March 25, 2013

ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD MARCH 25, 2013

Commissioners met at the Central Office. Vice Chair Elizabeth Williams called the meeting to order at 5:04 p.m. Present: Chair Kevin Healy (Teleconference), Vice Chair Elizabeth Williams, and Commissioners Alan Styles (Teleconference), Tom Espinoza, Charmaine Scott, Kathy Beuthin, and Mary Jo Zenk. Also Present: Jean Goebel, Executive Director; Lynn Santos, Director of Finance; Joni Ruelaz, Housing Programs Manager; Pat Wyatt, Human Resources Manager; Shannon Tonkin, Housing Management Manager; and Starla Warren, Fee-for-Service Director of Development. Recorder: Sandy Tebbs

Vice Chair Williams noted for the record that she was chairing tonight’s meeting because Commissioner Healy was attending via teleconference. Due to lack of a quorum in the jurisdiction at this time, the Commission addressed items that did not require a vote.

COMMENTS FROM THE PUBLIC:

Suzanne Cook-Turner commented she is here because she enjoys serving her clients and she has looked forward to a long career here at HACM. When she came to work for HACM, she knew she was not going to get rich, but she did expect to be treated with dignity and respect. She stated she was sure the Board could understand her shock and disappointment when she learned that management came to the table with a proposal not only to maintain a freeze in wages, but to also cut retirement benefits that are already lower than industry standards. She stated fifteen or twenty years from now she wants to be able to stand here in front of this Board retiring to thank them for allowing her the opportunity to serve the community. If HACM’s proposal to freeze wages and cut retirement benefits is enacted, not only will she not be able to retire but she will need to look for a part-time job in addition to her current employment with HACM just to put food on the table and put a roof over her family’s head. She asked, is that how the Board wants its employees to live? She certainly hopes not. She further stated, please send your bargaining team to the table with direction to ensure its dedicated employees receive fair wages and an opportunity for retirement in recognition of the hard work that they do.

Socorro Vasquez commented she is a fifteen year HACM employee and she comes before the Board as a Representative of SEIU Local 521 and she wants to thank the Board for their service to the community. Like all her co-workers, she also looks forward to coming to work every day to serve that community. She stated to the Board, as you know our residents depend on the housing assistance we’ve provided to take care of their families and that is why the services we provide are vital and necessary to the well-being of our community. In return for all our work, all we ask for is the dignity and respect, fair wages; decent health benefits and retirement security. Like most public agencies, your employees are not part of PERS and there are no unfunded pension liabilities. Your bargaining team has proposed to cut down retirement benefits to the point where we will not be able to afford retirement. Moreover, your team has proposed to continue a wage freeze despite next to no wage increases over the last several years even with the effects of rising inflation being felt by our families. We would not ask for a raise if HACM did not have any money and we do not expect to get rich but we do expect for our work and dedication to be recognized. On behalf of your employees, we know you will do the right thing by sending your bargaining team to the table with the authority to provide working conditions that will provide fair wages and a retirement plan that will demonstrate to all of us that you value the service we all provide to our community.

Vice Chair Williams opened the Public Hearing at 5:09 p.m.

PUBLIC HEARING: PHA Annual Plan

Ms. Goebel explained this Public Hearing is for the Annual Plan and to receive public comment for consideration before submitting the plan to HUD. There were no comments on the PHA Annual Plan.

Vice Chair Williams closed the Public Hearing at 5:10 p.m. and reconvened to regular session.
CONSENT AGENDA: (See Consent Agenda following Old Business)

REPORTS OF COMMITTEES
Personnel Committee: Commissioner Styles reported everything was on the agenda.
Finance/Development Committee: Commissioner Espinoza reported everything was on the agenda under New Business items A through C.
Monterey County Housing, Inc.: Mr. Rose asked Chair Healy whether the appointment of a replacement Representative to MCHI would take place tonight under the Old Business agenda item for Committee Appointments; Chair Healy responded that he was not ready with a consensus to make that MCHI appointment tonight, but it could be discussed under the Old Business item. In further discussion, Commissioner Espinoza stated he would attend the MCHI meeting scheduled for this Wednesday with the understanding that Mr. Rose is looking to have a replacement Representative that can attend more permanently. Vice Chair Williams noted that a discussion on the MCHI Representative would not be beneficial if an appointment cannot be made tonight. Mr. Rose next reported the very sad news that MCHI Board member Manuel Sahagun passed away on March 14th and he will be greatly missed. Vice Chair Williams stated our deepest sympathy to the MCHI Board and to the Sahagun family. Mr. Rose responded to query that he thought there would be a quorum at the MCHI meeting on Wednesday.
Affordable Acquisitions: Same as MCHI
Monterey County Housing Development Corporation and LP’s: Ms. Warren reported all these items are on the HDC agenda.

