ACTION
MINUTES OF THE
JOINT SPECIAL BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
BOARD OF COMMISSIONERS
AND
MONTEREY COUNTY HOUSING DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
HELD JULY 8, 2012

Commissioners met at the Central Office. HDC Chair Alan Styles opened the Joint meeting at 8:35 a.m. Present for HACM: Commissioners Elizabeth Williams, Vice Chair Kevin Healy and Commissioners Alan Styles and Tom Espinoza. Absent: Commissioners Josh Stewart and Andrew Jackson. Also Present: Jean Goebel, Executive Director; Lynn Santos, Director of Finance; Joni Ruelaz, Housing Programs Manager; Shannon Tonkin, Housing Management Manager; and Starla Warren, Fee for Service Director of Development. Present for HDC: Chair Alan Styles, Vice Chair Elizabeth Williams; and Directors Tom Espinoza and Kevin Healy. Absent: Directors Josh Stewart and Andrew Jackson. Also Present: Starla Warren, CEO/President; Marilyn Rose, Senior Finance Officer; Carolina Sahagun, Senior Community Development Planner; and Ray Haleli; Senior Construction Manager. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC: None

NEW BUSINESS

A. Future Opportunities/Strategic Planning (Continuation from June 3, 2012 Joint Meeting)

The Board began this meeting by revisiting the HDC Strengths as follows:
1. Staff
2. Flexibility (Changing Environment)
3. Relationship with HACM as a Partner (Partnerships)
4. Vision
5. Revenue Generation
6. Experience
7. Providing Housing Opportunities
8. Nonprofit Status
9. External Relationships
10. Financial Stability

The Board then revisited the HDC Weaknesses as follows:
1. Funding (Financial Limitations)
2. Lack of Understanding (In and Out) (PR Firm)
3. Level of Communications (Consultant)
4. Periodic Demands on HACM Staff
5. Board
6. Development Pipeline
7. Depth of Staff
8. Lack of Sharing (Knowledge)
9. Lack of Clear Mission

After some discussion, the Board then provided a Task for Ms. Warren to take the draft HDC Mission Statement back to HDC to refine with HDC Staff and HACM Executive Director as follows:


The Board next revisited HDC Threats as follows:
1. Overextension of Staff
2. Funding
3. HACM Financial Stability
4. Bidding Levels
5. Policy and Procedures
6. Development Pipeline
7. Volatility of Financial Markets
8. Competition
9. Force Account

The Board then revisited HDC Opportunities as follows:
1. Partnerships with other Housing Authorities
2. Future Development
3. More Entrepreneurial – PR firm
4. Partnerships with other Nonprofits (Homeless housing)
5. Community Involvement
6. H2A Immigration
7. Customer Service

In a very lengthy discussion, the Board and Staff discussed various issues regarding public relations and presenting HACM and HDC as equal organizations with their different products, affordable housing through housing programs and the development of affordable housing. The titles of both organizations were also discussed with various thoughts on how to remove negativity from the titles. Commissioner/Director Styles felt that HACM has to get Monterey County out of the title because HACM does not work for the County and because nobody knows what the Housing Authority really does. It was further decided that Providing Homes and Developing Communities would be the actual products that both entities would provide to the community. Commissioner/Director Healy stated we bring you the capability to build communities and we have the capability to manage the properties so we bring more to the table than other housing developers. Commissioner/Director Williams reminded that Tynan Village is a good example once the commercial comes into that site it will be a community by itself with shops on site. It was decided this better reflects the positive side of both organizations. Ms. Warren reminded that we have more because HDC can use the housing authority's corporation law to waive local fees; another housing development organization may not have this mechanism.

To comments about getting the word out on what HACM and HDC can provide, Staff cautioned we want our properties to be part of the community and the best in the community but not to stand out as affordable housing. Clients on waiting lists could perceive that housing might be available to them when it may not be at that time. Ms. Warren commented she thinks that both organizations should have a marketing strategy because there will be times when HDC will have a different market than HACM.

Commissioner/Director Healy questioned whether there were any limitations relative to HACM changing its name; Staff responded that answer is unknown. Both Staffs noted there are a lot of documents with the titles on them that could be an issue. Commissioner/Director Espinoza questioned whether changing the title for the Housing Authority would be the loss of our successful 70 plus years of history.

In further discussion, Staff responded to query that the HDC developments are green sensitive. Ms. Warren reminded that the Paso Robles Phase One is a net zero project which means no energy use because you have enough solar to offset the energy. Ms. Sahagun noted that Haciendas and Oak Park will be getting an Energy Star Plaque; HDC is looking at the other development for marketing energy star also. Ms. Warren pointed out that to get the LEED Platinum Certified designation, it would cost $50,000 to purchase it.

