

**ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD SEPTEMBER 24, 2012**

Commissioners met at the Central Office. Chair Elizabeth Williams called the meeting to order at 5:06 p.m. Present: Chair Elizabeth Williams, Vice Chair Kevin Healy, and Commissioners Josh Stewart, Alan Styles, Tom Espinoza, Andrew Jackson, and Charmaine Scott. Also Present: Lynn Santos, Director of Finance; Pat Wyatt, Human Resources Manager; Shannon Tonkin, Housing Management Manager; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC: None

PRESENTATIONS: Service Award Announcement

Commissioner Williams announced the service awards for Terry Chaffin for 5 years of loyal service to the Housing Authority and Vince Orozco for 10 years of loyal service to the Housing Authority. The Board thanks these employees for their years of loyal service.

To query regarding commissioner service award pins, the Clerk of the Board reported she had not been able to find any service awards being presented to the commissioners but would continue her research with the time frame provided by Commissioner Stewart.

The Board welcomed new Commissioner Charmaine Scott to the meeting. Commissioner Scott stated she was very happy to have an opportunity like this to help people. Commissioner Williams noted that the Ad Hoc Committee has not reached a decision on the other Tenant Commissioner position.

The Clerk of the Board pointed out that the July 8, 2012 minutes were completed and were on the table tonight and are listed on the Consent Agenda.

CONSENT AGENDA

- A. Minutes - Approval of Minutes of the Regular Board Meeting held August 27, 2012
- B. Minutes – Approval of Minute of the Special Joint HACM/HDC Meeting held July 8, 2012
- C. Minutes – Approval of Minutes of the Special Joint HACM/HDC Meeting held June 3, 2012

Commissioner Espinoza noted there were two typos on page 9, first paragraph, of the August 27th minutes; his last name was misspelled and the following word needed to be “stated.” The Clerk of the Board noted she would make those corrections.

Upon motion by Commissioner Styles, seconded by Commissioner Healy, the Board approved the Consent Agenda with the corrections noted by Commissioner Espinoza for the August 27th minutes. Motion carried with the following vote:

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

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Williams reported all committee items are on the agenda.

Finance/Development Committee: Commissioner Styles reported all items are on the agenda.

Monterey County Housing, Inc.: Mr. Rose introduced himself to new Commissioner Scott; he further reported there is a MCHI meeting scheduled on September 26th at 5:30 p.m. at 134 Rossi Street, Salinas. Mr. Rose invited the Commissioners to attend the MCHI meeting.

Affordable Acquisitions: Same as MCHI.

Monterey County Housing Development Corporation and LP’s: Ms. Rose reported all these items are covered on the HDC agenda.

REPORT OF SECRETARY

A. Executive Report

Ms. Santos reported in Ms. Goebel's absence that the Listening Session with HUD went very well; half of the room was full of HUD folks; she stated David Vargas and Johnson Abraham were both at the sessions. HUD is looking to standardize their inspections of all the federal programs such as tax credits, USDA, Section 8, and Public Housing because of the layering of funds. Ms. Santos reminded a letter had been sent prior to the session regarding no UPCS inspections but to remain with HQS, but it was obvious that they were moving in that direction because UPCS provides a grade and there is an opportunity to correct items. She noted HUD has some tweaking to do with UPCS but that is their plan. Ms. Santos further explained that there are 4,100 housing authorities and HUD will be focusing on the top 500; HACM is #75 for the Section 8 program in terms of dollars; HUD will concentrate their auditing and reviews on the top 500 housing authorities because that is where the money will be. HUD is also looking for ways for the housing authorities to tell them how they can be better monitored. Some relief will come when they move away from the VMS reporting because of duplication. They will be moving to use all the information in PIC. Also, the idea of housing authorities merging has basically been given up due to the strong resistance from local political folks. HUD would like to find a way to look at our financials but our audited financials are not due to them until 9 months after the end of the fiscal year.

Ms. Santos further stated that HACM was finally able to explain that certain milestones have to be reached before the commitment to pay can take place. She stated it was a good Listening Session. She emphasized that Mr. Vargas explained the session was not to address individual issues but to find solutions for HUD. She stated he also alluded to the fact that cuts are coming.

