

**ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD NOVEMBER 21, 2011**

Commissioners met at the Central Office. Chair Elizabeth Williams called the meeting to order at 5:04 p.m. Present: Chair Elizabeth Williams, Vice Chair Kevin Healy, and Commissioners Josh Stewart, Alan Styles, Tom Espinoza, and Andrew Jackson. Also Present: Jean Goebel, Executive Director; Lynn Santos, Director of Finance; Joni Ruelaz, Housing Programs Manager; Pat Wyatt, Human Resources Manager; Starla Warren, Fee for Service Director of Development; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC: None

PRESENTATIONS:

A. Service Awards: Commissioner Williams presented a certificate and pin to Vivian Brennand for 10 years of dedicated service to the Housing Authority; the Board thanked Ms. Brennand for her loyal service.

CONSENT AGENDA

- A. Minutes - Approval of Minutes of the Regular Board Meeting held October 17, 2011
- B. Resolution No. 2718 – Office of Migrant Services Standard Agreement Contract 11-OMS-943(RD)

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

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

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Espinoza reported the Personnel Committee did not meet this month because there were no New Business items.

Chair Williams moved the Closed Session forward. The Chair requested Ms. Goebel also stay for the Closed Session. The Board convened to Closed Session at 5:08 p.m.

CLOSED SESSION

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

- A. Government Section 54957(b)(1): Personnel Matters
ACTION: The Board offered Jean Goebel the position of Executive Director; Jean Goebel has accepted and the formal contract will return to the Board for formal approval.
- B. Government Section 54957.6: CONFERENCE WITH LABOR NEGOTIATORS AGENCY DESIGNATED REPRESENTATIVES: Lynn Santos, Pat Wyatt, and Joni Ruelaz
EMPLOYEE ORGANIZATION: Service Employees International Union 521
ACTION: No action was taken.

The Board reconvened to open session at 6:27 p.m. and took a short recess from 6:28 p.m. to 6:35 p.m.

REPORTS OF COMMITTEES (Continued)

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

Monterey County Housing, Inc.: Mr. Rose reported MCHI is very proud about entering into a weatherization program with the State and apparently it is the first one being done with multi-family housing. There is an issue with respect to Parkside which needs windows and sliders repaired and/or replaced but unfortunately HACM Maintenance cannot function in this capacity because of the connection with the State. The vendor will be doing this work and has already done the inspection; everything they needed has been provided to include billings from PG&E. Mr. Rose stated this morning he was told that this weatherization would be worth over \$200K so this program will keep MCHI from depleting their reserve accounts. He stated the next MCHI meeting is tomorrow at 5:30 p.m. at the 134 Rossi building and he strongly encouraged the Board members to attend if in the area. He further announced there were two potential new Board members and one would be attending the meeting tomorrow. One of the candidates is a Realtor who is also involved in schools so he should be an active member; unfortunately he has another commitment tomorrow evening. Mr. Rose congratulated Ms. Goebel as the new Executive Director on behalf of MCHI.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP's: Ms. Warren reported the items from the development corporation through Fano Vista are reflected on the agenda or the development report for the HDC that follows this meeting.

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel reported there is a document on the table that announces the appointment of Commissioner Alan Styles as the Chair of the Commissioners Committee for National NAHRO. She stated we are very proud of Commissioner Styles to be in this position because that will allow him to express our Board's opinions to the NAHRO Board of Governors. She further reported Staff continues getting things done and working with HDC to accomplish what we need to accomplish.

NEW BUSINESS

A. Committee Appointment

Chair Williams explained that she has appointed Commissioner Healy to the Finance/Development Committee due to the leave planned by Commissioner Styles.

B. HACM Board Retreat

In a lengthy discussion, Commissioners Williams and Styles noted they had been approached by a gentleman at the NAHRO Conference in St. Louis about being a facilitator for the HACM and HDC Retreats. Commissioner Williams emphasized that she would like the retreat to be located away from the Housing Authority and if possible out of the County where the Board members could better focus on the retreat issues and not be interrupted by phone calls.