Commissioner/Director Healy explained that Providing Homes and Building Communities is the umbrella over both HACM and HDC; therefore, both entities have their own mission statements and separate functions but the marketing materials and public relations issues are put forth together to generate more development opportunities and thereby bring in more revenue to facilitate HACM's mission. The umbrella ultimately services the community. To query regarding Common Message, Staff explained that the message is toned to the knowledge of the audience in order to get it across in a positive light exactly what HDC does and what HACM does. Commissioner/Director Espinoza reminded it should be a single message being given. To another query regarding regionalization, Ms. Warren responded some analyses have been done on that and based on the size of our voucher program, HACM is not a candidate for
regionalization. Ms. Goebel explained that regionalization is focused in the central part of the country and the east coast because every city in every little jurisdiction has their own housing authority and HUD has to invest the same amount of time in monitoring them that they do us.

In further discussion, Ms. Warren noted she has received calls asking about the Monterey Model but she doesn’t know what that is. In further discussion, she emphasized she would like to engage a PR Firm to help structure HACM and HDC titles and public relation messaging; PR firms know how to market and message to certain markets. Commissioner/Director Espinoza noted that with all the things we are doing in these brainstorming sessions we are building up the Monterey Model. To query on whether a Consultant would be needed to address organizational issues for the two organizations, Ms. Goebel and Ms. Warren responded they are working well together and solving problems. Commissioner/Director Williams congratulated all Staff but emphasized that these two ladies, Ms. Goebel and Ms. Warren, are responsible for what we are enjoying right now of the joint venture because it hasn’t always been this way. Ms. Goebel noted on marketing, we should be saying These Agencies because they are two that do different things. Commissioner/Director Healy drew an umbrella with questions marks with HACM and HDC under it. Commissioner/Director Williams suggested the Monterey Model be the question marks in the umbrella. Commissioner/Director Healy noted that this is the name of an agency that is comprised of two separate agencies that have different functions but openly lead to the same goal which is providing homes and building communities.

Ms. Warren explained that HDC is the risk taking side because they have to sell and HACM doesn’t have to sell. She stated she thinks it is about trust because in her position as a wheeler dealer, people are suspicious and now HACM has worked with her long enough to know she will do the right thing and can trust her. Commissioner/Director Espinoza reminded that in 2009 at the Board Retreat meeting, the Executive Directors were not invited so in their defense what came out of that retreat was some mistrust because there was a concern that the Board was all about HDC and trying to include them in the HACM mission statement. He stated that is why it is important for everyone to be in this meeting.

Ms. Warren stated she needs to address the cost structure for property management on tax credit projects because the analysis says that the maintenance is too expensive for HACM and less expensive in the private sector and that is something that we need to work out on our own.

Commissioner/Director Healy suggested everyone provide their opinion on the concept of the umbrella. He further noted this is the guiding light of where we want to get to, now that we want to make a fundamental shift in what we do, and how we describe ourselves to help us get there. Ms. Goebel reminded this is not building another entity. The Board and Staff responded as follows:

Ms. Sahagun stated she thinks this is a good starting point, but we need the help of an outside PR Firm to create a professional flyer for marketing purposes. She further noted that she likes the word building rather than developing communities.

Commissioner/Director Healy reminded HDC would be on one side of the flyer and HACM on the reverse.

Ms. Santos stated it implies we are stronger together and that we need each other as well as being side by side under the umbrella. She stated she likes the word building also as opposed to developing. It is a positive thing.

Ms. Goebel stated she ditto's all of the above; she likes the word synergy because that is what we have to do together. We have to work together as a team and that is what it shows; she stated she likes the word building because it is more creative than the word develop.

Ms. Santos emphasized the umbrella should say “Together” we are Providing Homes and Building Communities. She further stated we should talk about potentially changing the name of both organizations.

Commissioner/Director Healy stated he agreed.

Commissioner/Director Espinoza stated if a PR firm is hired, he would like them to look at changing the name of both organizations so that they are similar and people would know they are separate but they go together. He further thinks it should be a joint marketing with something that the Board can feel confident about giving out to the communities.

Commissioner/Director Williams stated she likes where this discussion is going; she would like a one page fact sheet that talks about HACM on one side and HDC on the other and tells what each organization does. She stated she is interested in a PR firm also. If they change the name, she would like to see it before she makes a decision. She does like the idea of Together Providing Homes and Building Communities.
Ms. Warren stated maybe it gets down to the umbrella being combined but to change the names of both organizations is no small feat given every transaction done plus HACM has a plethora of transactions as well. She further stated she appreciates the visualization.

Ms. Rose stated when putting the marketing together, she would like it to be professional and polished because people don't know we are professionals and we need to be able to put that together with a combined message, but both with different things they do, but also coming from the same element. We are at the top and we know that but we want everybody else to know too.

