Commissioners met at the Central Office. Chair Kathleen Ballesteros called the meeting to order at 4:30 p.m. Present: Chair Kathleen Ballesteros, Vice Chair Kevin Healy and Commissioners Mary Jo Zenk, Viviana Gama, Yescica Ramirez, and Paul Miller. Also Present: Manny Gonzalez, Executive Director; Kirk Mann, Director of Finance; Maria Madera, Director of Housing Programs; Shannon Tonkin, Director of Housing Management; Pat Wyatt, Human Resources Manager; and Starla Warren, Fee-for-Service Director of Development. Recorder: Sandy Tebbbs.

CONSENT AGENDA

A. Minutes – Approval of Minutes of the Regular Board Meeting held November 19, 2018

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

YES: Ballesteros, Healy, Gama, Ramirez, Miller
NOES: None
ABSENT: None
ABSTAIN: Zenk

COMMENTS FROM THE PUBLIC: None

REPORTS OF COMMITTEES

Personnel Committee: Chair Ballesteros reminded that both committee meetings were cancelled. Finance/Dev Committee: Committee meeting cancelled.

Monterey County Housing, Inc. & Affordable Acquisitions: Mr. Rose reported MCHI did not meet in December; their next meeting is scheduled for January 9th at the Front Street location. Among other things on that agenda will be a formal discussion about the issuance of a property management RFP as well as the board’s consideration of the 2018/2019 budget. He stated that he will be visiting two properties covered by this same management agreement with Mr. Gonzalez tomorrow afternoon regarding his perception of inconsistencies. Mr. Rose then wished the Board a joyous holiday and a happy new year. To query, he replied the properties he will be visiting are Casanova in Monterey and Parkside in Salinas. Mr. Mann noted he did not have anything to add to this report.

REPORT OF SECRETARY

A. Executive Report:

Mr. González reported he had nothing to add to his report. Commissioner Healy commented this was the most exemplary follow-up from public comments that he has seen; he thanked Mr. González for doing the follow-up and noted that Mr. Camacho surely must appreciate it also.

Commissioner Ballesteros also thanked Mr. González for touching base with Supervisor Parker’s office. Mr. González stated he hopes to have a follow-up on Pueblo del Mar by next month. He noted he meets tomorrow morning with the vendor that provides the service to that agency to see how we can streamline some of the processes to improve our applicant pool. He further explained that Sun Street provides the support services and the Homeless Coalition refers the applicants; participants must be in a treatment program.

OLD BUSINESS

A. 2018 Christmas Dinner versus HACM Holiday Luncheon

Chair Ballesteros reminded that a motion was not made to transfer the funds that Commissioner Healy suggested at the last Board meeting go to the HACM Staff luncheon instead of for the Commissioner’s regularly scheduled Christmas dinner. She further noted that this transfer of funds will not be an annual transfer. Chair Ballesteros noted where she works everyone brings a potluck dish and reminded that the Board must be conscientious in regard to budgeting and
spending of funds. It seems the Board’s Christmas dinner was brought up through the negotiations process.

Upon motion by Commissioner Healy, seconded by Commissioner Miller, the Board approved the transfer of funds from the Board of Commissioners’ budget for the Christmas dinner funds be moved to support the HACM Staff Christmas Luncheon. Motion carried with the following roll-call vote:

YES: Ballesteros, Healy, Zenk, Gama, Ramirez, Miller
NOES: None
ABSENT: None

Mr. González noted we have set up a social committee for the HACM staff luncheon and we discussed the possibility of raising money for next year’s party so that will fall in line with what you just mentioned so we’ll see if we can raise money through bake sales or at least to contribute in some fashion to reduce the cost.

NEW BUSINESS

A. Resolution 2951: approval of the Operating Budget for the Fiscal Year Beginning July 1, 2018 and Ending June 30, 2019

Mr. Mann noted the budget is not completed.

Upon motion by Commissioner Healy, seconded by Commissioner Miller, the Board tabled Resolution 2951 to January for staff to complete the budget. Motion carried with the following roll-call vote:

YES: Ballesteros, Healy, Zenk, Gama, Ramirez, Miller
NOES: None
ABSENT: None

B. HDC Office Lease at Tynan Village

Ms. Warren explained this issue came up because the auditors need a place holder so they can move forward with the audited financial statements. She further noted since HDC has been paying for the main commercial lease even though it is in HACM’s name, there is now an implied lease hold interest for HDC and that needs to be worked out. Commissioner Zenk pointed out that Mr. González has proposed to change the term to two renewable periods with each term being three years with the total of six years. Mr. González stated to not have an escalator clause doesn’t seem like a good idea since it has had none for 18 years. Commissioner Zenk further explained that this lease’s initial term is November 2016 through December 2019 which means it comes up next year. Ms. Warren noted she was fine with the two renewable periods but not fine with escalators because it isn’t present in the original commercial lease.

