ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD DECEMBER 14, 2015

Commissioners met at the Central Office. Chair Mary Jo Zenk called the meeting to order at 4:35 p.m. Present: Chair Mary Jo Zenk, Vice Chair Elizabeth Williams and Commissioners Kevin Healy, Tom Espinoza, Kathleen Ballesteros, and Viviana Gama. 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 Development Director. Recorder: Sandy Tebbs

PRESENTATION: Service Award: There was no service award for tonight.

COMMENTS FROM THE PUBLIC: None

CONSENT AGENDA

A. Minutes — Approval of Minutes of the Regular Board Meeting held November 16, 2015
B. Resolution 2838: Semi-annual Write-offs
C. Resolution 2839: Board Minutes, Agendas and Packets Retention Policy
D. Board Self-Evaluation Tool
E. Resolution 2840: Updated HACM Organizational Chart

Upon motion by Commissioner Williams; seconded by Commissioner Gama, the Board approved the Consent Agenda. Motion carried with the following roll-call vote:

YES: Zenk, Williams, Ballesteros, Gama
NOES: None
ABSENT: Healy, Espinoza

REPORTS OF COMMITTEES

Personnel Committee: Commissioner Zenk stated all items are on the agenda.
Finance/Dev Committee: Commissioner Gama reported everything was on the agenda.
Monterey County Housing, Inc.: Mr. Rose reported their next meeting is scheduled for January 13th; he thanked Commissioner Williams for attending their last meeting. He requested everyone keep Mr. Scott in their thoughts; he was just released from the hospital.
Affordable Acquisitions: Same as MCHI
Sunrise House: No report given this month.

REPORT OF SECRETARY

A. Executive Report:

Ms. Goebel pointed out that congratulations go to the Section 8 Department for being a High Performer for SEMAP and to the Property Management Department for a clean report on the HOME audit that was done at Pueblo Del Mar.

NEW BUSINESS

A. Schedule for Annual Plan – Information Only

Ms. Goebel stated she wants to keep the Board apprised as to how we are going to proceed with the Annual Plan because we are in the middle of RAD; if RAD closes before we have to put the Annual Plan out for comment, public housing will no longer be included. So it should look different this year than in previous years. To query on Resident Advisory Board, Ms. Goebel explained this group meets once or twice a year to review the Annual Plan because there has to be tenant involvement.
Commissioner Espinosa arrived at 4:40 p.m.

INFORMATION

A. Finance Report

Ms. Santos reported the Finance/Development Committee requested information on the Project Based Vouchers be provided to the full Board. We thought we were going to be able to count on 20% of total ACC vouchers as our max number of Project Based vouchers that HACM could issue which would be 867; however, HUD has clarified that it has to be based on dollars as well but they didn't specify utilized or dollars awarded. Ms. Santos stated she calculated those numbers based on how many Project Based vouchers we currently have and their average HAP payment. Based on those numbers we can issue between 200 and 250 Project Based vouchers before we are at the max. Ms. Goebel noted that California Association of Housing Authorities among others in Congress are saying that if we can't build affordable housing, then we can at least provide Project Based vouchers to assist developers in building affordable housing for low income people. To query regarding HELP loan extension, Ms. Santos responded the HELP Loan extension was approved and HDC has paid $70K for that extension.

B. Human Resources Report

Ms. Wyatt reported that Property Management is on track for late performance evaluations to go down to zero by the end of the year. The Board congratulated Ms. Tonkin on a good job. Commissioner Zenk noted the number of open claims is also down to zero.

C. Development Report

Ms. Warren stated she had nothing to add but it was important she walk thru the current points on the RAD scenario: the energy efficiency item has come to a conclusion as of today. We were given three days to complete modeling on 85 building types; therefore, we engaged three energy consultants to do that over the weekend. The consultants also conducted additional inspections on the units' combustion testing which actually turned up some good data in terms of current conditions; we need to replace some stoves and do some work on carbon monoxide detectors in some units. She stated we are on the TCAC agenda to be awarded for three projects that have already received their bonds. Ms. Warren further reported Staff had to inspect another 250 units that will receive interior rehab as a result of TCAC and CDLAC requests to replace all the hot water heaters and refrigerators in those units not receiving rehab. That comes to about $550K in additional costs which we have put into the budget. To query on whether that had not just happened with the previous rehabs, Ms. Warren replied in the affirmative and stated that was an argument Staff put forth but we did not have adequate data to demonstrate the history of replacement due to the crypto virus that affected some of our tracking documents. She noted going forward, we will be using Yardi's tools instead.