Commissioner Styles stated this gentleman that approached them in St. Louis had some good ideas and he proposed to start off by going into the community and meeting with the stakeholders in the community; then he reports back to the Board the process of setting up a strategic plan. He also talks with Staff and gets a well-rounded knowledge of what is going on within the organization; then he sits down with the Board and the Staff to begin to put together and formulate a plan. He puts it all together prior to meeting with the Board and prior to the Board beginning to put the plan together. Commissioner Styles stated he thinks this is extremely important and the key is him going out into the community. He stated he was looking at a one-day start up for HACM and then a one-day start up for HDC. There would be more meetings after that, but it would give the Boards an opportunity to really put a good strategic plan together that would lead these organizations into the future.

Commissioner Styles further noted that with what is happening in Washington DC, we need to put that plan together with the thoughts of what do we do in the event of the decisions made by Congress? Where do we go and how do we proceed? What does the Housing Authority look like in five years? Is it Public Housing, Section 8, or Project Based Section 8? What is it in the next five to ten years? Commissioner Styles further stated with all this in mind, we wanted to bring this to the Board for discussion and ask what is it that the Board wants to do. To query regarding whether the gentleman in St. Louis has a website, Commissioner Styles stated he would provide that information. He further stated we don't necessarily have to use this gentleman as the facilitator but he does have experience in working with HUD, but we also need to look out there and see whether we want to use the husband and wife team that we have used in the past.

Commissioner Williams stated another thing that was impressive was this gentleman stated we would do goal setting where we have written goals with timelines which she thought was very important for this organization. Commissioner Styles noted that this gentleman also talked about mission statements so that is something to discuss whether we want to maintain our current mission statement or change it.

Commissioner Espinoza commented that he liked the idea of this gentleman going out into the community in advance; he feels that this direction is what is missing and that outside help is needed. He would be interested in this gentleman potentially facilitating the retreat. Commissioner Healy noted this gentleman sounds like a facilitator who is thoroughly knowledgeable in terms of HUD and its operation which would add a special benefit. Commissioner Styles stated this gentleman will also give us a list of other Housing Authorities he has worked with as references. He further noted at the December meeting, the Board could determine when to have the retreat and who would facilitate the retreat.

Commissioner Williams stated she also feels that this agency needs more than four hours for this very important and serious retreat and that senior staff should also be involved because the Boards need to be focused on the issues. She further noted that both HACM and HDC Executive Directors could work on the logistics of putting this retreat together.

To query regarding the retreat being outside the County, Mr. Griffin stated he didn't have the exact location in the Brown Act to quote but because of the special rules applied when one member is outside the County attending a meeting via teleconference, he thinks it unlikely the Board could hold their retreat outside the County of Monterey.

To query regarding whether the Board was making a commitment to get the gentleman at the conference in St. Louis as a potential facilitator and to have a dialogue regarding this issue at the December Board meeting, along with selecting dates for the retreat and deciding whether this retreat was being proposed offsite for a weekend, Commissioner Williams responded that we do not necessarily have to make any decisions at that time but we need to have it on our agenda.

The Board Tabled HACM Board Retreat to the December Board meeting.

C. NAHRO Legislative Conference

The Board Tabled the NAHRO Legislative Conference to the December Board meeting and requested more information on this conference if available.

D. Christmas Dinner

During a short discussion, it was decided that HACM, HDC, and MCHI would contribute to the cost of the Christmas Dinner by paying for their respective agency attendees.