After further discussion, Commissioner Healy noted Ms. Warren stated we could reopen this issue in January and discuss it again after the audits have been completed. Ms. Warren noted the intent was for Mr. González and me to sign a place holder lease and come back to the Board with some definitive information; she noted Mr. González wanted to make sure the Board authorizes him to sign the lease and that is really what the purpose is here.

Commissioner Healy noted the memorandum states it is an informational item.

Mr. González stated that he and Ms. Warren can work through this lease together and bring it back to the Board with all the clarifications. Ms. Warren stated she agrees with changing the six to two renewal periods and with the removal of the escalator clause. Ms. Warren responded to query, and with the last line as stated.

INFORMATION

A. Finance Report

Mr. Mann reported HACM has been paid RAD subsidy through December 2018 on Montecito-Watson property and South County RAD. Subsidy has been collected through September 2018 on Salinas Family Rad, so that needs three more months of 2018 subsidy. East Salinas RAD has been paid subsidy through October 2018 so that needs two more months of 2018 subsidy. Gonzalez RAD has been paid subsidy through August 2018 except for June 2018, but there is a threshold of the dollar amount and HUD is looking at that issue. He noted Ms. Tonkin has made a lot of headway on submissions. Ms. Tonkin noted submissions have been made but we have not yet received the subsidies. To query, Mr. Mann stated due to the additional RAD reporting, the Finance Department needs one or two more positions and that is currently being discussed by staff. He noted this department has the same staff they have had for 20 years.
B. Human Resources Report:
Ms. Wyatt reported she had nothing to add to her report. To query, she replied her department will be starting the interview process tomorrow for the HPS/FSS position.

C. Development Report
Ms. Warren stated she would report out in the HDC board meeting.

D. Property Management Report
Ms. Tonkin reported her department finished the REAC Inspections and South County received a score of 92 and the East Salinas score should be in the low 90’s or high 80’s. She further reported her department has started interviewing for three vacant caretaker positions; the first round of interviews took place today. She noted there was a glitch with the HAP amendment and market rate unit switches with Yardi so there are three open cases she is trying to get resolved. To query on property at Parkside, Ms. Tonkin replied if it is habitable, it gets inspected annually by Property Management and if they have a Housing Choice voucher, they get inspected by that program as well with a third-party inspector. She further reported that Parkside does have capital needs, but that property is pending redevelopment so the owner may not want to spend a lot of money if they are going to rebuild in two years. Ms. Tonkin noted that property has replacement reserves but when putting in a bid for replacement windows and carpets, MCHI Board did not approve those. Property Managers are limited to $5K funding and we have to ask to withdraw replacement reserves only if it is an emergency such as windows leaking, but then only the leaking window and not the whole complex of windows would be replaced. Ms. Tonkin stated in 2010 some roof work was done due to leaking roofs.

Mr. John Rose, MCHI Executive Director, noted he has some issues with the property management and their annual inspection because Parkside had a plethora of failures throughout that were corrected after being pointed out to the property management and maintenance people. He further noted there seems to be a difference in the way Casanova and Parkside are managed because tenants at Casanova are managed in a strict and proper manner and Parkside tenants can do whatever they want relative to their units. Mr. Rose also mentioned there was little attendance in the Parkside office and was concerned when people might be interested in living at Parkside and no one being in the office to answer questions. He stated the agreement states HACM will provide people to staff Parkside. Mr. Rose also mentioned the Parkside community room is often not available for the tenants.

The Board requested a report regarding Parkside’s maintenance and management staffing levels be brought to the next Board meeting. Mr. González reminded that there are some capital needs at Parkside but part of the issue now is that MCHI has contracted with HDC to start looking at redevelopment of that site so what should be spent to fix things, or should we wait for the redevelopment. Commissioner Zenk suggested MCHI could choose which things need to be fixed and which things could wait since they have a meeting prior to the January HACM Board meeting. Commissioner Miller reminded that some repairs may have to be done if it is a few years out before the redevelopment will take place.

