

**ACTION  
MINUTES OF THE REGULAR BOARD MEETING  
OF THE  
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY  
HELD JUNE 25, 2012**

Commissioners met at the Central Office. Chair Elizabeth Williams called the meeting to order at 5:01 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; Shannon Tonkin, Acting Housing Management Manager; and Starla Warren, Fee for Service Director of Development. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC: None

PRESENTATION: Service Awards

The Chair presented Terry Drake a pin and certificate for five years of loyal service to the Housing Authority; the Board also recognized Guillermo Garcia and Mario Mendoza for ten years of loyal service to the Housing Authority. Mr. Garcia and Mr. Mendoza were not able to attend tonight's meeting. The Board thanks these employees for their service.

CONSENT AGENDA

- A. Minutes - Approval of Minutes of the Regular Board Meeting held May 21, 2012
- B. Minutes – Approval of Minutes of the Special Board Meeting held June 3, 2012
- C. Minutes – Approval of Minutes of the Special Board Meeting held June 11, 2012
- D. Resolution 2728: Semi-Annual Write-offs

The Clerk of the Board requested agenda item B, Minutes for the Special Board Meeting held on June 3, 2012, be pulled from the agenda because they were not yet completed.

Upon motion by Commissioner Healy, seconded by Commissioner Espinoza, the Board approved Consent Agenda items A, C, and D. 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 everything is on the agenda.  
Finance/Development Committee: Commissioner Styles reported everything is on the agenda.

Monterey County Housing, Inc.: Mr. Rose reported some time ago the Section 8 Inspector had requested the windows and sliders be replaced at Parkside and we have been working with the State on the weatherization program to have the windows replaced. We had an inspection conducted by the State and the Department of Energy but the vender replacing the windows has ascertained there is an issue with ventilation requirements when the windows and sliders are in place and then that creates a problem with the furnaces where they don't draft properly. Another issue is with the ventilation fans in the kitchen which seem to be taking in too much air which might cause other issues. Property Management is configuring one of the apartments as a test site where it satisfies the health and safety concerns for the residents and also fits in with the State energy program. Property Management has notified the State that this has to take place soon because people will be moving in on July 1st. Once that is done everyone should be happy campers. Mr. Rose further reported MCHI is planning a retreat in August to consider re-establishing their goals and mission and he will share the retreat information at the September Board meeting. To query Mr. Rose responded that saving some money

on the window/slider issue will not compromise the safety of the units. He further noted there is another issue with respect to Parkside such as aluminum wiring.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP's: Ms. Warren reported the next seven items will be addressed in the HDC meeting that follows this one.

#### REPORT OF SECRETARY

##### A. Executive Report

Ms. Goebel reported she doesn't have anything to add to her report; but was sure that other Staff would touch on some of the items on her report in more detail.

#### OLD BUSINESS

##### A. NAHRO Conference – San Francisco

During a short discussion, it was decided that Commissioners Styles and Healy would attend the NAHRO Conference in San Francisco.

#### NEW BUSINESS

##### A. Resolution 2729: Acceptance of the Audited Financial Statements for the year Ending June 30, 2011

Ms. Santos introduced Jon Adkins from Novogradac Audit Company. Mr. Adkins stated he was the lead partner on the audits for both HACM and HDC. He stated he has been with Novogradac since 1999 and has been working on audits for various entities; this is his second year with the Housing Authority. Mr. Adkins provided a review of pages 8, 9, and 18 of the audit and responded to various queries: He responded once the construction projects converted and HACM received the equity on those, HACM reflected a much better picture than the previous year. The Other expenses that went down from \$5.2M to \$3M were related to interest expense on all the constructions loans and that in essence has gone away. He noted there was a minor correction relating to presentation from the prior year but was not considered major and therefore didn't need to be addressed. Mr. Adkins stated the only finding listed was the OIG audit; Commissioner Williams noted that was on page 55 of the audit.

To Commissioner Healy's question on the summary letter and whether that letter describes the entirety of the organization including the Development Corps and the partnerships Mr. Adkins responded in the affirmative. Mr. Adkins touched on risks and recommended that we just need to continue to meet the debt service requirements on any lender requirement. He further explained had there been any concerns regarding the lower tiered tax credit properties, that would have been mentioned in the audit and there were none.

Mr. Adkins responded that the management letter is a clean letter and there were no disagreement issues related to the audit process or obtaining information on anything.

To query regarding cuts from Commissioner Stewart, Mr. Adkins stated he doesn't know if HACM can anticipate any large changes during this time before a Presidential election. He stated he doesn't think there's going to be any large tax reform or anything that is going to change how things are being done right now but there could be cuts in the future. On the tax credit property side that rolls up into HACM?? could mean you need to leave more cash in those projects that might be cash flowing. He stated with the Redevelopment Agencies going away, funding in general is hard to come by so people are having to become more creative on how to get funds and which routes to take. Commissioner Styles reminded there would be an 18% cut forthcoming in January and they're automatic. Mr. Adkins mentioned they could do an amendment to extending the cuts.

