

ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD JANUARY 24, 2005

Commissioners met at the Central Office. The meeting was called to order by Chair Alan Styles at 6 p.m. Present: Chair Alan Styles, Vice Chair Josh Stewart, and Commissioners: York Gin, John Dalessio, Richard Rangel, and Merri Bilek. Absent: Commissioner Timothy Escamilla. Also Present: Jim Nakashima, Executive Director; Mary Jo Zenk, Deputy Executive Director/Chief Financial Officer; Barry Phillips, Chief Administrative Officer; Tony Caldwell, Chief Information Technology; Rosie Anderson, Director of Housing Assistance Programs; Jean Goebel, Director of Housing Management; Starla Warren, Director of Housing Development; Lynn Santos, Director of Finance; and Cheryl Carlson, Attorney. Recorder: Sandy Tebbs.

COMMENTS FROM THE PUBLIC

Vino Kurov commented 18 years I was working for government; now I'm retired. And when I was working for government my salary was three times bigger than I have now as a retired. And I bought a motor home in Monte Del Lago park, but at that time I paid for rent \$300 only. Now it is already \$550, but since next month I have to pay \$800—absolutely impossible. See I'm immigrant from Europe—from Russia—and I consider to go back—I cannot live here any more. That's all I can say.

Joseph Russo commented I live in Monte Del Lago Mobile Home Park, which is owned by a nation-wide corporation, Manufactured Home Communities, which owns more than 200 parks across the country. And this month those people who are not on a long term lease are getting the raises of \$100 to \$155 a month with a promise that we'll probably get another raise before end of next year because they just are interested in the bottom line and they don't care about the people living in the park of which 60% is fixed income. And on a fixed income if you get a \$155 raise in your rent you know that you have to go without something that you can't afford to live. And consequently it is reducing the price of our homes by one-third to one-quarter. And we have been talking with Starla Warren and Bryan Dove about the Housing Authority condemning the park or taking it away from these owners and getting the mortgage for us so that we can buy the park. This is what we really want to do so that we will have a 30-year mortgage and the Housing Authority will come in and help us with that in order to get the park away from the unscrupulous owner. So that's why we're here and we have—most of the people are here from Monte Del Lago. As you see, they're all gray-haired people—all are retired—and hope to live there the rest of their lives and apparently with the way things are going we're not able to.

Susan Keith commented in April of 1998, 16 months after my husband died, I went to Monte Del Lago looking for affordable housing. At that time, it was owned by RSI which is (inaudible) Incorporated who are now changed their name to what the current owners are and have enlarged their corporation. There was a salesperson who worked for that corporation and they took me and showed me some of the new sections and new mobile homes—manufactured homes they were putting in. And assured me that not only could they get me into the park at an affordable housing rent, but also they could finance me. So I was really proud—here I was a single person, single income, being able to buy a home and having a home of my own. So I went with that and I bought my home and my rent at that time—this was 1998—was \$470 a month with a \$750 mortgage. And I have a large home. In 2000 I made a decision to retire (inaudible). I have a mentally delayed sister-in-law who had lived with me with assisted care at that time and she developed severe mental and physical problems and could no longer go to the program that she was assigned to so I retired from my 18 year job from Monterey County Department of Social Services to take care of her full-time. I thought with my retirement and what I got paid for taking care of her that I would be able to still continue to afford the housing. In December of 2002, I received a notice that the name change of MHC operated limited partnership—same corporation—but changed. And that each year I was only getting \$20 or \$30 a year raises. In 2003 I was notified that my rent was going to go

up to \$720 a month space rent along with my mortgage. Then in 2004 I went to \$800 a month and now I understand I am going to get a 90-day notice which will be coming by the end of this month to \$925 a month. This past July and August of 2004 my sister-in-law was hospitalized and I didn't get paid for that because she wasn't in the home for me to take care of her—this put me behind two house payments. I tried contacting the corporation; they didn't provide me any phone number to make arrangement. I sent them a payment in September and they returned my payment saying that a legal attorney had advised them not to accept it. They told me to go to my community park office and talk to the park manager. I went in there and of course they didn't know anything about it; I asked for a contact person. I went in ten times over three weeks and was not given a contact person. So I was worried—I didn't know what to do so—real quickly I called this resident attorney—I ended up having to file a Chapter 13 because I did not want to lose my home. I am going to stick this out and hope that we will get help from you folks. Thank you very much.

