

ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD MAY 24, 2004

Commissioners met at the Central Office. The meeting was called to order by Chair Michael Nichols at 6 p.m. Present: Chair Michael Nichols, Vice Chair Alan Styles (arrived 6:05 p.m.), and Commissioners: York Gin, Josh Stewart (arrived 6:05 p.m.), Timothy Escamilla, Carol Schneider, and John Dalessio. Also Present: Jim Nakashima, Executive Director; Mary Jo Zenk, Deputy Executive Director/Chief Financial Officer; Barry Phillips, Chief Administrative Officer; Rosie Anderson, Director Housing Assistance Programs; Jean Goebel, Director of Housing Management; Starla Warren, Director of Housing Development; Lynn Santos, Director of Finance; and Cheryl Ontiveros, Attorney. Recorder: Sandy Tebbs.

PRESENTATION

Certificate of Appreciation: Chair Nichols presented a Certificate of Appreciation to Nora Ruvalcaba for outstanding customer support resulting in the success of the rehabilitation of Salinas FLC and Chualar FLC.

The Board wished Happy Birthday to Attorney Cheryl Ontiveros.

Mr. Nakashima presented the NAHRO Pacific Southwest Region Award of Merit for the Housing Opportunity Center that was received at the conference held in San Diego.

Commissioners Styles and Stewart arrived at 6:05 p.m.

COMMENTS FROM THE PUBLIC:

Stanley Reiger, resident of Rippling River, commented he was attending the meeting due to his concern about the (Rippling River) complex and people that live there and hopes that things move along. He stated they have a great environment that is more supportive and they also have meetings at the complex. He hopes the Board has a good evening.

Chair Nichols reminded attendees that if the item is not on the agenda, this is the time to speak during public comments. He stated there would be a three-minute time limit for comments.

Oscar De-La-Torre commented he worked for the Housing Authority of the Monterey County and on behalf of the Maintenance Department he would like to say that they deserve a fairer contract than what management is offering.

Jane Bennett commented she is an employee of the Housing Authority of the County of Monterey and she was representing the Property Management Department. She stated they were not willing to accept the no step increase and 4% COLA. If the Housing Authority employees were named Higher Performer by HUD, they deserve more than 4% COLA and better benefits. She read a portion of a local newspaper clipping: "Local News & Events In Brief. Housing Authority named 'high performer' by HUD. The Housing Authority of the County of Monterey has been graded a national higher performer by the federal Department of Housing and Urban Development. . . . An outside contractor hired by HUD inspected all public housing properties and Housing Authority was given the highest grade in all four categories: High Performer." Ms. Bennett asked if anyone would like a copy or copies of the 93 HUD high performer or the local news event clipping in the newspaper, she would provide them. The Clerk to the Board requested copies.

Myra Walker commented she works in the Accounting Department and she represents all the people standing behind her and they all feel that the 4% proposal is unfair.

Marissa Saucedo commented she works with the Eligibility Department here at the Housing Authority and on behalf of the Eligibility Department she wanted to address the issue regarding the changes on the health care plan. There are about 88 enrolled in the health care plan here with the Housing Authority. About 45 of those are in the EPO plan so the changes to eliminate the EPO plan will have a big impact on all of them in a big way—financially. She stated she knows

for herself it will have a big impact and they just were totally opposing that; and they were not happy with the plan being eliminated at all.

Loretta Lozada, Section 8, commented basically she just wanted to reiterate what everybody just said. She wanted to remind the Board about the audit they had; they scored as High Performers. You know back then, they made the Board shine—they got praised for it—and now they're getting a table scrap contract. All they're asking is that they get treated fairly for the hard work that they do.

Yvonne Martinez commented she was the Deputy Director of Local 817 SEIU. And as the Board has heard their members speak about the issues that they are dealing with at negotiations--she knows they can't talk about the specific details, but she thinks the Board needs to hear from them that this was also a matter of respect. A matter of respect in terms of the fact that they want to be partners with the HACM in dealing with the difficult time that HACM is facing with federal cuts and state cuts; however, when they face, on a day-to-day basis, terminations based on racist accusations, sexual harassments—one of their members was just fired last week—another member just had an arbitration recently--matters of great concern—it's difficult for them to find ways to partner with HACM when their members are facing those kinds of things. Additionally, they find it very interesting that the Housing Authority would come to the table with proposals that essentially propose take-backs—health insurance—pensions—step increases, all the things that matter to working people. And as the Board heard, very hard working people. At the same time that the Housing Authority has a \$4.5M CD that's earning \$24,000 a month interest, it seems a little bit ingenious that they would have to be facing cutbacks and take-backs and choices between having to pay their rent and take their children off health care. They ask that HACM come to the table and work with them as partners; they are looking forward to a continued good relationship with HACM. However, it's difficult to partner when they're having to deal with those things. Nonetheless, they look forward to sitting down and coming to conclusion in negotiations by the time the contract expires. However, they hope that they can do so amicably.