Commissioner Styles stated he, Commissioners Stewart and Williams, and Ms. Warren attended the appointment with Congressman Farr. Congressman Farr let them know that a continuing resolution was passed to keep the federal government afloat until March 2013. In discussions on several issues, Congressman Farr noted that he feels sure with the continuing resolution that what HUD stated about funding at certain levels would happen, but what happens after that nobody knows due to the upcoming election. Commissioner Styles mentioned that the Housing Authority and the Development Corporation were talked about as an entity of Monterey County; Congressman Farr is still pushing for us to get ourselves out in the public to be the Go To housing agency for all the cities and the county when there is a need for their housing element or a need for their own development.

Commissioner Styles emphasized that the appointment with Congressman Farr went very well, but we need to keep our faces out there and we need to meet with the Congressman on a monthly basis when possible. Commissioner Stewart stated we need to get that PR set up and there needs to be an education program (about HACM and HDC). Commissioner Williams noted that she and other Commissioners do keep their Board of Supervisors' elected official informed about what is taking place with HACM and HDC; she suggested a Joint Meeting with the Board of Supervisors to keep them apprised of our strategic plan and our PR and marketing pieces once they are completed. Commissioner Styles recommends that Congressman Farr be one of the first to review and critique our strategic plan after it is all put together.

Commissioner Williams introduced Commissioner Scott to Mr. Griffin and explained that he was the Board's Legal Counsel. Mr. Griffin thanked Mr. Edeza, who assisted him in entering the building since the doors were locked. The Clerk of the Board apologized about the doors and stated she was responsible for that and would make sure the doors were opened. At this point, Staff members, Ms. Santos, Ms. Wyatt, Ms. Tonkin, and Ms. Kandell along with HDC Staff member, Ms. Rose, were introduced to Commissioner Scott. It was further noted that Ms. Goebel, HACM Executive Director and Ms. Ruelaz, HACM Housing Programs Manager were at a conference along with Ms. Warren, HDC President/CEO, and Ms. Sahagun, HDC's Community Development Planner.

NEW BUSINESS

A. Procedures for Election of Officers

Chair Williams read the procedures for the election of officers and called for nominations.

Commissioner Stewart nominated Commissioner Espinoza for Chair and Commissioner Jackson seconded that nomination. Commissioner Espinoza thanked the Commissioners for their nomination but stated he respectfully declines due to his personal workload and that he doesn't feel he has the time needed. Commissioner Espinoza stated he would like to nominate Commissioner Healy for Chair.

Commissioner Stewart noted that it takes a lot of commitment. When he was the chair of this Board he gave up a lot of different things to make sure he was here; that commitment has to be there. He pointed out he had spoken in the past about his concern with Commissioner Healy who has a young family and also sometimes a job requirement out of town; Commissioner Stewart stated that is a heck of a situation to be in.

Commissioner Styles stated he has the same concern because it takes a tremendous amount of time to be Chair and you have to be accessible; he stated when Staff needs you, they need you and you have to figure out how to get in here to get things done. Commissioner Styles stated he wants to get new and young people into these positions and doesn't want the old folks running the show much longer, but he would ask each Commissioner to think about the commitment if they are nominated and elected because it is a very time consuming commitment.

Commissioner Healy thanked both Commissioners for their consideration and stated he would not entertain the opportunity if he didn't think he could commit to doing the job and doing it well. He noted he had made some changes professionally speaking that would allow him to be local more often than in the past plus he has talked with Mrs. Healy and he is definitely willing to make the commitment necessary to get the job done. Commissioner Healy stated he appreciates their comments.

