December 12, 2011

ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
MONTEREY COUNTY HOUSING AUTHORITY
DEVELOPMENT CORPORATION
HELD DECEMBER 12, 2011

Directors met at 123 Rico Street, Salinas, CA 93907. The meeting was called to order by Chair Alan Styles at 5:40 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, Executive Director HACM. Also in attendance HACM Staff: Lynn Santos, Director of Finance. HDC Staff: Marilyn Rose, Senior Finance Officer and John Shores, Senior Construction Manager. Recorder: Kimmy Nguyen

COMMENTS FROM THE PUBLIC: None

CONSENT AGENDA

A. Minutes—Approval of Minutes of the Annual Board Meeting held November 21, 2011

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

AYES: Styles, Williams, Stewart, Healy, Espinoza, Jackson

NOES: None

ABSENT: None

INFORMATION


Ms. Warren commented that she has updated the Development report and the Section 108 application has been admitted to the City. She commented that HDC is very busy getting the Phase Zero Haciendas transferred over and it has been a crazy few weeks with Phase 1. Ms. Warren noted that the Project Based Section 8 component is done. She indicated that she had several conversations with the National Special Application Center over the last couple of days and stated that they are definitely focusing in on disposition as an issue nationally. Ms. Warren mentioned that the OIG is focusing on the issue right now and the disposition house of SACS is going through some changes. She stated that our dispositions are a little bit different because we are a self developing Housing Authority and that they are making new language relative to their policies. Ms. Warren reported that we got the disposition amendment out and the balance of the HUD documents will come tonight. Ms. Warren also confirmed that all the signature pages have been sent to escrow and the goal is to have a soft close tomorrow and the hard close on Thursday. We will probably be walking away from the closing table with about $1.7 M. Ms. Warren explained that about $500k of it is fee and over the course of construction there will be another $400k coming from developer fee income and then at completion there will be another $500k in developer fees paid.

Ms. Warren informed the Board that everything is going really well and she would like to acknowledge staff. She commented that we really pulled together to complete the construction loan closing and received a lot of compliments from equity/lender and consultants working on the project. Ms. Warren reported that she contacted Pacific Meadows and forwarded the email to Ms. Santos to review the documents. She stated that she is in disagreement with them that the lease is not due. To Board query, Ms. Warren informed the Board that the Groundbreaking event is tentatively scheduled for January 11, 2012 and we are moving forward to complete it. Ms. Warren reported that at the equity/lender conference she attended, there were discussions about pricing deals at a higher price and she is pleased to say that we are getting such good pricing.

Ms. Warren stated that she spoke with Director Styles in regards to surplus salvage and wanted to discuss creating a policy for it with the Board. Ms. Warren commented that we have 38 units vacated at Haciendas and there are top of the line cabinets that were replaced in the last 10 years
and as it stands now, it will just go to the dump. Ms. Warren stated that she has talked to HACM and they are getting some of the appliances out before we turn it over to the contractor. Ms. Warren feels that we should create some policy that states that non-profits can come in at a certain time and salvage whatever they want to salvage. She stated that there is a short lead time to do this and she can solicit to see if any non-profits want to come and pick it up. Ms. Warren commented that she has to work with John closely since there are paint issues that will need coordination. She also mentioned that John Shores is the President of the Habitat for Humanity Board that is building some homes and if she can do something for them with the pleasure of the Board. Ms. Warren feels that it is important that we at least try to be sensitive to those things that can be reused and recycled. To query, Ms. Warren stated she will extend her reach beyond Habitat to come and pick up any items if they are willing to. The Board stated that we definitely should have a policy in place for the next round. Mr. Shores commented that he spoke with his Board and he believes that they can accommodate a lot of it. The Board gave direction to Ms. Warren to get rid of the items within a short time frame and as a whole to get a policy in place.

Ms. Warren passed out two training handouts. She commented that there was discussion about having the Board exposed to more development oriented environment. Ms. Warren explained that one of the trainings is a Novogradac conference that is quite intense and there is money in the budget for one Commissioner to attend. The other training is Housing California which is geared more to the California activities and they have a huge development track. Ms. Warren commented that there is a budget for two commissioners to attend that. She stated that she wanted to get some feedback from the Board to see who might be interested to attend these conferences. Director Healy commented that he would like to be considered to attend the one for Novogradac. Director Stewart was curious to know if the City of Salinas sent an invitation to HDC regarding a meeting. Ms. Warren commented that they did and they changed some of their building policies and asked HDC to present a case. There were two meetings on their calendar and they have not happened yet.

CLOSED SESSION

The Board convened to Closed Session at 5:54 p.m.

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

A. PERSONNEL MATTERS: Government Section 54957(b)(1)
   ACTION: The Board gave direction to the President.

The Board reconvened to regular session at 6:23 p.m.

DIRECTOR COMMENTS

Director Jackson commented that it has been a swell year.

Director Stewart commented that it has been a great year.

Director Williams thanked Ms. Warren.

Director Healy thanked Ms. Warren & Ms. Nguyen.

Director Espinoza commented that he would love to be there at the Groundbreaking event and will try to make time to attend.

Director Styles commented Happy Holidays to all.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:25 p.m.
ATTEST:

[Signature]

December 12, 2011

[Signature]
Chairman

President/CEO

FEBRUARY 28, 2012

Date