Richard Karczewski commented I am from Monte Del Lago and I have taken the liberty to pass out a five-page thing that has my speech and four other pages you might be interested. The website that's in there you might be interested in going and check out. MHC versus the Lilliputians—we're the Lilliputians. This is a speech I read to the County Supervisors—when was it Joe, about six or eight months ago—somebody replied about eight months. Mr. Karczewski continued yeah about eight months—ages—Keep the Original “Low-Income Housing”. Way back, long before anyone—I'm going to read from this please—I can't memorize this. Way back, long before anyone coined the phrase “Low Income Housing”, we had what was then and has been until this Chicago Conglomerate steeped in, the Original Low Income Housing. Originally called Trailer Parks; they've evolved into livable and affordable communities until Manufactured Home Communities saw money signs and started buying up at a fantastic rate as many large mobile home parks as they could and raising the space rents very high. Just to make a profit for their shareholders is what they claimed. All this while just about every county in the country is clamoring for more Low Income Housing. Well, here's your chance to protect what started it all.

Mr. Karczewski continued reading, When you ask this company (Equity Lifestyle Properties (formerly known as Manufactured Home Communities)—One wonders why the change—how they base these outlandish rent increases they use terms like Fair Market Value and What the Market Will Bear. If you prod a little harder they tell you they base space rents on the rents of local apartments and rental houses of the immediate area. But—what they fail to tell you is that these same apartments and houses get a lot more service for their rental dollar. In an apartment or rented house, if anything at all goes wrong (roof leak, range or fridge breaks down—anything at all) the landlord Must replace the appliance or fix the problem. For those same high rents they intend to raise us to, they give us nothing at all. They don't cut the grass on my space; they won't fix my roof; they won't even replace my faulty range or repair my floor. If they do any of those things, then I wouldn't mind paying through the nose for a tiny piece of land. One of your own (Supervisors) quoted by a local newspaper, even said while they were growing up their family used trailer parks when they moved from place to place around the country and couldn't afford regular homes. Just because there aren't any laws, as yet, preventing what Sam Zell (the self-proclaimed Grave Dancer) and his group is doing, doesn't mean it isn't wrong. This is a form of Elder Abuse in that some persons at this park and parks all over the country may have to abandon their homes (some of which were purchased with the last of their savings) because of being unable to sell due to the high space rents. Those seniors, in some cases, just may end up living in their cars on your streets. And this company simply calls that turnover without any conscience at all. Someone, somewhere, sometime has to put a stop to, or at least rein-in, these people. Mr. Karczewski concluded, today's low income (sometimes called affordable) housing (like some of those being built at the old Fort Ord, California) prices are laughable (over \$450K for low-income families. Mobile and manufactured homes are still inexpensive enough (\$30K for a used one up to \$100K for a newer one for seniors and younger low-income persons to afford. Please keep the space rents down low enough to keep them affordable. Thank you.

Mary Lee Perry commented I'm going to read mine. I'm a senior resident of Monte Del Lago. I moved from the Monterey Peninsula to Monte Del Lago a little over five years ago in 1999. So (inaudible) space rents were affordable and the corporation would not offer a long-term lease to me. I bought a small doublewide Sherwood Villa model manufactured in 1974 on Monte Del Oro; it borders the Moro Cojo Slough and the corporation claims that I have a (inaudible) view lot so raising my rent is justified. My base rent started out in 1999 at \$500 per month and it has increased this year to \$125 making my rent and some utilities to come to \$1K even with the 20% care discount that I get. I also rely on the food bank to supplement my grocery bills like so many of my neighbors. Many mobile homes in Monte Del Lago have been for sale for six years or longer and it is hard for new buyers to qualify because of the space rent. And the corporation will no longer buy older mobile homes. There is no rent cap. It's a catch 22. The rents are outrageous and it is impossible to afford these (inaudible). If you miss a rent payment, you will go through a process of eviction. My roots are planted in North County; I'm a sixth generation Californian, a descendant of the Boronda family. My great-great uncle was one who also was a founder of Castroville. I stand to lose everything like so many others in Monte Del Lago because of a corrupt, out of state, corporation.