Commissioner Espinoza commented that he hasn't spoken to Commissioner Healy about this issue but he senses that Commissioner Healy, based on his service as the Vice Chair and how active he has been in the finances of the organizations plus his attendance at some out of town seminars on finances that he is serious about his commitment to this Commission and that he has the energy and desire to do it. Commissioner Espinoza noted that he served as the Chair of the Personnel Committee and will continue to do that and come to the monthly meetings; he stated he missed one meeting in two years and has not always been on time but he has been there and he hopes that it doesn't look as though he is not committed to the organization. Commissioner Espinoza stated he has been involved on boards in the past and if he can't go all in for some reason then he doesn't want to take on that responsibility. To a query about reelections of members of the Board of Supervisors and their appointments, the Commission responded that once you are appointed you are appointed until your term runs out.

Commissioner Healy noted to the new Commissioner that it was really enjoyable being a Board member. Commissioner Williams further stated to the new Commissioner that one can see by this conversation that the Board members feel confident with each other enough to bring these issues up in this format. She asked Commissioner Healy if he would like to comment. Commissioner Healy stated the comments speak to the passion of the organization, which he appreciates.

Commissioner Espinoza nominated Commissioner Healy for Chair, seconded by Commissioner Styles.

Commissioner Stewart stated he would like to nominate Commissioner Styles for Chair; Commissioner Styles replied that he respectfully declines.

Upon motion by Commissioner Styles, seconded by Commissioner Scott, the nominations for Chair of the Board were closed. Motion carried with the following vote:

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

Chair Williams reminded that there was a nomination on the floor for Commissioner Healy to be the Chair moved by Commissioner Espinoza and seconded by Commissioner Styles. There was no further discussion. Chair Williams declared Commissioner Healy as the Chair of the Board of Commissioners by acclamation for the ensuing year.

Commissioner Williams opened the nominations for Vice Chair.

Commissioner Healy nominated Commissioner Williams for Vice Chair, seconded by Commissioner Styles.

Commissioner Stewart nominated Commissioner Espinoza for Vice Chair, seconded by Commissioner Jackson. Commissioner Espinoza stated that he feels that with her experience serving as the Chair for the last two years that Commissioner Williams should be the one to backup Commissioner Healy, but he accepts the nomination.

Upon motion by Commissioner Styles, seconded by Commissioner Healy, the nominations for Vice Chair of the Board were closed. Motion carried with the following vote:

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

Ms. Santos handed out the ballots and she and Ms. Wyatt counted the results. Ms. Santos announced that Commissioner Williams is elected as the Vice Chair of the Board of Commissioners for the ensuing year.

Commissioner Williams thanked the Commissioners for the last two years and stated she appreciated being the Chair. She thanked the Commission for electing her as Vice Chair. She stated that she is fully committed to Commissioner Healy as the new Chair. Commissioner Healy responded that he appreciates that very much and will utilize her experience; he thanked Commissioner Williams for a very good job as Chair.

The Clerk of the Board reminded that Commissioner Healy will be teleconferencing into the board meeting next month.

Commissioner Williams passed the gavel to Commissioner Healy as the new Chair.

INFORMATION

A. Finance Report

Ms. Santos reported that she already discussed the Listening Session in the Executive Report. She pointed out that recently Ms. Goebel met one of the new State of California Housing and Community Development heads at a NAHRO conference and as a result, we now have some traction on our issues with the Office of Migrant Services; Commissioner Styles noted that you can't put a dollar value on the connections you can make at the conferences. The networking can help to elevate the organization.

During a short discussion about the possibility of the new Commissioner traveling to the National NAHRO Conference, the Clerk of the Board noted she would check on whether there was a New Commissioner Orientation being offered at this conference and whether or not the new Commissioner was available during this time frame.

Ms. Santos further reported that HACM received a Freedom of Information Act request from the Monterey Herald that focused on Commissioner and Executive Director travels and meals since January 1, 2012. The response was forwarded within the ten days allowed. To query on whether anything looked out of proportion and/or whether a policy review was needed, Commissioner Williams responded that she had reviewed the documentation and deemed it consistent and appropriate with our criteria and bylaws.

Ms. Santos sadly reported that Mr. Bill Thompson, former Chief Administrative Officer, had recently passed away. The Board requested further information as it becomes available.

