ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
MONTEREY COUNTY HOUSING AUTHORITY
DEVELOPMENT CORPORATION
HELD SEPTEMBER 26, 2011

Directors met at 123 Rico Street, Salinas, CA 93907. The meeting was called to order by Chair Alan Styles at 5:06 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 and Joni Ruelaz, Housing Programs Manager. HDC Staff: Carolina Sahagun, Senior Community Development Planner; Marilyn Rose, Senior Finance Officer and John Shores, Senior Construction Manager. Recorder: Kimmy Nguyen

COMMENTS FROM THE PUBLIC:

CONSENT AGENDA

A. Minutes—Approval of Minutes of the Joint Special Board Meeting held January 15, 2011
B. Minutes—Approval of Minutes of the Regular Board Meeting held August 22, 2011

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

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

CLOSED SESSION

The Board convened to Closed Session at 5:07 p.m.

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

A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Initiation of litigation pursuant to subdivision (c) of Government Code section 54956.9: 1 potential case
ACTION: No actions were taken in closed session

The Board reconvened to regular session at 5:50 p.m.

NEW BUSINESS

A. Resolution MDC-77: Authorization to Contract with the Housing Authority of the County of Monterey to Manage Haciendas (Phase Zero) and Approve Tenant Lease and Grievance Procedures

Ms. Warren commented that this resolution is anticipation of what we call Phase Zero which deals with the existing sites prior to redevelopment. She stated that it has to come out of public housing and when that happens, tenant protection vouchers will be issued to the residents that are there. Ms. Warren stated that it is basically changing the subsidy from a public housing environment to a Section 8 voucher. She stated that we need to have the lease and grievance procedure approved for that action.

Upon motion by Director Stewart, seconded by Director Jackson, the Board approved Resolution MDC-77 authorizing to contract with the Housing Authority of the County of Monterey to manage Haciendas (Phase Zero) and approve the tenant lease and grievance procedures. Motion carried with the following vote:
AYES: Styles, Williams, Stewart, Espinoza, Healy, Jackson
NOES: None
ABSENT: None

B. Resolution MDC-78: Approve Scattered Sites Single Family Homes Tenant Lease and Grievance Procedures

Ms. Warren commented that this resolution is basically the same action as Resolution MDC-77 and that is to place vouchers on the single family homes and get them out of public housing.

Upon motion by Director Stewart, seconded by Director Healy, the Board approved Resolution MDC-78 to approve the Scattered Sites single family homes tenant lease and grievance procedures. Motion carried with the following vote:

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

C. Strategic Planning Session

Ms. Warren had sent the Directors the first draft of the strategic planning via email. She commented that this is an attempt to get the discussion going since a strategic planning session was agreed upon. Director Williams commented that she didn’t recall getting the draft. Ms. Nguyen emailed the draft on September 7th. Director Styles suggested that the draft be sent out again. He requested that the Directors review them and bring their comments back to Ms. Warren. Director Healy thought it would be better if the Board worked it through commentary together instead of doing it individually. Director Styles commented that he would like the Board to have the opportunity to get their feed back in and at the next board meeting the Board will then be able to discuss the opportunity to have a strategic planning session.

INFORMATION

A. Monthly Development Report – September 2011

Ms. Warren commented that HDC is going to finalize our Section 108 application this week. She met with the City today about the discussion. Ms. Warren stated that she also met with a potential tenant for the Tynan commercial space. She commented that HDC will be working on the layout for the space and potential form of commercial lease agreement. The business is an established Salinas business that will consist of a bakery, a cake service and a deli. It will take up two spaces. Ms. Warren stated that HDC is also looking for a power purchase agreement for Tynan Village. To query on the cost regarding tenant improvements and build out, Ms. Warren stated that on the Section 108 loan application, HDC will get that money from the City approximately $7-800k and HDC will use that for the tenant improvements and have the tenant pay their portion going forward.

Ms. Warren commented that HACM Section 8 has been busy doing the eligibility for the tenants to be relocated. She stated that our plans have been submitted to the City for plan check comments. HDC is still continuing to do scoping meetings with all the design disciplines to include the contractor. Ms. Warren mentioned that HDC submitted a S15 application for Haciendas Phase II and have not heard back. She commented that HDC did hear back on Phase II Oak Park, having received the $3M award plus 20 rental assistance units. Ms. Warren responded to query about the funds of redevelopment for the City of Salinas and reported that she just met with the City today and the money pledged for Haciendas Phase I is committed and the documents are ready to be executed. She stated that the money should be released by December 1, 2011 and once HDC receives the commitment letters from the City then she will start circulating the documents.