Ella Bekker commented well thank you for giving us this opportunity to speak out. I bought a single wide mobile home—a 1976 model—seven years ago and I wondered at that time as affordable (inaudible) because I realized that even if you have worked for the government for 23 years I would be hardly be able to afford anything better than that and unfortunately it turned out to be a complete disaster. And I can subscribe to everything that Mary has said. And I cannot—I feel like I'm completely stuck and I feel very hopeless—very hopeless because and I've been feeling like that for many, many days. The only thing you could hear of people in Monte Del Lago—our neighbors—when we talk it's how's it going to be with our houses and what we're going to do. And I haven't heard a single person saying a word of hope. There's no hope for us—not at all—if you don't help us, there will be no dignity—nothing for us—you know. And we have all worked very hard and I, myself also, an immigrant that came to this country and love it. I just stand for everything that this country stands for and I have been so enthusiastic in giving my expertise and my skills in working with the—down hill at the personnel—and I feel so humiliated right now that I have no—absolutely no hope. It isn't because I have very little family that live in Mountain View and they're still struggling—they are even—your—you grant them myself—thank you very much.

Mike Wesley commented I also live in Monte Del Lago. We moved there in 1999 paying \$490 starting and in a few months we will be paying \$875. I have a full-time job; I'm a (inaudible). I've had a heart attack (inaudible). I've had about five operations with infections; my wife had a partial stroke. I've got to work full-time; I'm going to have to get a part-time job. All right, you know, (inaudible) as you heard. Thank you.

Ron Widel commented I'm a volunteer for the food bank and deliver a lot of food in Monte Del Lago so I get to see all the seniors and handicap people. So I get to see a lot of people and Frances Sawyer—I'm speaking her words I typed up for you. Frances worked 25 years at the Skyline Convalescent Hospital for minimum wage to get the social security that she gets. Okay, these are her words, thank you for taking the time to listen to me. My name is Frances Sawyer and I will be 83 years old in June. My late husband and I moved to Monterey County in 1962. In 1981 we purchased a new mobile home in Monte Del Lago Park for \$65K. We enjoyed our home and living in the park and it's always been clean and—it was always clean and well maintained and up kept. But the main benefit really was the rents that were so reasonable. We figured we could live there on our social security income until we passed away. Each year during that time, we paid—spent—rent increases and it was tied to the cost of living. Also during that time I have paid Monterey County taxes—property taxes. And this year they are approaching \$400 a month. I have paid rent in Monte Del Lago Park for almost 25 years. I would like to live there the rest of my life. In 1993 my husband passed away and I was left with many bills and half of the social security income. As you know a few years ago one of the world's largest mobile home park corporations bought Pastor Rose's?? Monte Del Lago Park. Since that time, the services either have been discontinued, delayed, abandoned completely, and the typical response is, it's not in the budget. I'd like to say

maybe our checks aren't in the budget either, you know, but anyway since that time the morale of the residents is at an all-time low. The seniors are desperate; they don't sleep at night etc. And I know this from personal experience. Break-ins and burglaries and gang taggings have happened a lot lately. With no rent control, I am told my rent will go well over \$800 this year and with my utilities, it will be around \$1K. I don't get anywhere near that with social security. I don't want to become a burden on the taxpayers of Monterey County and I hope you will find it in your researches to come to the aid of the residents of Monte Del Lago park. Thank you. Frances Sawyer.

Pat Shoemaker commented I moved into Monte Del Lago because it was a place I could afford. I am retired now finally at 70. And I loved it and it was lovely and it was kept up until MHC came in and it has so deteriorated. But my fear is I'm way at the end; there's nobody on three sides of me. I've been vandalized. When I call the Sheriff's they come out and they said well you can't really make a complaint because this property is Monte Del Lago. For five months, every single night, I had my light—which is the only light I have down there—it's very dark—broken out by teenagers—whoever—I knew who it was—the park would not prosecute. Now, this is not—I'm not the only one that lives alone. I happen to be in a more isolated place, but quite frankly I'm afraid because they will do nothing and now we have gangs living there. We have the blacks and the reds and the (inaudible) and four families live in our park that (inaudible)—the children—the kids—the guys—and the blacks—they live there. Oh well—that's all I have to say.