Chair Nichols thanked everyone for their comments and explained the policy is the Commissioners do not comment on anything provided in public comments but will take the comments into consideration.

Upon motion by Commissioner Escamilla, seconded by Commissioner Schneider, the Board moved the Closed Session forward on the agenda. Motion carried with the following vote:

AYES: Nichols, Styles, Gin, Stewart, Escamilla, Schneider, Dalessio
NOES: None
ABSENT: None

The Board convened to Closed Session at 6:14 p.m.

CLOSED SESSION

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

- A. With respect to every item to be discussed in Closed Session pursuant to Government Code Section 54956.9: ANTICIPATED LITIGATION:
Conference with Legal Counsel

ACTION: No action taken.

- B. With respect to every item to be discussed in Closed Session pursuant to Government Code Section 54957.6: LABOR NEGOTIATIONS:
Agency Negotiators: Cheryl Ontiveros, Jim Nakashima, Mary Jo Zenk,
and Barry Phillips: Employee Organization: SEIU 817

ACTION: The Board approved a resolution stating that the Board is accepting the Union's offer of partnership and asks the Union to join the Housing Authority in mediation to resolve our differences.

The Board reconvened to regular session at 7:50 p.m. Commissioner Styles departed at 7:50 p.m. The Board recessed at 7:58 p.m. and reconvened to regular session at 8:05 p.m.

CONSENT AGENDA

- A. Minutes—Approval of Minutes of the Regular Board Meeting held April 26, 2004**
- B. Resolution 2239: Removing Regulatory Agreement on 1985 Special Limited Obligation Bonds Issuance – Harding Park**
- C. Resolution 2241: Resolution Supporting Staff to assist Soledad Housing Authority in its redevelopment of Public Housing and Farm Labor**

Upon motion by Commissioner Gin, seconded by Commissioner Stewart, the Board approved the Consent Agenda. Motion carried with the following vote:

AYES: Nichols, Gin, Stewart, Escamilla, Schneider, Dalessio
NOES: None
ABSENT: Styles

REPORTS OF COMMITTEES

<u>Finance/Development Committee</u>	Commissioner Stewart, Chairman
<u>Personnel Committee</u>	Commissioner Nichols, Chairman
<u>Monterey County Housing, Inc.</u>	Commissioner Tim Escamilla, Rep.
<u>Affordable Acquisitions</u>	Commissioner Tim Escamilla, Rep.

Commissioner Nichols announced that Lyn Ann Rosen has agreed to be the Representative for the Housing Authority on the MCHI/MCHIAA Boards as his replacement.

REPORT OF SECRETARY

A. Executive Report:

Mr. Nakashima reported staff watched a televised briefing by the Honorable Secretary of HUD, Alphonso Jackson, on Friday. On May 18th all housing authorities received written correspondence from HUD of what the impact of the funding cuts would be from January to 30 June 2004, not the formulator but the multiplier portion. Secretary Jackson diffused the Appropriations Committee by stating he had sent a letter on May 18th that fully funded the housing authorities. The Appropriations Committee did not have that information to counter it at the Friday briefing. In actuality housing authorities were not fully funded. HUD funded the HAP subsidy that doesn't affect the bottom line for housing authorities but goes to the landlords. It needs to be on record that when the 13% for admin fees, which pays for the operational void, is gone there is nothing to pay the difference. The Secretary of HUD also made a statement, but also tried to retract it, that "Being poor is a state of mind, not a condition."

In a short discussion on the upcoming Housing Authorities' Executive Directors meeting with legislators, it was suggested that the Boards of all Housing Authorities provide resolutions in support of the issues at that meeting. Mr. Nakashima requested the Board wait until the meeting took place to make sure there was a cohesive group that would speak with one voice. The housing organizations need to concentrate more on the federal issues right now than the state issues. Commissioner Escamilla reported there was an article in USA Today that stated more people are willing to have affordable housing built nearby. Ms. Warren reported there is also a study showing that 25% to 50% of first-time low-income homebuyers are returning to rentals after five years because they cannot sustain home ownership.

NEW BUSINESS

A. Resolution 2237: HCV Program Administrative Plan Revisions

Upon motion by Commissioner Escamilla, seconded by Commissioner Stewart, the Board adopted Resolution 2237 approving the revised HCV Program Administrative Plan with the

exclusion of revision #3 to place stricter bedroom occupancy standards. Motion carried with the following vote:

AYES: Nichols, Gin, Stewart, Escamilla, Schneider, Dalessio
NOES: None
ABSENT: Styles

B. Resolution 2238: Referral from Supervisor Calcagno's Office Concerning Monte Del Lago

Ms. Warren provided a PowerPoint presentation on the Monte Del Lago Mobile Home Community.

