

**ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD OCTOBER 17, 2011**

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

COMMENTS FROM THE PUBLIC: None

PRESENTATIONS:

A. Service Awards: The Board congratulated Mario Mendoza for his 15 years of loyal service to the Housing Authority of the County of Monterey. The Board also congratulated ChaCha Mercado for her 15 years of loyal service to the Housing Authority of the County of Monterey. Mr. Mendoza and Ms. Mercado were not able to attend tonight's Board meeting.

CONSENT AGENDA

- A. Minutes - Approval of Minutes of the Annual Board Meeting held September 26, 2011
- B. Authorization to Offer a Request for Qualifications for Attorney Services
- C. Information Technology Associate Job Description Revision
- D. Resolution 2715: Revised Utility Allowance Schedule

Commissioner Williams requested agenda items B and C be pulled from the Consent Agenda.

Upon motion by Commissioner Styles, seconded by Commissioner Stewart, the Board approved Consent Agenda items A and D. Motion carried with the following vote:

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

- B. Authorization to Offer a Request for Qualifications for Attorney Services

Ms. Goebel explained in the past we have had separate attorneys for Landlord/Tenant law, Personnel, and Board Counsel, but have had only one attorney for all three parts for several years; Staff has suggested we put our RFQ out so law firms can apply for one or all three parts. This RFQ will also provide information on what legal charges are for each of the separate parts. To query regarding retainers, Staff explained that some parts do not require a retainer, but payment is made for the services provided. These selections will be brought back to the Board.

- C. Information Technology Associate Job Description Revision

Ms. Goebel explained that this is a vacant budgeted position that has not been filled; some minor changes were made such as the requirement for a Bachelor's degree because this is not a manager position and someone with technical schooling could qualify.

Upon motion by Commissioner Styles, seconded by Commissioner Stewart, the Board approved Consent Agenda items B and C. Motion carried with the following vote:

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

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Healy chaired this meeting and provided a written report to the Commissioners.

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

Monterey County Housing, Inc.: Ms. Warren reported that MCHI did not have a meeting because the Chair of the MCHI Board was out on personal family leave, but he should be concluding that and MCHI should have a meeting next month.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP's: Ms. Warren reported all of the items concerning this entity and others below are included in the Development report for HACM or the Development report or agenda for HDC.

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel pointed out that Staff is still wondering what Congress is going to do with the budget but we're doing the best we can trying to project what we think will be happening with the budget.

NEW BUSINESS

A. Resolution 2714: HACM Organizational Chart Revision and Personnel Complement Revision

Ms. Goebel explained that some positions have been removed from the chart because they were not filled or were not budgeted for because Staff felt they were not necessary at this time. The Maintenance Supervisor resigned so the Maintenance department has been moved under Property Management to comply with HUD Asset Management; the budgeted salary for the Maintenance Supervisor will be used to fund the Housing Management Manager position that was not budgeted.

Commissioner Stewart asked what the projected savings would be with the elimination of these positions. Ms. Santos responded that most of these positions were not budgeted. Ms. Goebel stated Staff would like to wait on the hiring of the Housing Management Manager if the new Executive Director will be selected within the next 30 days.

Upon motion by Commissioner Stewart, seconded by Commissioner Styles, the Board adopted Resolution 2714, approving the revisions to the HACM Organizational Chart and to the Personnel Complement. Motion carried with the following vote:

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

B. Resolution 2716: Authorization to Execute Loan Documents relative to the Haciendas Phase One Development

Ms. Warren reported the bank is requiring HACM and HDC to be co-guarantors on three items: Construction Completion Guarantee, Tax Credit Recapture Guarantee, and Operating Deficit Guarantee. HDC was going to be the guarantor, but a new GAAP ruling requires us to eliminate certain financial transactions between entities so this ruling has weakened both HACM and HDC balance sheets when both are actually really good.

Ms. Warren further reported that HDC will require 100% payment performance bond from the general contractor so that will negate the risk on the Construction Completion Guarantee. The Tax Credit Recapture Guarantee would be called for if lease up was made to ineligible residents which is not likely to happen with HACM doing the property management. This guarantee requires a three month debt service and operating expenditure reserve so when you close construction that will be funded. There are mechanisms to negotiate the release of excess money but Ms. Warren stated she would feel comfortable leaving it in the project until such time as the tax credit period is over in 13 to 15 years. She further stated it is capped at a certain amount for a certain period of time so once that time has passed, HACM will have no other exposure.

Commissioner Espinoza arrived at 5:20 p.m.

Ms. Warren stated in exchange for HACM's guarantee on the project, HDC is proposing to do side agreements with HACM, which will be considered in the next agenda item. She explained executing a side agreement with HACM to assume their portion of the guarantees and if anything should happen, HDC will execute a developer share of 7% to HACM. HDC will also assign their first right of refusal to HACM to purchase the project for debt after the compliance period; this debt is scheduled to be paid off in full in year 13 so that would mean HACM would get the land back and a \$20M infrastructure that will be 13 years old, which is a good deal. If HACM decided to refinance at that time or do a 4% rehab they would probably have to put that project back in a nonprofit at that time. They could do that and allow for a 20% share of the waterfall proceeds which does not include payment of any deferred development fee or partnership management fee so HDC is carrying a note to the extent there are payments on that note and HDC will make a provision to allow a cash flow from HDC to HACM. Ms. Warren further reported both sides have agreed that HACM will be the property management of Phase One for Haciendas. She further stated it is more a family of assets that always should be addressed and positioned to have the largest benefit possible to both HACM and HDC.