Bill Eldredge commented I live at Monte Del Lago. I bought five years ago. I'm here before you today to urge you to proceed with the plan to use eminent domain to turn over the park to the homeowners. I, myself, am a working homeowner and the rates of increase in the rents have been horrifying. Instead of a home that I can afford into my retirement, I can foresee a day where I will lose my home because the extreme rents that are coming under the current management. I fear this because I lost my next-door neighbors for that very reason; they bought their home about two years after I bought mine; their rent was higher and kept going higher. Their incomes couldn't keep up; they tried to sell their home but to no avail. Between the high rents and the park management approval system for sales, they could not sell their home. So finally they threw up their hands in disgust and abandoned their home walking out on their rent and their mortgage. I fear that this company will continue to force out homeowners working as well as retired just because they feel we are a resort. I laugh at that premise because the best view of the last year was the oil tank fire over at the Moss Landing Power Plant. My rent has gone from \$490 a month when I moved in to \$825 a month effective this coming April. My increase this year is \$155 a month but the operators of the park have informed me in my letter that my rent will be \$875 or \$925 next year—not counting next year's increase, my rent has gone up 68% since I moved in—in five years with no improvements in services. I have urged the residents of Monte Del Lago all along to pursue the course of having the County of Monterey use its power of eminent domain to enable us to purchase the park. That would help the park's residents immensely while also helping the County meet its affordable housing quota for the State monies that you receive. The County Board needs to actively pursue this to ensure that the working people like myself and my wife can continue to afford to live and work here.

Ramona Schmidt commented my husband, John, and I have lived in the park for 23 years and we received a letter recently—the rent we're paying \$532, but come April we're going to have to pay between \$800 or \$900. I no longer feel safe walking at night; I used to walk at night, but I don't do that anymore. You see graffiti around. That's all.

Richard Karczewski commented again, I know a lot of the people in the park. They all call me. I used to be a President. Every story that you've heard comes from many, many people.

Michelle Finer commented I live at Monte Del Lago. This was the only place that I could afford to live in. Two houses in Monterey that we rented were sold right out from under us (inaudible). So we thought we could afford to live there and not be at risk of having to move again. And the rents have gone up so high that I'm afraid that I can't live there either and I'm raising young children. The Board asked Michelle how long she had lived there? Ms. Finer replied four years.

Mike Nichols stated he would like to do public comments. Chair Styles replied fine.

Helaine Clark commented I was just wondering if these people are interested in the rest of the other comments or should you let them go and do a public comments about the other (inaudible)

Jane Eldredge commented I'm a resident of Monte Del Lago. The thing is if we can build our low income homes for people to come out of the country—affordable rates—in America—but I say like Moro Cojo, how come they can build homes for people that are migrant workers—how about us senior citizens from the United States—other people—a lot of retired military. I mean, yeah we've been protecting other younger families and stuff like that so how about our senior citizens, we've got to put a roof over their heads too. Because with out them, we wouldn't—I mean—what I'm (inaudible) all these people—look at them—I'm in my 50's but still we have a lot of senior citizens; we're protecting younger—middle age couples—younger families—so how about senior citizens—it's not good what is going on in Monte Del Lago. It's outrageous—really outrageous for the prices that we have to pay for our spaces. There's a (inaudible) thing like maintaining the trees. I mean the trees can be rotting away; they don't take care of that. And like they say a lot of vandalism; they do a lot of that there too. And I think at nighttime when I first moved there five years ago, people would be out there walking at night and I don't see that many people walking out at night anymore. So we need to do something for our senior citizens—low-income people—especially in Monterey County. Thank you.