Ms. Warren replied in the affirmative to query on whether the idea of replacement of appliances was for additional energy savings, but the rest of the units will also need a 10% energy reduction. The units not receiving rehab were not on a capital needs assessment and should not be replaced. Now we will do an energy report to find out what the impact of that rehab was but it will probably fall short of 10% but by that time she noted she will have spoken to the Executive Director for RAD for some answers.

Ms. Warren next reported her department had received some numbers back from the contractor which they are reviewing. She noted we might have to increase construction budgets on some of the projects. The seismic inspections were conducted on the initial lender request with a PLM or risk factor number of 20 and with the new lender, the risk factor is 12; therefore we will be able to lessen the amount and scope of the seismic retrofits. The 1030 Rider project has a big issue and we will probably have to spend $300K on that 16-unit building due to the tuck-under carport. Ms. Warren noted she doesn't know that number now for the risk factor of 12 but there is $770K in the budget currently for seismic retrofit. She then stated the construction lender, the perm lender, and the equity lender visited the RAD sites at the same time last week.

To query on carbon monoxide and smoke detectors, Ms. Warren replied the energy consultant identified some potential carbon monoxide problems and Property Management remedied those issues right away. She noted that had to do with exhaust and any risks associated with that will
be mitigated. Ms. Warren reported the surveys are almost done; we will have reports to tell us exactly what the status of everything is. She noted they are considering doing a seal of the tubs/ surfround which would eliminate the risk of asbestos and is a fix that we will try to do on the ADA units.

Commissioner Healy arrived at 4:51 p.m.

Ms. Warren further reported with regards to the bond documents that the special meeting scheduled for January 6th will not be needed because the bond documents will probably not be ready. She noted the bond documents will go to the regular January Board meeting. She next stated the finance plan has been submitted to HUD and three comments were received on those this morning; the comments were minor and requested the workbook from the PCNA's and we provided that. HUD also wanted an attorney opinion with regard to exemption from real estate tax and that is currently in process. HUD also had quite a few changes in the PIH groupings.

Commissioner Zenk noted some of the report dates seem to be mixed up; Ms. Warren replied those dates should be December. Commissioner Zenk further noted that a chart that shows what the old public housing projects were would be helpful. Ms. Warren replied she would provide that.

To query on 123 Rico building, Ms. Santos replied she had forwarded the information to the new company but has not heard back from them.

D. Property Management Report

Ms. Tonkin reported her department is inundated with income re-certifications; half of the public housing households have been completed in the last two weeks. This is an addition to all the inspections HDC has been requesting. She stated we have also been notified that REAC wants to inspect Portola Vista; therefore that is being scheduled. To query, Staff replied it is a standard inspection because we haven't been inspected for almost five years due to new ownership. Ms. Tonkin reminded we were a High Performer at that site.

To query on the extra $770K cost for RAD, Ms. Warren explained that amount was already budgeted and hopefully the bonds will kick in even though the transaction is a bit complex; the Housing Authority has a lot of value they are bringing into this plus they will be getting a substantial amount back. In order to meet the bond regulations, development will have to use money to pay down notes to the Housing Authority but the Housing Authority, not in total, might take some of that and loan it back to the project as a mechanism to show that we meet a particular test under the bond program. But right now the money is in the budget but we might be increasing our construction costs as well as noted earlier. When we get through with the review with the contractor, we will know more.

E. Housing Programs Report

Ms. Ruclaz reported we just found out that the payment standards by HUD were actually increased so that issue will be brought back to the board in January; this increase will only affect South County. Ms. Ruclaz further reported next week her department will start interviewing applicants for Camphora, the new farm labor housing in Soledad; they will start interviewing 25 families for that project. Also in January her department will be setting appointments for Haciendas Senior; so far there are about 160 applications for this site. To query, Staff replied Haciendas Senior has 40 units.

