

**ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD AUGUST 22, 2011**

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

The Board welcomed the HUD Recovery Team: Stephen Schneller, Team Leader and former Public Housing Director in the San Francisco Office; Tanya Brown, Department of Housing Enforcement; Andrew Nguyen, Office of Public Housing in San Francisco; William Shaw, Field Housing Management in Phoenix Office; Laura Pomello, Los Angeles Office of Public Housing; and Marc Vigo, Enforcement Center, Los Angeles.

Commissioners Stewart and Jackson arrived at 5:04 p.m.

COMMENTS FROM THE PUBLIC:

Olivia Martinez commented that she was the SEIU Rep for the workers here at the Housing Authority and that she had just found out, and why she was bringing this concern, that the Board of Commissioners agreed to pay the salary of the (former) Executive Director for a whole year and she thinks that was under his contract. She stated why she is concerned is because their members have not received a wage increase for the last two years. And they are going to do a wage reopener and she is concerned that this is happening and that they were not told. She stated that HACM doesn't have to tell us obviously but it is a concern when the members haven't received a wage increase in the last two years. She just wanted to say that publicly.

The Board thanked Ms. Martinez.

PRESENTATION:

A. Service Award: The Board wishes to thank Sandra Rodriguez for her 30 years of loyal service to the Housing Authority of the County of Monterey; Ms. Rodriguez was not able to attend tonight's Board meeting.

CONSENT AGENDA

- A. Minutes - Approval of Minutes of the Regular Board Meeting held July 25, 2011
- B. Minutes – Approval of Minutes of the Special Board Meeting held August 9, 2011
- C. Board Resolution 2708 – Authorization to Reject Replacement Housing Factor Grant CA39R033501-11 in the amount of \$139,914

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

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

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Espinoza reported everything was on the agenda. There was one item with regard to following up with County Counsel regarding the 9/80 work schedule. He stated he put a call in to Mr. McKee, County Counsel, but has not heard back from him. He further stated in the Personnel Committee we are continuing to work on the idea of going to a 9/80 barring any unforeseen problems. Santa Clara Housing Authority has been successful in administering the 9/80 work schedule and based on our memorandum from our legal counsel we don't see any road blocks, but we'll present it at the full board at a later date. Ms. Goebel noted that Staff received a document from the County that reflected various County departments are still doing 9/80 work schedules.

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

Monterey County Housing, Inc.: Mr. Rose stated their next Board meeting is the day after tomorrow at the 134 Rossi building. He invited those that have the opportunity to attend.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP's: Ms. Warren reported all of the items concerning this entity and the balance of the six others will be on the HDC agenda.

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel reported HACM had a visit from the Voucher Management Systems people last week and this week we have the Recovery Team visiting. She noted the OIG Report has been distributed to the Board tonight for information. Ms. Goebel stated Staff continues to work with HDC on the repositioning of Portola Vista.

NEW BUSINESS

A. OIG Report - Information. Ms. Santos stated there was only one finding and a couple of concerns in the final OIG Report. The finding relates to the electrical contract at Project 117 which is part of AMP 120. She explained that Staff did a procurement action to do two units and the contract was awarded for the two units. Staff did not know what scope of work was really needed until these two units could be completed. The contractor successfully completed this work and after knowing more about the scope of work needed, we negotiated a significant reduction in the per unit price and proceeded to award the balance of the contract to this contractor without going out for other quotes. The OIG stated we needed to have another procurement action for this second contract. At this same time we were receiving phone calls that the ARRA money needed to be expended quickly to meet our obligation end dates.

Ms. Santos further stated that when the OIG team provided their exit interview they stated we should have procured before entering into the second contract; they agreed that we thought we were doing the right thing and they didn't perceive any issues that we were trying to avoid any procurement limits but we did not do that procurement so they are requiring us to repay \$99K. Ms. Warren noted that this site has had a lot of issues with aluminum wiring and this was a safety hazard relative to a potential for fire. She further stated this site has asbestos and lead based paint so there is quite a staging operation that has to take place to get any work done on these units so it was quite a feat to get one unit done and there was no commonality in terms of the two units that were retrofitted. Therefore, there wasn't a common scope of work that could accurately be put in an RFP because we would have had to deconstruct every unit so we negotiated with the original low bidder based on his experience with the two units he had already done. The contractor then gave us a 36% reduction in price so it was decided to contract with him to complete the balance of the units.