Commissioner Healy stated for the minutes and for clarity, using words like habitable and things like that he finds concerning but all these properties have been above board relative to their annual inspections. Ms. Tonkin replied as Mr. Rose brought up this last round of inspections that did have some failed inspections and property management staff met with Ms. Goebel who was the Executive Director at that time along with Mr. Rose and talked about the inspection to see what happened and why it happened; failed inspections was out of the ordinary and it doesn’t mean that the unit wasn’t inhabitable if it failed an inspection because the refrigerator didn’t have the right seal or the smoke alarm wasn’t working and they give 24 hours to fix it or 72 hours then they go back and re-inspect. She further stated there were issues this last year with the HQS inspections and Casanova also had some failures as well, but she reminded that Casanova had been rehabbed when they received over $700K from the City of Monterey about eight years ago.

Mr. González stated we will come up with a list and get estimates of how much they would cost and present them at the next MCHI and HACM Boards; he further noted we will talk about the Parkside community room not being accessible also. Commissioner Zenk noted we are addressing MCHI’s concerns about our Property Management Maintenance services that are being provided to them. Commissioner Ballesteros noted there is a contract agreement and we must stay within that agreement and make sure we are rendering what the agreement states.
Mr. Rose replied that it is an old agreement, but it is still a valid agreement and it states a budget will be prepared by HACM Property Management group and given to MCHI for MCHI’s approval and that was nine months ago.

E. Housing Programs Report

Ms. Madera reported her department has been working hard on issuing vouchers and for the month of October they leased 3,192 units plus for November 3, 289 units were leased; 97 families got on the program during this time frame. When the Board passed the payment standards that really helped a lot of families and that number will increase because we are finding a lot of landlords are now participating in the program because of the landlord recognition event.

Commissioner Ballesteros emphasized that she had mentioned to Mr. González, who probably mentioned it to all the managers and directors in South County, that it is very vital for staff that work with the clients be mindful of the client’s needs. She noted she was disappointed to receive a complaint from someone she knows. She stated every client is different and has different needs; some are seniors and may have disabilities or be single parents and have personal things going on in their life, but a client should never be mistreated, and Staff always needs to be mindful of that. Ms. Madera noted she has been talking to her staff about putting themselves in the shoes of their tenants and to treat others as you would if they were your mother or someone you know.

F. Strategic Goals:

Mr. González reported he gave the Board of Supervisors an update on the Section 8 program back in October.

The Board requested the Clerk of the Board bring the issue of visiting the city councils on the peninsula to the next Board meeting.

The Board convened to Closed Session at 5:30 p.m. and reconvened to regular session at 6:34 p.m.

CLOSED SESSION

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

A. Government Code Section 54957: Personnel Matter
   ACTION: No action was taken, but the Board has determined to hold a Special Meeting to be determined later to continue the reviews of the personnel matter.

B. Government Code Section 54956.9(b): Anticipated Litigation: (1)
   ACTION: No action taken.

COMMISSIONER COMMENTS:

Commissioner Gama thanked Staff for all that they do; she thanked Mr. González for the gift and wished Happy Holidays to everybody. She commented that she knows everyone works hard so take this time to remember what really matters and that is family.

Commissioner Zenk thanked Mr. González for the gift and also thanked the Board for their thoughts when she was out sick last month; she is feeling much better now. Commissioner Zenk then wished everybody a wonderful Christmas and Happy Holidays; enjoy the time with your family and friends.

Commissioner Healy dittoed what everyone said and Happy Holidays to everybody and he thanked Staff for a great 2018 and he hopes everyone enjoys the party.

Commissioner Miller thanked Mr. González for the gift and wished everyone a Happy Holiday; he then thanked everyone for their hard work this year.

Commissioner Ramirez thanked Mr. González for the gift and acknowledged Ms. Madera for her work in the event at Hartnell College in November; she next thanked everyone for their hard work and dedication over this last year. Commissioner Ramirez then wished everyone Happy Holidays.

Commissioner Ballesteros wished everyone a Happy Holiday season with family and loved ones; she thanked Mr. González for the gift. She hopes everyone enjoys the new year and that we continue with our mission and affordable housing in our communities. Commissioner
Ballesteros thanked Mr. Mann and Ms. Tonkin for all they were able to accomplish on RAD. She noted she is looking forward to the dinner and having a good time.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:38 p.m.

Kathleen Ballesteros
Chairman

ATTEST:

Secretary

1/29/18
Date