REPORT OF SECRETARY

A. Executive Report

Ms. Goebel reported the mood at the NAHRO Legislative Conference was depressing and it seems that the people at HUD are very demoralized and the Congress people feel like they can’t do a whole lot because there’s nobody talking to anybody and trying to accomplish anything, but she felt some inroads were made when we asked people to consider changing regulations on some programs so we can do things in a more cost effective way. The people from HUD understand what Housing Authorities are up against but there’s no money forthcoming and sequestration is going to be a worse impact in years to come. Unless Congress is willing to consider other income sources we will be seeing this for some time.

Commissioner Zenk arrived at 5:15 p.m.

Commissioner Healy thanked Ms. Goebel for her candor and straight forward quotations in the Monterey Herald newspaper article on sequestration.

Vice Chair Williams noted for the record that the Board now has a quorum of Commissioners in the jurisdiction for voting purposes.

OLD BUSINESS

A. Committee Appointments

Chair Healy appointed Commissioner Zenk to the Finance/Development Committee and thanked her for accepting this committee appointment. Chair Healy then appointed Commissioner Beuthin to the Personnel Committee and thanked her for her acceptance to this committee appointment. Vice Chair Williams noted that the Finance/Development Committee was comprised of Commissioner Espinoza as Chair along with Commissioners Williams and Zenk. The Personnel Committee was comprised of Commissioner Styles as Chair along with Commissioners Scott and Beuthin.

CONSENT AGENDA

A. Minutes – Approval of Minutes of the Regular Board Meeting held February 25, 2013
B. Resolution 2747: Board Minutes Retention

Commissioner Zenk noted that the last paragraph on page 2 of the minutes should be $1.4 M from HUD and not the County; Ms. Goebel noted it was for the whole County from HUD not
just HACM. The Continuum of Care receives the $1.4M and HACM gets a portion of that money. Staff noted that paragraph would be corrected.

Upon motion by Commissioner Styles, seconded by Commissioner Espinoza, the Board approved the Consent Agenda with correction to the minutes of February 25th as noted. Motion carried with the following roll-call vote:

AYES: Healy, Williams, Styles, Espinoza, Scott, Zenk
NOES: None
ABSENT: Beuthin

NEW BUSINESS

A. Resolution 2744: PHA Certification of Compliance with the PHA Plan and Related Regulations (2013)

Ms. Goebel explained this is the PHA plan certification of compliance with the regulations and since there were no comments in the Public Hearing, this is the plan that will be sent to HUD for Fiscal Year beginning July 1, 2013. To query regarding HACM contact with social services regarding waiting lists, Ms. Goebel responded that Ms. Ruelaz meets with them quarterly and also sits on the VASH committee for the whole county. Ms. Goebel noted she sits on the Coalition of Homeless Services Board with the providers for homeless services regarding what needs to be done within the county for homeless persons and families.

Upon motion by Commissioner Scott, seconded by Commissioner Zenk, the Board adopted Resolution 2744, approving the Agency Annual Plan. Motion carried with the following roll-call vote:

AYES: Healy, Williams, Styles, Espinoza, Scott, Zenk
NOES: None
ABSENT: Beuthin

B. Resolution 2745: Authorization to Execute Loan Documents Relative to the Haciendas Phase 2 Development

Ms. Warren stated this resolution mirrors the one for Haciendas Phase 1 and that HACM and HDC provided three guarantees: construction completion guarantee, recapture guarantee, and operating deficit guarantee. Ms. Warren explained the construction completion guarantee is nullified by the payment and performance bond that secures the guarantee from the contractor. The tax credit recapture guarantee is not at risk unless the property management entity is not doing their job and HACM will be the property management company. The operating deficit guarantee will be funded at $117K at the close of the pern loan. This resolution is requesting approval for the Executive Director to enter into these agreements when close takes place next week; construction has to start by April 8th or we lose our tax credit allocation.