F. Retreat Goals

Commissioner Zenk pointed out the Board Self-Evaluation Tool was in the packet under the Consent Agenda and requested the Commissioners pull their copy from the packet and complete it for a discussion at the January Board meeting. Ms. Tebbs stated she would also forward the evaluation tool to the Board members.

Commissioner Zenk reported that the Ad Hoc Marketing Committee met last week and continues to work on the 75th Anniversary; the marketing firm will bring a draft to the January meeting on a very nice brochure.

Commissioners Zenk and Ballesteros noted that the committee also decided on a sit-down plated lunch during the presentations to save time. To query, the Commissioners noted the meal choices would be chicken and vegetarian.
Commissioner Zenk further reported the committee discussed scheduling some time on the City Council agendas in order to provide a short presentation about the Housing Authority celebrating its 75th Anniversary and some specific data related to that particular jurisdiction. She stated the Board Clerk was putting the schedule of the City Council meetings together so the Board members can select the ones they would like to attend. To query on date, Staff replied March 30, 2016 is the 75th Anniversary event date and separate invitations will be sent out. The City Council presentations will be to recognize what HACM has been doing for 75 years and to provide a specific brochure on their jurisdiction.

Mr. Griffin, Legal Counsel, pointed out that for the presentation, the City Manager would be the contact for getting on their council agenda. He suggested providing any information in advance if possible to the Council.

Chair Zenk requested the Commissioners mark March 30th on their calendars. Ms. Goebel requested that if there are any other names needed on the invitation list that she be notified right away. Commissioner Espinoza mentioned there was someone he thought should be on the list and provided the name to Ms. Goebel.

The Board convened to Closed Session at 5:10 p.m.

CLOSED SESSION

The Board of Commissioners met in Closed Session for the following purposes and reasons:

A. Government Code Section 54956.9 (a): Las Palmas Ranch v. HACM
   ACTION: Nothing to report.

B. Government Code Section 54956.9(c): Pending Litigation
   ACTION: Nothing to report

C. Government Code Section 54957(b) Personnel Matters
   ACTION: Nothing to report.

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

COMMISSIONER COMMENTS

Commissioner Gama congratulated Staff on the High Performer status; good job on that. Keep up with the good work that you are doing and Happy Holidays to everybody and Happy New Year.

Commissioner Ballesteros congratulated Staff for the High Performer for SEMAP. She stated she would be praying for Mr. Scott and hopes he will be better soon. She wished everyone and their families a Merry Christmas and a Happy New Year and she looks forward to another year being a Board Commissioner and serving everyone.

Commissioner Espinoza stated along those same lines, that he has been a commissioner since 2009 — a long time—and he continues to enjoy working with everyone. He congratulated Staff on a good year and he looks forward to 2016. He thanked Staff for their hard work.

Commissioner Williams stated the Ad Hoc Committee for the Selection of Tenant Commissioners did interview a new tenant commissioner candidate and we hope she accepted the position. The Board Clerk noted that the candidate accepted. Commissioner Williams noted that the candidate was very impressive and thinks she will make a good Commissioner. Commissioner Williams next thanked Staff for all they have done in 2015 which was a good year for this agency and it is because of all the work of Staff. She wished everyone and their families a very Merry Christmas and a Happy New Year.

Commissioner Healy apologized for being a bit tardy this evening and noted that he and Commissioner Espinoza have been on the Board almost the exact amount of time. He was thinking about that and noted there have been a lot of positive changes since he first came on the Board. He stated his hat is off to all of Staff for being change agents for positivity for our mission and he is honored to be on the Board and thanked everyone very much. He wished everyone a Merry Christmas and a Happy New Year.
Commissioner Zenk stated she wants to wish everybody a wonderful Christmas and a Happy New Year and the beginning of our 75th Anniversary year at the Housing Authority in 2016.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:04 p.m.

[Signature]
Chairman

ATTEST:

[Signature]
Secretary

1-27-2016
Date