Upon motion by Commissioner Stewart, seconded by Commissioner Escamilla, the Board adopted Resolution 2238 authorizing staff to pursue over-the-counter grant applications with the County of Monterey to acquire predevelopment funds for the purpose of maintaining affordability at Monte Del Lago. Motion carried with the following vote:

AYES: Nichols, Gin, Stewart, Escamilla, Schneider, Dalessio
NOES: None
ABSENT: Styles

C. Resolution 2242: Authorization to apply for SuperNOFA for FSS for FY2004

Upon motion by Commissioner Stewart, seconded by Commissioner Gin, the Board adopted Resolution 2242 authorizing the Executive Director to apply for SuperNOFA to fund the FSS Coordinator positions. Motion carried with the following vote:

AYES: Nichols, Gin, Stewart, Escamilla, Schneider, Dalessio
NOES: None
ABSENT: Styles

D. Quarterly Cash Report

Ms. Santos reminded the Board that the \$4.5M CD that the Union mentioned in public comments will mature next May. The \$300K of interest is being used to pay current operating costs because the \$4.5M has been restricted as collateral for the line of credit. Commissioner Stewart explained that the Finance/Development Committee requested this information item be placed under New Business for discussion. For information only; no action required.

INFORMATION

A. Administrative Report/Summary of Actions for April/May 2004: No discussion; no action required.

B. Status Report: March 2004 Financial Statements and April 2004 Disbursements: No discussion; no action required.

C. Status Report: Monthly Development Report: Ms. Warren stated there is an attachment to her report that did not go through the Committee, but shows the Re-hab work performed from January 2002 to May 2004 totals \$8.1M; normally the re-hab amount would have been about \$3M. To Board query on Rippling River, Ms. Warren responded there have been some meetings with HUD; currently there is a letter to the water board requesting to be on their agenda for their June 21st meeting; the environmental process is still going forward; and that the water board decision will be the juncture in terms of things HACM needs to do or not do.

Mr. Nakashima reported there was a meeting that HUD set up for the HUD Acting Director, HUD Attorneys, the 504 ADA Inspector, Supervisor Potter, and himself. Mr. Nakashima stated he made it known that HACM was a public agency and he was bound by agency law and the Brown Act to report out on the meeting. During the meeting, the HUD attorneys reported there were some erroneous information and liability and culpability issues on HUD's part, but due to contradicting statements made during the meeting that a summarization would be provided to the attendees. During the meeting it was decided that HUD would hire the Army Corps of Engineers

to do a neutral, unbiased feasibility study on the determination for on-site redevelopment of the Rippling River property. The ADA expert commented that there is only a 5% requirement for handicap on new development, but Mr. Nakashima stated that the Board has made it clear that Rippling River has 79 units that are required to be full ADA units. Mr. Nakashima stated he reported the leech field needs to be looked at by the Army Corps of Engineers also. Commissioner Escamilla suggested the Board Chair attend the next meeting held by HUD. No action required.

D. Status Report: Monthly Housing Management Report: No discussion; no action required.

E. Status Report: Eligibility/Section 8 Reports: To Board query regarding FSS program, staff responded HACM is looking at various funding mechanisms for the FSS Program. Commissioner Escamilla stated the story of HACM's successful FSS Program should be in a press release. Ms. Anderson briefed the new FSS Historical Statistics Chart. Commissioner Nichols commented that people in low-income housing also have success stories similar to those in FSS. Mr. Nakashima stated another successful group is Caretakers. No action required.

F. Legislative Update: No discussion; no action required.

G. Legislative Correspondence: No discussion; no action required.

COMMISSIONER COMMENTS

Commissioner Gin commented that a three and half-hour meeting is too long.

Commissioner Dalessio commented that he has an offer outstanding to the Housing Authority to have volunteers resurrect the area around the elevator at Rippling River so that it can continue to be used, but he has never gotten a response on it. To queries, Commissioner Dalessio explained that he has had a lot of volunteers say they would do the work and there is safety operating under Habitat for Humanity which carries insurance and is used to dealing with liability issues with volunteer labor. Chair Nichols stated that issue would be kept in mind but suggested going forward first with the next meeting with HUD.

Commissioner Schneider commented she knows for a fact that it is almost impossible to get the elevator and heating system at Rippling River fixed because they are so old it is difficult to get the parts.

CLOSED SESSION: See Closed Session after Comments from the Public.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:21 p.m.