Raul Rodriguez commented me and (inaudible) purchased a home there a couple of months ago and I got to know a lot of these senior citizens people here. Very quiet, nice. I've been kind of walking at night just to kind of checking things out. And what I do when I see the vandalism, I tell people I have taken pictures of what's going on. Because I am not afraid of so called gang members. What I do is I kind of see if I can approach them to just kind of talk with them to see what they're doing to the community here. These people are afraid—excellent people—they're just God giving people and I really feel for these people and I really wish that you would take considering it and helping these people out. I do have surveillance camera in my home; my house is surrounded with surveillance camera and I do see what's going on in the night. I want to purchase a night vision camera so I can see really in the night—to care for the people that are walking around and the graffiti and I pray to Jesus that you guys really could help these people in their case right now. Thank you.

Michael Nichols commented I am a resident of the Housing Authority. It's nice to see people here. Where were you five years ago? Merri Bilek, congratulations! Ms. Bilek replied thank you. Mr. Nichols continued you're in the right place. I told the Chair over a year ago what was going to turn out and here it sits. How it got here; I was wrong. You'll come to realize that. (To York Gin) I didn't write 22 pages on my report; actually a couple here and all I could do on my true report was the best. But what I would like to read is a poem to you. I've had to listen to poems and stuff so I figured I'd throw a little bit in it. And if you don't mind, this has a very poignant thing here for everybody in this room. "No one thought the wise old man with his (inaudible) squeaked voice and pronounced (inaudible) could teach History to any city kid. Perhaps he was a history--survivor of the reservation. Perhaps he was a father figure that they never had in a carousal household where the mama was usually shackled up with the first damn promise in the world to relief from manual labor. And while the other instructors balked at house calls, he answered them with the speed of a paramedic. Not that students lacked (inaudible) but they knew he cared and in that caring, gained what all the polished (inaudible) never could, Respect." That's all they asked for. That's all Merri (Bilek) and her group asked for. We should have gave it to them in the beginning, but no we had to argue amongst ourselves and damned near destroyed this (inaudible). Ain't got no more time. You see you have no more time. Your job here—your mission is these people—are the residents—are your people. But as you met the other night, the people here are your people—you should have spoke to them at (inaudible)—it would have--really bothered with them—you shouldn't have chickened out. I had things to say—all I got to say is all they want is Respect guys. But I do have to call Jim (Nakashima) on one thing,

you shouldn't have ignored me when I sent that letter; I was asked by members of my peers to do it. That was the whole—other than that you played it cool. And I've always wanted to say it because I don't play chess—but I've always wanted to say it, Check Mate. Alan (Styles) knows what I'm talking about. You wanted me to dance a dance, I danced. You made me compromise my dignity, I did it. All it took was the right word and the right person here at the right time. And you can see the right way it turned out. Well, now guys, do your job. You've got six years in front of you. It's going to be hell to get through. You've got the (inaudible); you have a Board. You guys and you, by joining the resident associations over here ties yourselves to 'em—keeps them politics. Merri (Bilek), get a leash, tie it to Alan (Styles) and you go to every national function he goes to and learn—you have less than a year because its going to hit the fan pretty soon—housing in this country is going to become an issue—regionalization is a fact. Look at what's going on with public services around here—highway patrols squirming like mad to get ahead; they're going to regionalize public safety—regionalization is coming—its cheaper—efficiency—that's what we worked on—that's what we did—we made this place efficient—keep it up. And as far as my appointment as your representative—as I used the word and they were the wrong word but they were the right words—I'm too close to the subject—I'm too close—I wouldn't be right. I showed up at the meeting on Thursday night and you guys were petrified I was going to say something, but I didn't say anything the previous month. I handed four pieces of paper out and told both people, go ask. What about me? The same thing these people asked—that's all I asked them to do and they did. That's all you guys did. (To residents of Rippling River) What are you afraid of—what took you so long to join? I came out there twelve years ago trying to get you people to join the association, but you didn't want to—but you didn't realize you needed it. You guys are going to need your residents—you're going to need their political clout and there's a bunch of 'em and there's a bunch of these people—they all need your help. Now I would suggest one person—before I leave—for your liaison—temporarily if she would be willing to do it for you—she would be perfect; she's well respected both on the Peninsula and here—she's an associate with the housing—through our resident council—through MCHI—what did it used to be called—elderly (inaudible) and that's Ms. Lillie Sparks—she's perfect for you. She's what you need. She is a resident—she's also one of these people too. She is well respected in her job. And she also knows (what) the reality world is. I give that man credit for walking out there (at Monte Del Lago) and yes you better be afraid of the gangs. I've been doing this for fourteen years and it cost me a son—very dangerous—don't ever turn your back on them. But they can be beat—you people are beating them by being here. Other than that, it's been fun, guys. It's really been fun. If you need anything that I can help you with, I will. You know that, but as far as being your representative, I can't and I hope you understand that. And Merri (Bilek), I hate to say this because it's going to upset you, but my true advice to you is to take the grand jury report, take your Bible, go to your bedroom and read them both. Ms Bilek replied I've read them both. Mr. Nichols continued and then make the decision—come in here and open your eyes because nobody's told a lie—nobody—guess whose a problem out there—but this place wasn't ready to go out there until we did—you have to have strong financial footings before you take on your major monster and that's what you guys were—a monster out there—not you people—those old buildings—that's all these people are asking for.