To Board query whether new measures are in place to ensure this doesn't happen again, Ms. Goebel responded in the affirmative. Ms. Warren responded to another query that one concern was about the stimulus money and that we required 50% local hire preference in the contract and OIG felt that was a geographic preference which is prohibited. Our explanation was that it was a Section 3 requirement, but OIG felt it was geographic. Ms. Goebel reiterated that the OIG stated that our intent was not to do anything wrong but to supplement; Staff noted going forward we should not give a local preference. To another Board query on where will the \$99K come from, Staff responded that issue is in discussion but it doesn't have to be paid until we receive notification from HUD San Francisco; this issue will go back through the Finance/Development Committee.

INFORMATION

A. Finance Report

Ms. Santos provided a detailed review of pages 23-25 of her report. She summarized that basically the Housing Authority, as consolidated, is doing fine; however, we've got restrictions on the funds. We are taking from our reserves to support HACM overhead, the Tynan Land Lease, and some of the State programs such as Lakeview which typically doesn't do well and Pueblo Del Mar which also typically operates at a loss. Ms. Santos responded to Board query that the Finance/Development Committee had discussed the concerns surrounding the reserves and that HUD allows HACM the maximum of four months of operating reserves for public housing. To another query, she responded that her best guess to cover HACM operating expenses with our current unrestricted cash would be for two to three months. To query regarding the HELP loan, Ms. Warren responded that issue would be more fully addressed in the HDC meeting tonight.

No action required.

B. Human Resources Report

Ms. Goebel reported in the absence of Ms. Wyatt that she didn't have anything to add to this report. Commissioner Espinoza mentioned that there has been discussion on whether or not to continue to bring all service awards to the Board of Commissioners because we don't have a lot of employees staying for the meetings; Ms. Wyatt would like to get some feedback on whether the Board would like to have Service Awards for just the long term employees or for all employees or no service awards. He noted that the Committee talked about doing something quarterly where the Commissioners could attend such as a potluck or luncheon.

The Board decided to place the discussion of service awards on the Retreat agenda.

No action required.

C. Development Report

Ms. Warren reported she went to HUD San Francisco to have a scoping meeting on the Portola Vista refinance transaction; HUD seemed to be embracing the project but now we have some due diligence items that we have to get together to complete our package. She further reported that she also asked if HUD could review allowing the Housing Authority to administer the vouchers on this project; currently they are administered by the State.

To Board query regarding capital funds and ARRA concerns, Ms. Warren responded that the funds show in E-LOCCS and Ms. Santos is checking daily on when we can access these funds. She stated that the ARRA funds have already been expended.

To another Board query regarding the financial drain regarding Lakeview, Ms. Warren replied that when the lease expires we can simply walk away from the lease but there will be some draw backs to that because we might be perceived as not participating in maintaining our affordable housing inventory. She further explained that she will follow-up with the State to emphasize the gravity of this situation. Ms. Santos noted that the State has changed our point of contact person three times in the last year and a half and each time the new individual has to be brought up to speed on the issue. Ms. Warren commented that the problem in this transaction is that the owners want a purchase price that was set 20 years ago and is four times the market rate therefore we can't apply for funding. If this can be resolved, then we can look at doing a refinance or repositioning this property into a more effective property for us.

To query regarding Castroville, Ms. Warren stated that Staff has been working with USDA on our submissions of some other projects for Paso Robles and at that time we asked about our previous application on Castroville. She stated USDA located our Castroville submission, but we still need to schedule a conversation with HUD on this particular issue. Commissioner Healy commented that it fits in the community and labor is becoming increasingly short in the agricultural industry so it seems like Castroville funding is something worth going after. Ms. Santos noted that our FLC's do okay because they don't have large amounts of debt. Ms. Warren stated that we'll probably do some farm labor during the third phase of the Haciendas redevelopment, but it will probably be designated as rural not farm labor. Ms. Goebel mentioned that the farm labor program is a very restricted program with strict requirements.

No action required.

D. Property Management Report

Ms. Goebel reported she had nothing to add to this report, no action required.

E. Asset Management Report

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

F. Housing Programs Report

Ms. Ruelaz distributed the FSS newsletter to the Board and noted that we have not had a newsletter for a year, but this newsletter introduces our new FSS Specialist, Ms. Turner. Her expertise is job development so that is going to really help the FSS program. To query whether Ms. Turner was present at this meeting, Ms. Ruelaz responded that she would check to see whether Ms. Turner could come to the next meeting; she does have other commitments in the evening.

To query regarding the UFW Foundation training, Ms. Ruelaz explained the UFW is contracted with the State to do CalFresh which is now the food stamp program and the training had to do with new regulations and how we can get our families to sign up for CalFresh. No action required.