Upon motion by Commissioner Stewart, seconded by Commissioner Jackson, the Board adopted Resolution 2716, authorization for the Acting Executive Director to execute loan documents relative to the Haciendas Phase One Development. Motion carried with the following vote:

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

- C. Resolution 2717: Authorization to enter into an Agreement with the Monterey County Housing Authority Development Corporation (HDC) on Related Actions for the Development of the Project known as Haciendas Phase One

Upon motion by Commissioner Espinoza, seconded by Commissioner Styles, the Board adopted Resolution 2717, authorization for the Acting Executive Director to enter into an agreement with the Monterey County Housing Authority Development Corporation (HDC) on related actions for the development of the project known as Haciendas Phase One. Motion carried with the following vote:

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

- D. Schedule Joint HACM/HDC Board Meeting

Ms. Warren explained there were some things that needed to be changed in the HDC Bylaws that cannot be done without HACM's approval; HDC legal counsel has recommended a Joint meeting to address the HDC Bylaws.

The Board consensus was a Joint Board meeting between HACM and HDC would take place on November 21st at 6 p.m. between the HACM and HDC regular meetings.

- E. Appointments

Chair Williams stated she would like to leave the committee appointments as they currently are; she asked Commissioner Styles if he was willing to stay on the HACM Finance/Development Committee? Commissioner Styles responded in the affirmative. Chair Williams asked Commissioner Stewart if he was willing to remain on the HACM Finance/Development Committee. Commissioner Stewart responded in the affirmative.

Chair Williams asked Commissioner Espinoza if he would stay on the Personnel Committee. Commissioner Espinoza responded in the affirmative. Chair Williams asked that Commissioners Jackson and Healy also remain on the Personnel Committee.

Chair Williams stated everyone has done such a great job that she would like to keep everyone where they are; she thanked the Commissioners.

INFORMATION

A. Finance Report

Ms. Santos reported we are still waiting to hear back from NELROD, the Recovery Team, and the VMS inspections we had in September. She stated we have made our first payment back to HUD on the OIG report which is due by the 16th of each month. Ms. Goebel stated we want to have HUD OIG paid off by March 12, 2012 which is the agreement we signed.

To query regarding the HELP loan, Ms. Warren responded that information is reflected in the budget that HDC will pay that loan. Regarding another query regarding the Greenfield project, Ms. Warren responded that Staff hasn't decided what is going to happen with that project because there is no appointment scheduled with Greenfield yet. She stated we are trying to find out what portions of our entitlements can still be effectual in a multi-family environment at that location.

No action required.

B. Human Resources Report

Ms. Wyatt reported we have brought back four of our laid off Force Account employees. In further discussion, Staff noted that the intention is to bring back the remaining force when we have other work they can do such as the Castroville rehab, but we have not yet received the funding for this rehab.

No action required.

C. Development Report

Ms. Warren reported after three letters to the owners of Lakeview requesting they consider an appraised value as the option price, the owners sent back a letter stating as a matter of factual course that the lease really isn't up until December 13, 2013. She further stated the lease was signed on a particular date and it was for a particular period of time but it did have a clause that stated the start date of the lease would float to certificate of occupancy and this issue was raised a couple of years ago about the certificate of occupancy because that would change the name. Therefore, there is an actual addendum, but neither of us have that document. No action required.

D. Property Management Report

Ms. Goebel reported Staff is gearing up for a file audit review for Portola Vista later this week; the USDA inspection has been postponed until December. No action required.

E. Asset Management Report

Ms. Goebel reported she would let Ms. Ruelaz report on the SEMAP Score when she does her report. No action required.

F. Housing Programs Report

Ms. Ruelaz reported we have put the RFP out for Project Based Vouchers and currently we're looking at 75 units; so far we have received two responses but the deadline is November 3rd. To query regarding two submissions, Ms. Goebel explained that one of the submissions could take all 75 vouchers so one submission doesn't mean it will only take one voucher. Ms. Ruelaz further reported that we received a SEMAP score of 86 which means we are Standard Performers. The problem was the whole lease-up with the waivers last year brought our score to 86 instead of the usual 100. Ms. Goebel stated we're not troubled with SEMAP.

No action required.

G. Ad Hoc Committee Executive Director Search – Information

Commissioner Williams reported we'll be having a meeting on October 20th at 5:30 p.m. to review applications with Mr. Kimura.

COMMISSIONER COMMENTS

Commissioner Jackson commented he liked what everybody was doing and everything was moving right along.

Commissioner Stewart thanked everyone for continually doing a great job.


Commissioner Espinoza commented about a segment on the KSBW television station regarding the zip line and that there were some complaints from Pacific Meadows tenants. Ms. Warren noted that no one had contacted her and that could be on our property. Ms. Goebel stated their concerns at Pacific Meadows were about the traffic and taking down trees. Commissioner Williams thanked Commissioner Espinoza for this heads-up information.

Commissioner Styles thanked Staff for getting this agenda put together in two weeks—good job—very good job!

Commissioner Williams thanked Staff for doing a great job. She also thanked everyone for her birthday cupcake. The Board and Staff sang Happy Birthday to Commissioner Williams.


ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:41 p.m.



Chairman

ATTEST:



Secretary

11-22-2011
Date