Ms. Warren reported that the tenant vouchers for Oak Park were approved and have been awarded. She commented that HDC submitted Haciendas at the same time as Oak Park so we should hear soon on those. There are 148 vouchers for Oak Park. Ms. Warren commented that she received an email that Pacific Meadows has not converted to perm yet. The Portola Vista
application process is going along very well. Ms. Warren stated that she does not have a projected close date yet but has met the majority of the requirements for the application. She stated that there was an item on the HACM Special Board meeting and on the Regular board meeting that will conclude the list of things that are outstanding. Ms. Warren has not received any additional contact on the H2A, although she is following up on that.

Attached to the development report are a few things that Ms. Warren wanted to share with the Board. The first attachment was a memo that Ms. Warren did on Energy Efficiency and retrofits. She wanted the Board to have an idea of what people in the industry thought about energy efficiency and wanted the Board to become familiarized with it. She stated that if the Board has any questions, they can call her directly and she will be happy to answer any questions that they may have.

The second attachment on the report is a letter from the Monterey County Resource Management Agency. This letter is an offer to submit a letter of interest to buy for a dollar, 4 to 5 single family homes in Soledad. Ms. Warren explained that the homes would be deed restricted for special needs program which this agency doesn’t really have. The letter stated that you can buy one or buy more if you wanted to. Ms. Warren commented that from her perspective, she doesn’t think that this is a good thing for us to do since it’s for special needs and we don’t have this kind of services. She mentioned that we can possibly buy them and rent them out to service organizations but we are really not set up in doing that. She stated that the County will rehab them and make them available for sale. This is part of their NSP and they need to get it committed. She mentioned that we will have to rent it at 50% area median income and unless they have a subsidy then we would not be breaking even because it is special needs. Ms. Warren wanted to bring it to the Board for discussion and see if there was any interest. Director Styles had asked if anyone was competing and Ms. Warren stated that she sensed that a lot of people were not interested. The Board wanted Ms. Goebel’s feedback on this. Ms. Goebel commented that she does agree with Ms. Warren to a certain extent. She stated that we could focus this on homeless people coming out of transitional housing and making it permanent housing. She mentioned that if they are expecting services to be attached then Ms. Warren is absolutely correct since there is no money for services right now. Director Styles requested that staff find out what the requirements are once someone owns the homes, and to get back to the Board. Ms. Santos mentioned that because of the special needs populations, maintenance costs would be considerably higher than other properties. To the Board’s query, Ms. Warren stated that she will find out if this could be targeted towards Veterans & Farmworkers.

In the third attachment, Ms. Warren reported that there was an article in the National magazine about the Housing Authority and the Development Corporation showing a picture of Tynan Village. She also mentioned that the magazine comes out quarterly. Ms. Warren stated how beautiful she thought the magazine was and that HDC is very proud of it. In the fourth/fifth attachment, Ms. Warren mentioned that John Stewart Company is offering resident education grant programs to sites that they manage. She stated that hopefully something will become of that and wanted to inform the Board about it.

Ms. Warren handed the last item out to the Board. She commented that the Board might recall a resolution that came to them to temporarily provide a gap commitment of $400k to the Paso Robles project. Ms. Warren pointed out that on the first page were the results that we received from TCAC showing our tiebreaker at 41.584 percent. On the next page, Ms. Warren commented that had we been able to provide that $400k guarantee, we would have been funded. Ms. Warren stated that it’s not something that she could have projected or predicted with any certainty. She just wanted to demonstrate how important things are even if it may not seem like a big deal for us at the time. Ms. Warren commented that maybe HDC didn’t communicate it clear enough to the Board. She stated that subsequent to that, the County had agreed to give us $400k but the County couldn’t meet until the next day. She mentioned that they subsequently gave us $939k, so we were projecting conservatively at $400k. Ms. Warren commented that she just wanted to share the outcome of that particular situation to the Board and perhaps that the next time we can paint a better picture. Yet again, we don’t really know what the outcome of it would be. Ms. Warren stated that hopefully we will get this done in March for round 2 in 2012. The next round available is going to be in March 2012.

Director Williams stated that she stands by her decision because it could have gone the other way too and HACM could have been on the line for it.
DIRECTOR COMMENTS

Director Stewart commented that the article was great and congratulated Ms. Warren and the HDC/HACM staff.

Director Williams commented that the article was good and congratulated HDC on the possible commercial tenant at Tynan Village. She also thanked Ms. Warren for dinner.

Director Healy commented that the article was great and he thanked all the staff.

Director Espinoza thanked everyone and thanked HDC.

Director Styles thanked everyone for all their hard work.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:15 p.m.

Chairman

ATTEST:

President/CEO

OCTOBER 18, 2011

Date