Upon motion by Commissioner Espinoza, seconded by Commissioner Healy, the Board decided their Christmas Dinner would be at Gino's Italian Restaurant after the Board meeting on December 12th. Motion carried with the following vote:

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

INFORMATION

A. Finance Report

Ms. Santos reported that the blank space in her report on page 44 should read, the maintenance expenses were higher at Pueblo Del Mar due to Staff time and related work orders in preparation for a HOME program site visit. She further reported that the financials are barely breaking even across the board; the Section 8 looks like a loss but if we added in the \$40,000 that HUD is going to fund for prior months, they would break even. Public Housing is doing okay, but we did go over on Capital Funds which was unexpected so we had to pay \$34K for that out of operations. Ms. Santos reported that we did receive the funding from RHCP on Lakeview for the prior amounts they owed us. She stated the reason the Federal and State programs look flush is due to the \$200K that was received so they are also basically breaking even. HACM overhead and Tynan Land Lease are the drains on the agency.

Ms. Santos stated she is trying to provide more cash information on the balance sheet page to indicate the cash balances for both HDC and HACM and how much of that is restricted for Public Housing; she stated clearly cash is an ongoing issue.

To query regarding the VMS audit, Ms. Santos responded that for instance out of \$38M in HAP funding over a 15 month period, the VMS reviewers noted a discrepancy of \$372. Regular auditors would have placed this under their materiality level but with VMS there is no materiality level. She further explained that it doesn't mean our number was wrong, it means that the VMS reviewers couldn't validate it.

Ms. Santos reported that Staff is pushing to complete all the remaining three audits which are MCHI, HDC, and HACM by Christmas.

To query regarding getting out of troubled status, Staff explained that we knew we were still going to be troubled for 2010, but we're hoping that in 2011 when they switched to the new scoring methodology, where we are scored only on Public Housing, that would make our score as Standard. Ms. Goebel explained that David Vargas who heads up REAC did a Skype session at the PSWRC NAHRO Conference two weeks ago and he stated basically REAC is putting aside the scoring for PHAS right now so their Staff can work on the Operating Fund Allocations through the end of December; then in January 2012, they will go back to scoring PHAS again. HUD thinks we are going to be Standard based on our 2011 scores.

Ms. Santos stated it is good that REAC is working on the Operating Fund because that means there is a chance we will know what our funding is going to be before the year starts which is important. Ms. Goebel reminded for the last two years we haven't received our numbers until about two weeks before the end of the Federal Fiscal Year which is September.

No action required.

B. Human Resources Report

Ms. Wyatt reported other than the vacant positions, the recruitment section is now out of date. She further reported that the candidate for the Accounting Assistant II position backed out at the last minute so we are reopening that position. The IT Associate position recruitment has begun.

Commissioner Williams welcomed Ms. Wyatt as a permanent employee and thanked her for taking the position as Human Resources Manager. She further stated she has done a wonderful

job for HACM. Commissioner Espinoza stated he would like to join Commissioner Williams in saying it is a very important position to the Board; he also thanked Ms. Wyatt for accepting this position.

No action required.

C. Development Report

Ms. Warren reported that we have our permission to operate the solar from PG&E which means the new generators are installed and ready to go. She further reported that she, Ms. Goebel and Ms. Santos are talking about potentially doing a 4% tax credit and bonds to finance the rehab of Castroville FLC and they would be exploring that as an opportunity. Ms. Warren stated regarding Public Housing disposition that Staff has identified the next two that will be done; she noted that Ms. Goebel had also mentioned at the Finance/Development Committee meeting there is a new ruling that if you have 400 units or less for Public Housing that you do not have to use the asset management model and she thinks that would be a positive outcome for HACM. She further noted that with the permission to operate the solar, we should be able to access the Mash Track II funds and that is what Staff is working on. Portola Vista is moving along but the agenda item to extend the lease that was on the City of Monterey's agenda for November 15th has been moved to December 3rd. The next issue is to get the energy contractor on board hopefully before mid-December. No action required.