To Commissioner queries, Staff responded that everything mirrors the agreements with Haciendas Phase 1, but the developer share of 7% for HACM is addressed in the next resolution. The operating deficit guarantee is fully funded and nothing has been drawn on any of the prior projects. Staff noted it is all cash and it is all restricted and they are funded by the property itself. Ms. Warren noted it is borrowed from the construction loan and deposited into a restricted fund.

Upon motion by Commissioner Zenk, seconded by Commissioner Scott, the Board adopted Resolution 2745, authorizing the Executive Director to sign documents relating to the loan and guarantees on Haciendas Phase 2. Motion carried with the following roll-call vote:

AYES: Healy, Williams, Styles, Espinoza, Scott, Zenk
NOES: None
ABSENT: Beuthin
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C. Resolution 2746: 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 2.

Ms. Warren explained this resolution defines the agreement between HACM and HDC in exchange for HACM providing a guarantee to do a developer share; HDC will be assigned the first right of refusal and option to purchase to HACM at year 15; and allow a 20% share of the waterfall proceeds for seller to take back financing; and authorizes HACM as the Property Management for Haciendas Phase 2.

Upon motion by Commissioner Healy, seconded by Commissioner Espinoza, the Board adopted Resolution 2746, authorizing the Executive Director to work with Legal Counsel for both agencies to develop suitable agreements that carry out the intent of this resolution and to execute documents necessary to effect this transaction. Motion carried with the following roll-call vote:

AYES: Healy, Williams, Styles, Espinoza, Scott, Zenk
NOES: None
ABSENT: Beuthin

D. Executive Compensation Analysis

Ms. Goebel explained that HUD has decided that every housing authority has to do an annual compensation analysis of its top five executive management staff; she noted this needs to be done by the Board because the Staff folks are the ones being examined. The Personnel Committee suggested this be brought to the full Board to get authorization to get the cost for a firm to do this analysis. To query Ms. Goebel responded she doesn’t believe an RFP will be necessary because it should not be over $100,000. She noted once we know the cost that will tell us what we need to do. Ms. Goebel stated tonight we need guidance and direction from the Board.

The Board directed this process to begin for a compensation study for the Executive Director and the HACM department heads.

INFORMATION

A. Finance Report

Ms. Santos reported the Finance Department is busy with all the audits as well as getting started on budgets plus working on Final Cost Certifications and some closing documents needed for Haciendas Phase 2. She further reported we are now operating under the Continuing Resolution that was approved through this federal fiscal year which ends in September. We know there will be a reduction in the admin fee proration to 70% but we don’t know what that 70% is of; for instance whether it is 70% of what we got last year or will they publish rates that it will be 70% of, or is it going to be 70% of the average of what they gave us for the first three months of the year – we don’t know. Ms. Santos stated there is a similar issue with what they are going to give us for the operating subsidy; we know what is going to be cut, but from what is the question. She stated we are in limbo until we have more information, but we hope to hear in the next couple of weeks.

B. Human Resources Report

Ms. Wyatt stated she had nothing to add to her report, but responded to a query that the new claim under Worker’s Comp should be under First Aid/Information Only.

C. Development Report

Ms. Warren reported Salinas will retain its Rural Designation for 2013 through the Continuing Resolution; the crux of the issue is that USDA put out a definition for rural that caps the population at 35,000 and Salinas is at 144,000 and Paso Robles is around 50,000 so these exceed the population; however, our communities are very rural oriented so it is a matter of considering the nature of the jurisdiction versus just looking at the populations. To query on Castroville and what would our second option be if we do not get the USDA NOFA coming out in July/August,
Ms. Warren responded that there will be some new State of California loans and/or grants coming out that Staff will be talking about this Friday that the Castroville project may lend itself to also; we will do what we can to fit the project within the funding constraints. To another query regarding whether entitlement jurisdictions for CDBG would be positive or problematic for HACM, Ms. Warren responded she didn’t think it would be real positive because not everyone would want to relinquish control on what goes on in their jurisdiction. In further discussion, Ms. Warren noted some consortiums may include both CDBG and HOME funds.

Commissioner Beuthin arrived at 5:40 p.m.

To query on HACM Annual Plan, Ms. Goebel responded the County will not be an entitlement district until July so it will not apply to us this year but it will next year; she also stated that a copy of the annual plan was provided to the County this year for information.

D. Property Management Report

Ms. Tonkin pointed out that she has added notes on the waiting lists that reflect whether the waiting list is open or closed. Commissioner Williams congratulated the Property Management department on the 100% lease-up at Haciendas 1. Outstanding job in a short time; HACM is an excellent manager.