Helaine Clark commented good for you Michael (Nichols). Well, Michael stated to a lot of things that I would have wanted to say to him because this is a new Mike; I'm glad to see it. I was rather disappointed when I asked about the Residents Council Meetings last time—the Advisory Council, when it was going to take place—when it was three days from when I asked you and nobody would just tell me when and where it was being held. Come to find out that at that meeting that night a message was delivered for you to not fund Rippling River—to ask everyone to not vote to fund Rippling River. Now the person who delivered the message says he's sorry he did that for you and I really accept your apology, Mike. Now the other thing we'll go to is the Ad Hoc Committee—actually at Ad Hoc Committee, Starla (Warren) told the Supervisors that the openings on the buildings that were made last August and September on the outside walls for insurance inspections that took place on December 7th were going to be closed up and there are still three buildings that are open to the rain and the weathering and are getting damaged because the job has been fallen down on. And that's building 4 and 6 and 9. So—since

Michael covered everything I was going to ask about, I guess I've finally said it in few words.

Chair Styles stated to the speakers to please be advised that we may not respond to your comments, but they will all be taken into consideration.

Commissioner Dalessio stated the comments were really well done; we could feel the hurt and the sincerity and you've made your impact.

CONSENT AGENDA

- A. Minutes--Approval of Minutes of the Regular Board Meeting held November 29, 2004**
- B. Minutes--Approval of Minutes of the Regular Board Meeting held December 13, 2004**
- C. Minutes—Approval of Minutes of the Special Board Meeting held January 7, 2005**

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

AYES: Styles, Stewart, Gin, Dalessio, Rangel, Bilek
NOES: None
ABSENT: Escamilla

REPORTS OF COMMITTEES

<u>Personnel Committee</u>	Commissioner Josh Stewart, Chairman
<u>Finance/Development Committee</u>	Commissioner Tim Escamilla, Chairman
<u>Monterey County Housing, Inc.</u>	Commissioner Tim Escamilla, Rep.
<u>Affordable Acquisitions</u>	Commissioner Tim Escamilla, Rep
<u>Ad Hoc Committee for Rippling River</u>	Commissioner Alan Styles, Chairman
<u>Resident Advisory Council</u>	Michael Nichols, Representative

Upon motion by Commissioner Stewart, seconded by Commissioner Bilek, the Board approved moving forward agenda item 7A, Resolution 2289: Adoption of the FY 2004 Audited Financial Statements to accommodate the Auditors. Motion carried with the following vote:

AYES: Styles, Stewart, Gin, Dalessio, Rangel, Bilek
NOES: None
ABSENT: Escamilla

The Board recessed to a break at 6:45 p.m. and reconvened to regular session at 6:50 p.m.

OLD BUSINESS

- A. Resolution 2289: Adoption of the FY 2004 Audited Financial Statements**

Auditors, John Gibbons and Sunny Wong, provided additional graphs reflecting the detail of expenses by function and reflecting net assets.