To Commissioner Styles' question on how many other Housing Authorities does he audit, Mr. Adkins responded we do a few actual overall audits of housing authorities, not a tremendous amount, but they consult with housing authorities on a regular basis and especially on tax credit properties.

Ms. Warren noted that Mr. Adkins had basically given the presentation for both HACM and HDC and recommended that Mr. Adkin's presentation be considered for both HDC and HACM; therefore allowing the HDC Board to accept the audit on the HDC agenda when it comes up in the HDC meeting. This will allow Mr. Adkins to be able to depart after this report and not have to present the same information at the HDC meeting. There were no questions presented to Mr. Adkins on the HDC audit. The Board thanked Mr. Adkins for his attendance tonight and his presentation.

Upon motion by Commissioner Stewart, seconded by Commissioner Styles, the Board adopted Resolution 2729, acceptance of the Audited Financial Statements for the year ending June 30, 2011. Motion carried with the following vote:

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

B. Resolution 2730: Approving the Agency Operating Budget for the Fiscal Year Beginning July 1, 2012 and ending June 30, 2013.

Ms. Santos reported we have kept many of the expenses down in this budget such as reduction in the janitorial contract, number of vehicles, and staffing levels plus there are no assumptions or projections relating to the union negotiations. She stated that in information received today, NAHRO is anticipating 77% reduction in funding for Section 8; currently it is 80% through December. Ms. Santos stated we are making the assumption that HDC will continue to fund the Tynan Land and Commercial Leases if needed; this is determined on an annual basis. Another assumption is Pueblo Del Mar is a project that operates at a deficit and we do have regulatory commitments for a number of years that we will be withdrawing out of the operating reserves to fund that deficit. This project does have operating reserves relative to the HOME Program. Portola Vista is budgeted based on their current funding source but the loan payments we are looking at with the refinance of this project will be a little lower than current. Ms. Santos further noted the admin budget is still a deficit but it is significantly reduced from the current year budget.

Commissioner Styles stated the Finance/Development Committee recommends approval. Commissioner Healy thanked Ms. Santos and her staff for doing a really good job on this budget. The Board thanked all HACM and HDC Staffs that worked on this budget.

Upon motion by Commissioner Stewart, seconded by Commissioner Healy, the Board adopted Resolution 2730, approving the Agency Operating Budget for the Fiscal Year Beginning July 1, 2012 and ending June 30, 2013. Motion carried with the following vote:

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

#### INFORMATION

A. Finance Report

Ms. Santos reported the audits and tax returns of the Limited Partnerships are completed; The REAC submission has been accepted; we just needed to clarify a few things. We try to anticipate their questions and provide explanations in their comments area but they usually find one thing we haven't anticipated. Ms. Santos stated there was a different reviewer this year.

Ms. Santos further reported she added the Haciendas construction period budget, which was discussed at length at the Finance/Development Committee meeting. This budget through conversion to perm is actually higher than noted here because there are additional developer fees and other things such as additional interest and some reserve funding that is not included. She stated there were other draws received since this report was written. Ms. Warren noted the project total is \$1.6M but there are milestones that you have to hit in order to get funded. To query on the completion percentage, Ms. Warren replied we're at about 58% complete through June. To another query, Ms. Warren responded she thinks this project will be completed early. Ms. Goebel stated the good weather has helped a lot.

Commissioner Healy complimented Ms. Santos on her information on the Farm Labor Center; he stated it has been beneficial to him. He encouraged all the department heads to include information they feel would be beneficial to the Commission in their reports.

Commissioner Williams stated the concerns seem to be the same ones, HELP loan at Greenfield which is due next year and that Ms. Warren stated that HDC would be helping HACM with that loan. Ms. Santos responded that the main reason they are included is because they are just the large dollar concerns.

Ms. Santos stated that the funding, as Mr. Adkins mentioned earlier, is something that we don't really know what HUD will be doing with, but the funding affects all of our programs. Ms. Goebel stated we receive ancillary funds from other departments in HUD so while Public and Indian Housing is our biggest source of funding, we do have funds that come in from CPD??? for Pueblo Del Mar and funds that come in various other forms for Project Based Rental Assistance from the Office of Housing for Portola Vista.

No action required.