D. Property Management Report

Ms. Goebel reported that HACM is working hard with HDC to get the Haciendas Phase One and Phase Zero along with the Single Family Dwellings all converted to the new leases with HDC ownership. Commissioner Stewart noted that he is on a realignment committee where they are bringing the non-violent people out of the jails, but they are suggesting they move back in with their families. During a short discussion, Commissioner Stewart suggested that HACM may want to submit a letter to clients reminding them about this issue and not to be in violation of their lease agreement with the Housing Authority. Ms. Goebel reminded that HACM has policies that prohibit adding people to contracts if they have criminal records and background checks would have to be processed. Commissioner Espinoza stated he was interested in knowing the number of people being released under this program. Commissioner Stewart replied 300 are coming out right away and 58 have already been released. Ms. Goebel noted that it was approximately 300 people over the next year.

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 reported that regarding the RFP for the Project Based Voucher program, there were four agencies that submitted proposals for a total of 75 units and their units would be in Salinas, Castroville, and Marina. The paperwork is now with HUD for approval and once that is received we'll notify the agencies what has been decided. No action required.

G. Ad Hoc Committee Executive Director Search – Information

Commissioner Healy reported that everyone now knows the results of this committee's efforts. He stated there were a total of 19 applicants; twelve advanced for consideration and five were advanced for further consideration. The Committee conducted three in-person interviews two weeks ago and the Committee recommended one candidate to the Board and that candidate is sitting with us this evening having accepted the position and he counts that a success.

Chair Williams thanked Commissioners Healy and Espinoza for serving on the Committee.

Commissioner Healy stated he would like to formally thank Mr. Kimura and Avery Associates for all their good work; he requested this be placed in the minutes.

CLOSED SESSION: See Closed Session above between Reports of Committees.

COMMISSIONER COMMENTS

Commissioner Espinoza stated he was thankful that Ms. Wyatt accepted the position of Human Resources Manager and he was especially pleased that Ms. Goebel accepted the Executive Director position. He stated as the consummate cheerleader of the Board, he is looking forward to the idea of a retreat and getting someone new to look at our County and how we are perceived by the stakeholders in our County. He thinks that 2012 can be a good year for HDC and HACM and stated it is very refreshing given what we've been through these last couple of years. Commissioner Espinoza thanked everyone for hanging in there and doing such a good job.

Commissioner Styles congratulated Ms. Wyatt as the new Human Resources Manager and thanked Ms. Goebel for becoming the new Executive Director. He further thanked the rest of the Staff for doing a great job under some very difficult circumstances, which the Board is well aware of. Commissioner Styles stated hopefully over the next few months we can begin to put some of this stuff to bed; he was not sure how they were going to do that but they were going to try. He stated, Keep up the good work!

Commissioner Healy stated he echoes all the previous comments—Congratulations and thank you to Ms. Wyatt. Congratulations and thank you to Ms. Goebel. Congratulations and thank you to Commissioner Styles. He stated he shares Commissioner Espinoza's enthusiasm. He stated he thinks we're at a precipice of a new beginning and now that we have a great nucleus around the team, he is excited about moving forward.

Commissioner Jackson commented he agrees with what the other Commissioners have stated.

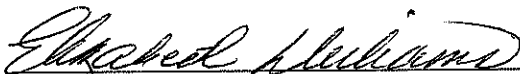
Commissioner Stewart thanked Staff for doing a magnificent job!

Commissioner Williams welcomed and thanked Ms. Wyatt for being on board as the Human Resources Manager. She congratulated Commissioner Styles and stated she was very proud of him as the new Chair of the Commissioners' Committee for NAHRO and that the Board would support him. She thanked everyone for the anniversary cake and cupcake. Commissioner Williams welcomed Ms. Goebel aboard as the new Executive Director. She stated, it will be a pleasure to work with her and she knows Ms. Goebel will do a good job.


Commissioner Williams stated she wanted to say a special thank you to Mr. Griffin. She stated he is so faithful and comes whenever she calls him. She especially thanked Mr. Griffin for attending the Board meetings. Commissioner Williams thanked everyone for their hard work and wished them all a very Happy Holiday.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:21 p.m.


Chairman

ATTEST:


Secretary

12-13-11
Date