G. Ad Hoc Committee Executive Director Search – Information

Commissioner Healy reported the Board decided not to pursue the second candidate from the initial interview based on some new information regarding that candidate. Therefore, the Ad Hoc Committee has directed Avery Associates to reinitiate our Executive Director search. The job description and corresponding timeline for recruitment have been revised per the new policy. He further reported that the Ad Hoc Committee has had a change in their membership; Commissioner Stewart has voluntarily resigned his position on this committee and Commissioner Espinoza has taken his place. Commissioner Healy stated we'll anticipate our first round of interviews with the Ad Hoc Committee hopefully two weeks prior to Halloween.

The Board convened to Closed Session at 5:45 p.m. Chair Williams announced that there was no reason to have the Closed Session on Government Code Section 54957(b)(1): Personnel Matter because it was originally scheduled for the Ad Hoc Committee. She further announced on the second Closed Session that Ms. Warren is the negotiator and the Board requested Ms. Warren remain for this Closed Session.

CLOSED SESSION

The Board of Commissioners met in Closed Session for the following purposes and reasons:

- A. Government Code Section 54957(b)(1): Personnel Matter
ACTION: Removed from the agenda; no need to have this Closed Session.
- B. Government Code Section: 54956.8: Real Property Negotiations:
30 East Market Street, Salinas, CA
ACTION: The Board authorized the Executive Director to execute related documents required for the disposition of Plaza House, including the sale of the property.

The Board reconvened to open session at 6:10 p.m.

COMMISSIONER COMMENTS

Commissioner Healy thanked Staff and in particular Ms. Santos for putting together all the information in the Finance Report; he very much appreciated the detail. He commented about an article he had read regarding crime relative to housing authorities. During a lengthy discussion, Staff noted that article was mainly for high density complexes such as in New York and Philadelphia. Commissioner Williams noted that when this was discussed with the Salinas Police Chief, that situation is not true in our area. Mr. Griffin stated for HACM, the property managers are very quick to request legal assistance in evicting people who are engaged in any kind of criminal activity and the tenants probably know that therefore there is a low tolerance for criminal behavior. Ms. Goebel noted that we're supposed to have a zero tolerance for criminal activity on our sites; that is in our lease and the one strike policy.

Commissioner Healy stated he thought maybe we should revisit this issue on a frequent basis. Ms. Goebel reminded that we do criminal background checks for our public housing clients and we expect the Section 8 landlords to do the same for themselves. She further explained that every six months we submit the write-offs to the Board and the evictions on that report will reflect whether it is for bad behavior or for non-payment of rent.

Commissioner Espinoza commented that Mr. Nakashima used to attend the Community Alliance for Safety and Peace and invited Commissioner Healy to attend if his schedule allows. He stated this is their focus dealing with criminal activity throughout the County.

Commissioner Jackson reminded that every year the tenants have to fill out a personal declaration for the Housing Authority. Ms. Goebel noted that it is completed for the whole family.

Commissioner Styles reminded that Mr. Nakashima often rode with the police on weekends and when the police thought it was a Housing Authority complex that about 70% of the time it belonged to somebody else. Ms. Goebel stated the police do call us and we can check whether the individual is one of our clients. Ms. Warren noted that she and Mr. Caldwell did an outreach to all shifts of the police department talking about our properties and explaining the difference between Section 8 and Public Housing and from that the police started calling the Housing Authority a lot more versus dismissing them as Housing Authority.

Commissioner Styles thanked Staff for doing a heck of a job; he appreciates it very much.

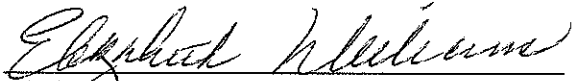
Commissioner Jackson commented he agrees with what has been said tonight and that Staff is doing a good job.

Commissioner Stewart complimented staff again and also thanked everyone for their phone calls when he was sick; he really appreciated that.


Commissioner Williams commented she was glad to have Commissioner Stewart at the meeting tonight and she is glad he is feeling better. She further stated the Board Retreat keeps getting postponed and we need to do this Retreat right away; she stated she has asked to put it off until after Labor Day and that the Clerk of the Board will be providing some new dates. She stated we are all busy but please make a genuine effort because we need to get this Retreat done. Commissioner Williams further reminded that next month is the Board's Annual meeting but we're going to postpone the Community Service Awards because Staff has been extremely busy with other things; we'll just put these awards off for a couple of months. She thanked All Staff for all that they do and a special thank you to Ms. Goebel and Ms. Santos for their preparation for today's interviews with HUD.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:22 p.m.


Chairman

ATTEST:


Secretary

9-27-2011
Date