#### B. Human Resources Report

Ms. Wyatt reported the Housing Management Manager position as well as the Senior Housing Programs Specialist positions have completed their second round of interviews. Staff will be having conversations on the next steps to take on these positions. She further reported the HIPAA audit took place last week and the preliminary information is there are no findings. Commissioner Espinoza stated regarding the HIPAA audit that it was helpful that HACM's medical coverage was outsourced and we were no longer self-insured. To query regarding the Supreme Court decision regarding medical insurance coverage (Obama care), Staff responded that decision wasn't expected until Thursday.

No action required.

#### C. Development Report

Ms. Warren reported that Portola Vista is taking a lot of time; the critical repairs have been completed and we needed these done in order to close. HUD is now reviewing the final closing documents and will be sending us a closing date shortly; she doesn't know if it will be by June 30<sup>th</sup>, but should receive an answer this week. She further reported that she has issued about eight RFP's so far with another eight to be issued on this project. Ms. Warren pointed out the Scope of Work schedule added to her report. In further discussion regarding the solar energy system for Portola Vista, the Board recommended the RFP be sent out under \$100K. Ms. Warren stated if there are problems with this procurement, she would be requesting a Special Board meeting.

To query regarding Salinas City Manager, Ms. Warren responded that she had a successful meeting with the Salinas City Manager regarding an HDC issue to waive and defer the fees in the approximate amount of \$850K and they're on board with that. She stated she now needs to get on the City Council agenda to help push this through.

Ms. Warren continued reporting that the bigger thing is she has been dealing with Rippling River and in talking with Supervisor Potter's office who was very appreciative of her help, she had an opportunity to mention that we have a 17 acre property near Pacific Meadows that would be a perfect candidate for the affordable housing for the Pebble Beach Company. She stated Pebble Beach Company has \$5M for their project but not very many places to build. To query regarding water credits, she mentioned that possibly Pebble Beach could assist with the water credits. Commissioner Stewart reminded that Supervisor Potter was on the water board. The Board thanked Ms. Warren for mentioning the property near Pacific Meadows.

To Commissioner Espinoza's query regarding the \$850K in fee waivers, Ms. Warren explained those were RDA deferred fees for the Haciendas Phase II project and were needed for a TCAC application that will be submitted in July.

To query regarding energy consultant, Ms. Warren explained the energy consultant is moving along on many fronts right now plus she is waiting to hear back from AMBAG on a program they have for rebates. She further responded the consultant is near completion on the HACM building and she is making sure that the Haciendas green building checklist is being properly worked for things such as monitoring installation, waterproofing, and energy issues among a number of other things. To another query, she stated the energy consultant is with the Hears?? Firm. Commissioner Healy asked whether we were approaching a resource need with all the things the energy consultant is involved by hiring someone full time or will we be seeing some deliverables.

No action required.

#### D. Property Management Report

Ms. Tonkin reported Portola Vista is moving along quickly and by next week, we may be relocating the office temporarily so they can make it larger. Ms. Warren explained that entire walls are being moved in their office. Ms. Tonkin noted the office would be located in the Community Room for a short time and the residents would be notified. No action required.

#### E. Asset Management Report

Ms. Goebel reported she had nothing to add to her report, but she did want to note that the Tenant Commissioner Applications were provided to the Board Chair today and she will be taking the next steps on those applications. She further reported we have not had our Annual Plan approved yet by HUD but they have to have it done by the end of this month so it should come back soon. We still have not heard back from the REAC inspector, which is odd because last year they made a big point of getting them done before the end of the fiscal year which is rapidly approaching. The fortunate thing is only four projects had to be inspected this year and we put a lot of focus on these projects and we should do very well on them.

Ms. Goebel further reported that she has been working with Commissioner Styles on the Episcopal Senior Community starting a produce market at Los Ositos. The proposed contract between the two organizations has been sent to the individual working this issue and who has met with the residents, but has now decided to change the way they are going to do this market therefore it is now on hold. Ms. Goebel noted she has sent emails to this individual, but she has not received any responses so she wanted the Board to know she hasn't dropped this issue, it is currently just on hold. She stated they may have realized there is not much interest at this location and there are not a lot of people who could help do the work.

Commissioner Williams stated she has the Tenant Commissioner applications; she explained to a query that she and Commissioner Styles are on an Ad Hoc Committee with

Supervisor Potter and one other Supervisor and they will meet to review the applications and to conduct interviews. The Ad Hoc Committee forwards their selection to the Board of Supervisors for appointment. Commissioner Williams noted she would contact Supervisor Potter's office to schedule the initial meeting.

In a short discussion, Ms. Goebel emphasized that there are two Tenant Commissioners positions on the Board; one is considered the Elderly Tenant Commissioner and that individual has to be age 62 or older. The other Tenant Commissioner is considered to be the Family Tenant Commissioner and may be 62 or older or under. This mix provides a better representation of our tenants. To query on Commissioner Jackson's term, Ms. Tebbs responded that she would check on Commissioner Jackson's term dates and provide those to Commissioner Williams before the meeting with Supervisor Potter. Commissioner Williams reminded the Board needs one Tenant Commissioner and possibly two if Commissioner Jackson's term has expired.