E. Asset Management Report:

Ms. Goebel reported she had nothing to add to her report.

F. Housing Programs Report

Ms. Ruelaz stated that it has already been reported that we submitted an application to PSWRC for the FSS Graduate of the Year award, but we also have submitted an application for Program Innovation for our work with WELI Group, Hartnell College and Rabobank. Ms. Ruelaz further stated that regarding the fraud case for $35,000, she has been subpoenaed by the District Attorney for Monterey County and hopefully we will get some money back from that. She further stated the District Attorney has requested the Housing Programs Staff do some training to their Welfare and Fraud Investigators so that the communication between our organizations is better. Commissioner Williams requested Ms. Ruelaz provide an update on the reorganization that began in January in her department.

The Board convened to Closed Session at 5:44 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: Upon motion by Commissioner Zenk; seconded by Commissioner Espinoza, the Board approved the Side Letter Agreement. Motion carried with the following roll-call vote:

AYES: Healy, Williams, Styles, Espinoza, Scott, Beauthin, Zenk
NOES: None
ABSENT: None

The Board reconvened to regular session at 6:26 p.m.

COMMISSIONER COMMENTS

Commissioner Beuthin apologized for being late to the meeting and hopes she can get up to date on what she has missed this evening.

Commissioner Espinoza commented he was pleased to have a full Board and really appreciates that the Commissioners are committed to the Housing Authority.
Commissioner Healy thanked everyone for their continued hard work; he further thanked everyone involved in getting Haciendas leased up so quickly. Commissioner Healy wished to offer his most sincere personal condolences to Ms. Sahaguín and her family for their recent loss. He further thanked all the Commissioners for their participation and acceptance of the committee appointments. Commissioner Healy also thanked Vice Chair Williams for offering to Chair the meeting this evening in his teleconference absence. He wished everyone a Happy Easter.

Commissioner Styles thanked Staff for all the hard work that they are doing and to keep up the good work. He stated he wanted to ditto the remarks made by Ms. Goebel as far as the Washington, DC trip; he noted he has never seen so many folks who were ready to leave a very negative place and get back home. And the hard work with sequestration really may not be this year so we really need to take a hard look at where we’re going in the near future. He stated he is looking forward to getting home on Thursday.

Commissioner Zenk commented she wanted to thank the Staff for all their hard work and to relay a discussion she had with United Way. She stated United Way is trying to set up a meeting about sequestration and the impact on Monterey County; she urged them to make sure that the Housing Authority was involved because we were not on their list of organizations. Commissioner Zenk further noted United Way was encouraging everyone to share with the Free Tax Preparation because there is $16M of earned income tax credits that are not being claimed by Monterey County; she stated this is something to push and promote. She also stated there is a lot of Cal Fresh money that low income families are not accessing as well.

Commissioner Scott thanked the Staff for all the good work they do. She enjoyed the opportunity to be with those in Washington DC and to get a little bit of the hands-on with the networking among all the different housing authority representatives there. Commissioner Scott agreed that it did not seem very positive with respect to the sequestration and the impacts that might have on our communities; however, she thinks that the housing authority organizations are determined folks in her opinion and it was an opportunity to hone their message and come together to make sure that we continue to hammer away at Congress. She also stated that if we work together on behalf of all the people we serve, we can make a difference. Commissioner Scott commented she feels very honored and privileged to be among everyone here.

Commissioner Williams commented that Commissioner Styles conducted a very good session at NAHRO, What are we going to do next? One gentleman in the session suggested a million man march on Washington DC for housing. Commissioner Williams noted there was a little book included in the NAHRO Conference packet that she brought back for anyone to read, What’s Next . . . NAHRO’s 2013 Legislative and Regulatory Agenda. She stated that she was very proud of Ms. Goebel and Ms. Warren representing us and being with the Commissioners at the legislative visits to Congressman Farr and Senators Feinstein and Capps as well as the visits to HUD, which were very depressing. Commissioner Williams further stated we are all feeling it and this is only the beginning. It was a good and productive trip with regards to the legislative visits. She thanked everyone that went to Washington DC.

The Board wished Commissioner Zenk a Happy Birthday.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:30 p.m.

[Signature]
Chairman

ATTEST:

[Signature]
Secretary

[Signature]
Date: 4-24-2013