At the request of Commissioner Healy, Ms. Santos reported on the concerns. She noted that regarding Lakeview we had conservatively estimated the subsidy would be \$21,000 from the State because we received \$58,000 last year, but unfortunately they are funding only \$5,000 which amounts to \$9.00 a unit per month; their rationale was they are counting full rent for the three units that we consider to be off-line. She noted at this point all we can do is take the subsidy and argue about it later. To query, Ms. Santos responded that the contract on Lakeview ends December 2014; she explained that a document was recently found by HDC that extended the contract one more year due to the project not being completed on time. To query on advocating an appeal, Ms. Santos reminded that this particular program is out of money which speaks to their method of reducing the eligible subsidy. To query whether a change to the budget was needed with the Lakeview subsidy, Ms. Santos responded that there are always variables but the Board can direct a revised budget. She noted that the bigger issue would be Staff time. Ms. Santos further reported that the HELP loans are added just as a reminder.

B. Human Resources Report: Ms. Wyatt reported she had nothing to add to her report.

C. Development Report

Ms. Rose reported in Ms. Warren's absence, that we think the ARRA HUD audit for HDC went well and we passed with flying colors so that should be ready to be closed out. There is no good news for Castroville FLC because the NOFA is out for new construction for new units but not for existing units and that project doesn't fall under the rehab because the cost analyses is not there. She noted HDC is pleading on the national level for any kind of money otherwise they may have to take some units off-line for health and safety reasons. She noted they hope to hear back soon on any kind of funding. Ms. Rose emphasized that we're at the point now that we had planned for rehab but because of the delays, time has passed and it has gotten past the point to do the rehab effectively.

Ms. Rose pointed out another issue is the potential of Salinas losing their rural designation; which is not good news. She stated HDC competes in the rural designation for tax credits. Commissioners Stewart and Styles noted that Ms. Warren provided a good briefing on this issue to Congressman Farr. Commissioner Styles reported that Congressman Farr is planning to send out a letter to the other Congress members that will also be losing rural designations in their area. The Congressman noted that he spoke up when he heard it announced but there were only a couple of others that spoke up too. Commissioner Styles stated that the Congressman stated there were going to be some exemptions but nobody knows how that is going to work; the Congressman was adamant that he was going to send letters out and they were going to start making some noise about not changing this designation. Ms. Rose emphasized that even with the population of Salinas above the maximum of 35,000, Salinas has always been exempt and listed as exempt, perhaps because of the agriculture, but this will be a huge blow to HDC not only for Haciendas but possibly also for Paso Robles which is another jurisdiction facing the rural designation issue. If you are not designated rural, there is a possibility you may not even get the USDA 514/516. Commissioner Healy questioned whether HACM could do anything at our level to help Congressman Farr on this issue; Commissioner Styles responded not at this time.

Commissioner Styles stated 100,000 rural communities will be affected nation-wide so that would mean 150 Congress members would need to be notified by Congressman Farr. Commissioner Styles further stated you cannot get waived out of this law; it is a 35,000 population or less and that is it. He stated that they requested the list of Congress members. Ms. Rose stated she has a link to the list and will email it to the Clerk of the Board. She further noted that Ms. Warren had mentioned they're hoping it might be reinstated by December. Commissioner Styles stated that Congressman Farr's goal was to have it reinstated as it is, not as it will be, by the end of the year. Ms. Rose emphasized the need to keep following up on this issue. Commissioner Williams also emphasized that as soon as the list is received, we need this information to go to NAHRO. Commissioner Healy recommends getting back on the Congressman's calendar in the near future to find out where this issue is and to try to lend support where we can.

Commissioner Styles noted that the mayors of the cities need to be made aware and others in the local area. Ms. Rose emphasized this law goes into effect on October 1st. She reiterated that USDA obviously deals differently than HUD does but there are a lot of projects that are very important in Monterey County that are funded through USDA and losing that funding is going to be detrimental and beyond that it has this overlay in tax credits which HDC competes for. This could have a tremendous impact where we compete and we need to think globally of how far it affects this county.