Ms. Ruelaz stated she likes the term homes instead of housing and sees the fact sheet as a great marketing tool to help with owner outreach. It would be a good idea if the marketing firm comes up with a logo (for the umbrella).

Mr. Haleli stated he likes the idea of combining the two together for a PR firm because that will save money.

Ms. Tonkin stated she likes the idea of a PR firm for the flyers because she has had to make unofficial ones. She further stated the HACM website needs to be updated.

Commissioner/Director Espinoza noted if you click on the website and it says, Together Providing Homes and Building Communities, really makes a positive statement.

Ms. Goebel stated also from the website you would have other links. She suggested looking at Hahn's Family Wines website as an example.

Commissioner/Director Styles stated we have got to get Monterey County out of our name or the perception will never change. To query on how to do that, Ms. Goebel recommended talking to Legal Counsel. In further discussion, she thought talking to a housing authority that had changed their name already could provide information on the process.

Commissioner/Director Styles further stated NAHRO has distributed some professional slick flyers and reports that are beautiful.

The Board reflected on the flip chart that the Umbrella above HACM and HDC organizations to be as follows: “Together Providing Homes and Building Communities”

The Board took a break at 10:13 a.m. and reconvened to regular session at 10:20 a.m.

The Board next assigned Task #1 with a timeline to start the changes as follows:

Task #1: PR Firm – Ms. Goebel/Ms. Warren
   A. Changing Names of Org
   B. Fact Sheet
   C. Web Site
   D. Brand Report
   E. Logo Change
      (Time Line – October 2012)
   F. Community Involvement
      (Current & Future)

The Board next addressed the items for SWOT for HDC and checked off those items that were no longer needed on the list.

During discussions, the Board requested Ms. Warren review the HDC Bylaws to be sure they are in compliance with the Annual Meeting and Annual Election. Ms. Warren reminded that she thought the terms on Tynan Village Inc. are silent for annual meetings and elections.

The Board provided a Task to Ms. Warren as follows:
   1. Review of Bylaws – bring back to the Board
      A. Annual Meeting and Election of Board Officers
         (Timeline – August 2012)

In further dialogue, Ms. Warren was asked what happens with the money from a consulting agreement with HDC, Ms. Warren responded that there are only two things that she needs: 1. To pay her staff well and 2. Money for the next job. At this point, Ms. Warren provided a handout on Oak Part I and II and Haciendas I and II. She stated this is a recap to show the reimbursables for both projects; the total reimbursables will total $943,821.00 over a total of four years and then will go back into the kitty. This shows the projected revenue streams for the four projects. To query, Ms. Warren explained there are no outstanding deferred fees so it will be more in 2012. To another query, she responded that the developer fee will be $6.3M just on these four projects: $900K in 2012; $3M in 2013; and $1.8M in 2013.
The Board took a lunch break at 12:07 p.m. and reconvened to regular session at 12:39 p.m.

Ms. Warren summarized the Mission Statement will be refined by HDC and brought back to the Board at the October Board meeting along with the PR draft. It was further mentioned that the Bylaws would have the election of officers information and that the Bylaws were part of policy and procedures. Ms. Warren reminded that all the policy and procedures have been brought to the HDC Board before and they were drafted from HACM's with some revisions.

Commissioner/Director Williams reminded that the Board was going to decide if we need to proceed with a mediator or if the Board feels that the goals with timelines covers the mediator. To query regarding inviting the community to the Annual HACM meeting, Staff explained that it has become difficult in finding organizations to honor that haven't already been honored several times.

During a lengthy discussion regarding obtaining a mediator, the Board decided on the following goals with timelines for bringing back to the Board.

**HDC Goals:**
2. Develop and Implement Staff Retention and Cross Training program – January to December 2013
3. Expand market penetration by two new contracts outside this market – December 2013

**HACM Goals:**
2. Quarterly TQS Meetings - September 2012
3. Obtain and Maintain High Performer Status in SEMAP - December 2012
4. Obtain and Maintain High performer Status in PHAS – Dec 2013

During these discussions it was noted that Ms. Goebel would provide a list of the organizations in which HACM is involved.

Commissioner/Director Healy noted that the Staff sells their products separately but the Board members would be selling the "Umbrella which includes the products of both HDC and HACM.

The Board then decided to add goals for the HACM and HDC Boards as follows:

1. Complete Board by having two resident Commissioners and all appointments completed – October 2012
2. All Commissioners be NAHRO Certified – December 2014

Commissioner Williams emphasized that the goals should be placed in the commissioner binders as a reminder.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 2 p.m.

[Signature]
Chairman

 Secretary

[Date] 10-23-12