the originally planned home ownership project. Ms. Warren stated we have some work to do with the City of Greenfield but they should welcome our change to a 202 and by the time that is funded and closed, we should be able to take out the HELP loan so Staff is very much watching what’s out there.

No action required.

Commissioner Styles stated Ms. Santos, her staff, and everybody that worked on the budget did an outstanding job.

B. Human Resources Report

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

C. Development Report

Ms. Warren stated she had nothing to add to her report. She responded to Board query regarding Castroville that we are waiting for USDA to move the paperwork at the national level. She noted that USDA is slow and a little archaic but it does work even though it is going to take a little longer. To another Board query, Ms. Warren reported that we did get approval of our tax credit award for $11M for Haciendas and that will be covered at the HDC Board meeting. No action required.
D. Property Management Report

Ms. Goebel reported Staff is working on closing the Portola Vista and Lakeview waiting lists; the Portola Vista list is very long and our turnover is only about ten units a year and there are approximately 600 on that waiting list. Since we are talking about walking away from Lakeview, it doesn’t make sense to put more people on that list either. Ms. Goebel explained that HACM policy doesn’t require Board action, but Staff wanted the Board to be aware of these actions. No action required.

E. Asset Management Report

Ms. Goebel reported HACM did fairly well on the PHAS inspections, but we have still not heard about one score because they were doing a Quality Assurance (QA) inspection along with the regular inspection on that property. The good part is for the units that scored 80 and above, they will not be re-inspected for two years and the units with a score of 90 or above will not be re-inspected for three years. That will mean fewer inspections at the same time. No action required.

F. Housing Programs Report

Ms. Ruelaz reported Staff is working on intake right now and we have probably over 100 voucher holders on the streets looking for units. At the same time, we are trying to project what we are going to have in admin fees so we’re watching how many we’re going to lose and where we should go as far as the rest of the year. VASH has asked us to apply for 25 more vouchers for the homeless veterans so we are meeting with them tomorrow and looking at a leasing schedule. As indicated in the report, one of our FSS clients received a nation-wide scholarship for $2,500. The FSS Coordinator reminded that we also have another $1,500 Scholarship recipient in the FSS program; this scholarship is from the Women’s Educational Leadership fund. Ms. Ruelaz further reported that she has been here at HACM a little over nine months and she has had a chance to really go through all the processes and looking at the future and being prepared in case we get more cuts, she is looking at more cost saving measures and trying to see how we can work smarter and cut down on some things. No action required.

G. Ad Hoc Committee Executive Director Search – Information

Commissioner Healy reported the search continues; he stated the Ad Hoc Committee will function in any capacity the Board deems necessary.

H. Asset Repositioning Update

Ms. Warren reported the Finance/Development Committee tasked Ms. Santos, Ms. Goebel, and herself to be on the Asset Repositioning Committee and this is the first report. This Committee is looking at public housing from a cost perspective. She pointed out the Income Statement Summary – Public Housing Sites, Cost Per Unit, and Rents Per unit – including Subsidy information are attached to the report. The attachments point out the two elderly sites that we have talked about in the HACM Annual Plan for disposition. This Committee is in agreement that those two sites need to go through a disposition, but what we haven’t decided is what we are going to transform them to. First we need to get them out of HUD, which is the disposition, and then do something to finance it going forward so that it can carry debt. As elderly sites, they qualify for Project Based Section 8 and for each unit you take out of public housing, you get a tenant protection voucher so we’re working on how to get these into a Project Based environment which would create a revenue stream which means you could pay debt and could take some cash out if that is what is desired. She stated this Committee will probably be bringing a resolution to the Board to start this process. This process usually takes about five to six months to get it out of HUD.

COMMISSIONER COMMENTS

Commissioner Healy thanked everyone for their great work. He further thanked Ms. Santos and her staff for all the hard work on the budget.

Commissioner Styles thanked everyone.
Commissioner Jackson commented mighty fine work.

Commissioner Stewart thanked Ms. Santos for the acronyms listing and requested it be kept in his Board binder. He further stated he really appreciated it and thanked Staff for the great job and hard work.

Commissioner Williams commented there is a note from Marilyn Dorman thanking the Housing Authority for the plaque and support they provided to her through the years; Ms. Dorman stated it was wonderful working with HACM. We wish her well in her retirement.

Commissioner Williams further thanked Commissioner Healy for Chairing the Ad Hoc Committee for the Executive Director Search and Commissioner Stewart for being part of that Committee; she stated she thinks we did a good job bringing someone forward and at this point it is out of the hands of the Ad Hoc Committee.

Commissioner Williams noted that former Commissioner Bilek’s father had passed away and requested the Clerk of the Board send a card from the Board.

Mr. Griffin commented he was very impressed with the work of the Finance/Development Committee and the cooperation between HACM and HDC. It was helpful to hear the presentation that Ms. Santos provided at today’s meeting. He thanked Ms. Santos for her presentation.

Commissioner Williams further thanked HACM and HDC and everyone that had something to do with the budget; it was not an easy thing to do and everyone had their little part to contribute.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:19 p.m.

[Signature]
Chaiman

ATTEST:

[Signature]
Secretary

8/11/2011
Date