D. Property Management Report

Ms. Tonkin reported she would like to add that property management has started the lease-up process for Haciendas; they have been contacting the relocated residents, which is going well. Approximately 60% of the relocated tenants showed up at their appointments. The CalHFA inspection went okay with some mixed feelings about the inspection; we are waiting for their results. She further reported that a new Property Management Supervisor has been selected and she had spoken to all of the candidates today so that announcement should be out tomorrow. Ms. Tonkin stated we have three caretaker positions that are open right now and staff is working to fill those.

In a lengthy discussion regarding tours for law enforcement, Commissioner Styles emphasized that for some unknown reason Tynan Village is being bad-mouthed through rumor and speculation. He suggested that tours of the properties for the law enforcement folks might help to do away with these bad perceptions. Commissioner Stewart stated that the police chiefs in the surrounding cities meet quarterly at the Sunset Center in Carmel and that this might be a good venue to have someone speak to this group about HACM and HDC as well as offer tours of our facilities. It was reminded that HDC was currently putting the PR information together. Commissioner Espinoza noted that the list to do formal presentations on HACM and HDC is growing.

Commissioner Williams asked whether anything was taking place on the Fano Vista property management going to HACM. Ms. Rose noted she did not have that answer because Ms. Warren was working on this issue.

E. Asset Management Report: Ms. Santos reported for Ms. Goebel that the main thing on this report is the Listening Sessions which have already been addressed.

F. Housing Programs Report

Ms. Santos reported for Ms. Ruelaz, who was also at the conference that she had nothing to add to this report. Commissioner Williams asked whether Section 8 was opening up again since there was a note on the HACM front door. Ms. Santos responded that they are opening up certain Project Based Section 8 wait lists, not the general wait list for the Section 8 program.

The Board convened to Closed Session at 6:31 p.m.

CLOSED SESSION

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

- A. Government Code 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: No action to report.

The Board reconvened to regular session at 7:02 p.m.

COMMISSIONER COMMENTS

Commissioner Jackson commented everything looks fine.

Commissioner Styles thanked Staff for their great work; he appreciates it.

Commissioner Stewart congratulated Staff on their magnificent job; he stated keep it up. He requested the acronym listing be placed in his Board binder. The Board requested copies of the acronym list also be provided to all commissioners. Commissioner Stewart further congratulated the new officers, Commissioners Healy and Williams.

Commissioner Williams welcomed Commissioner Scott and congratulated Commissioner Healy on his election to the Chair. Commissioner Williams wished Mr. Griffin and Commissioner Espinoza a Happy Birthday. She thanked HACM and HDC Staffs for all their help during her tenure as Chair; she greatly appreciated their assistance.

Commissioner Espinoza thanked Staff for their hard work and in particular Ms. Santos and Ms. Rose while others were at the conference. He thanked Commissioner Williams for a bang up job for the last two years as the Chair; he stated Commissioner Healy has his work cut out for him but he knows Commissioner Williams, as the Vice Chair, will be there to help out. Commissioner Espinoza stated he has every confidence in the newly elected officers and he is excited about the next couple of years. He is looking forward to the Healy/Williams alliance.

Commissioner Scott thanked the Commissioners for attending the meeting and allowing her to serve with them. It is an honor to see the process at this stage of your new positions and the transitions that are taking place. She hopes she can be somewhat as effective as the other Board members. Commissioner Scott stated she is grateful and thankful and looks forward to the next two years of service.

Commissioner Healy welcomed Commissioner Scott and stated it is nice to have her on board as a member of this great team. He thanked Staff and all those who stood in for the various absentees tonight. Commissioner Healy thanked Vice Chair Williams for her help; he stated he was going to be counting on her. He noted he would be contacting Staff members to set up a time to get him up to speed. Commissioner Healy further thanked the other Commissioners for their comments about his commitment; he stated count me in 100 percent and he hopes to demonstrate that in the future. He further stated he is excited about moving forward from this point. He wished Mr. Griffin and Commissioner Espinoza a Happy Birthday.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:10 p.m.

for Edward Williams
Chairman

ATTEST:

Jack G. Gorbil
Secretary

10-23-12
Date