To query, Commissioner Williams explained that when the Ad Hoc Committee recommends to the Board of Supervisors and the appointment is made, then the HACM Board will be notified also.

No action required.

#### F. Housing Programs Report

Ms. Ruelaz reported this week is the end of the fiscal year so her Staff has been working really hard trying to get our lease-up rate up; she stated she has been signing lots of contracts. She further reported we have almost 100 people out on the street with vouchers looking for units which is a good thing. Ms. Ruelaz pointed out the most current FSS Newsletter is attached to her report and on the front page of that newsletter is the information on the medical interpreter training which has been a successful program for FSS clients. She noted one of our own FSS clients participated in this training and has told how successful it was for her; it looks like she will be getting a job soon. Ms. Ruelaz stated that our FSS Housing Specialist came from Shoreline and has a lot of experience in job development and has been working with our FSS clients on their resumes and interview skills. She provides a resume building workshop for them and it has been quite successful in helping our FSS clients obtain jobs.

Ms. Ruelaz further reported that the Veterans Stand Down at the Salinas Rodeo Grounds took place on June 19 through 21<sup>st</sup> and probably half of the 500 homeless veterans that signed up came to the Stand Down; it was a good event. It was well organized with barracks and a mess hall. The Veterans could spend the night plus they were also provided other services such as Barber, Legal Service, and Pet Service for examples. She stated it was a good learning experience. She noted that Santa Clara County bused a lot of veterans from their county and our Staff were answering a lot of their questions regarding housing. Commissioner Stewart reminded that Mr. Griffin was the first HACM FSS Manager. Ms. Goebel noted that Mr. Griffin is also on the Board for the Veterans Transition Center. Commissioner Williams asked whether any VASH vouchers were provided; Ms. Ruelaz responded that referrals were made but they have to go through the Veterans referral process to get a voucher. We hope to get some new VASH participants from these referrals.

Ms. Ruelaz stated right now Charles Apartments are on hold until we hear back from HUD; it seems there is a problem with their agreements. She further notified the Board that a former client has filed a discrimination complaint against the Housing Authority and she would be working with Mr. Griffin on that issue.

No action required.

The Board convened to Closed Session at 6:05 p.m.

CLOSED SESSION

The Board of Commissioners met in Closed Session for the following purpose and reason:

- A. Government Section 54957.6: CONFERENCE WITH LABOR  
NEGOTIATORS AGENCY DESIGNATED REPRESENTATIVES:  
Lynn Santos, Pat Wyatt, Joni Ruelaz, and Jean Goebel  
EMPLOYEE ORGANIZATION: Service Employees International Union  
521

ACTION: Nothing to Report

The Board reconvened to regular session at 6:44 p.m.

COMMISSIONER COMMENTS

Commissioner Jackson commented everything seems to be fine.

Commissioner Espinoza commented that he was pleased with what appears to be a more positive financial picture for HACM and HDC, which he is encouraged about.

Commissioner Styles commented that he would ditto Commissioner Espinoza's comment and after looking at last year's financial audit and the issues at that time, he was very happy with what we are doing this year so congratulations to all.

Commissioner Healy commented he can't add any more than what has already been said; he thanks everyone in the room and he was also happy to see a much better picture from the audit than in the past.

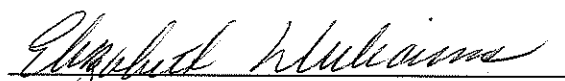
Commissioner Williams commented that she feels the same way and she thinks Staff has done an outstanding job this year in pulling it back together. She appreciates each and every one. Commissioner Williams further thanked Ms. Ruelaz for attending the Stand Down; she stated she thinks that it is important we be involved in these things. It is a very important issue for veterans and she is glad that we were able to give the referrals on the VASH vouchers and she hopes we will do more of those.

Commissioner Espinoza stated he doesn't want to overstate what he said in terms of the financial picture because we are still under very tight and stringent financial constraints. The Housing Authority has proceeded cautiously and because of their fiscal actions, the two agencies (HACM and HDC) are doing well to maintain the status quo.

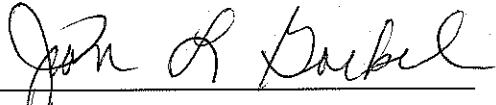
Commissioner Williams thanked everyone again and especially thanked Ms. Nguyen for the really good dinner.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:46 p.m.

  
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Chairman

ATTEST:



Secretary

7-23-12

Date