Upon motion by Commissioner Stewart, seconded by Commissioner Bilek, the Board adopted Resolution 2289 accepting the Agency-wide Audit for 2003/2004. Motion carried with the following vote:

AYES: Styles, Stewart, Gin, Dalessio, Rangel, Bilek
NOES: None
ABSENT: Escamilla

REPORT OF SECRETARY

A. **Executive Report:** This item reported after Closed Session below.

OLD BUSINESS

A. **Resolution 2289: Adoption of the FY 2004 Audited Financial Statements:**
This item addressed above.

The Board moved the Closed Session forward on the agenda to accommodate the Attorney. The Board convened to Closed Session at 7:04 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: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: 1
ACTION: No action taken.

- B. With respect to every item to be discussed in Closed Session Pursuant to Government Code Section 54956.9(B): CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: Pamela Webster v. Housing Authority of the County of Monterey
ACTION: With respect to Pamela Webster versus Housing Authority of the County of Monterey, the case has been settled for the cost of defense and no admission of liability by the Housing Authority.

The Board reconvened to regular session at 8:17 p.m. The Board recessed to a break at 8:18 p.m. and reconvened to regular session at 8:25 p.m.

REPORT OF SECRETARY

A. Executive Report

Mr. Nakashima reported that a notice to terminate the Property Management Agreement will be sent out tomorrow to the owner of Plaza Grande due to the owner's possible liability of not complying with policies and rules. The letter has been reviewed by legal counsel and the limited partnership and the City of Salinas have been notified. This will be a friendly notice to terminate April 30th with a good transition to the new management. Attorney Carlson commented by sending this letter now, it shows that the Housing Authority's intent not to be held liable for what the owner does to the tenants or the way he manages that property. Staff responded to query that HACM would lose approximately \$35K a year in management fees. Mr. Nakashima stated the owner means well and is committed to trying to make something good with Plaza Grande, but we have a difference of philosophy on property management style and we cannot risk our credibility and tax credit reputation. Commissioner Stewart requested a copy of the letter to the owners of Plaza Grande be provided to the Commissioners.

Mr. Nakashima reported For the Record that item 9I in this report reflects the process of follow-up on referrals to the staff. This is the process for follow-up. If it goes on the referral list, staff has to follow-up. Mr. Nakashima asked if any Commissioner had anything to add to the list or have they not received everything. There was no response.

Mr. Nakashima continued his report that budget changes are forthcoming and the rule changes are getting more and more confusing and we're getting less money. Today we got a letter that is not positive and it appears that the flexible voucher program which we

thought was successfully stopped is reappearing in piece meal fashion under a different name. For the record, we have got some real fights forthcoming not only at the federal level but also the state level. We have real concerns of how to fight the battle because the implementation of these cuts is moving so fast. We've got to get other agencies involved, such as the NAACP, because it is going to be a national issue. We have to support the 5,400 families that we serve. We have to be ready to be in place when regionalization takes place. And we have to be the Housing Authority with the best track record, software, programs, and management. For the first time Health and Human Services gave an indication that it may become Health, Housing, and Human Services. Chair Styles stated that is why we need to get the Tynan and Castroville projects on the ground, and Rippling River done; we need to be ready for these cuts in order to operate and take care of HACM residents.

NEW BUSINESS

A. Resolution 2293: Resolution No. 2293: Authorization to Allow Board Chairman to Respond to Legislative and Regulatory Issues

Upon motion by Commissioner Stewart, seconded by Commissioner Rangel, the Board adopted Resolution 2293, authorizing the Board Chair to respond to legislative and regulatory issues on behalf of the Board of Commissioners. Motion carried with the following vote:

AYES: Styles, Stewart, Gin, Dalessio, Rangel, Bilek
NOES: None
ABSENT: Escamilla

INFORMATION

- A. Administrative Report/Summary of Actions for December 04/January 05**
- B. Status Report: November 2004 Financial Statements and December 2004 Disbursements**
- C. Status Report: Monthly Development Report**
- D. Status Report: Monthly Housing Management Report**
- E. Status Report: Eligibility/Section 8 Reports**
- F. Legislative Update**
- G. Legislative Correspondence**
- H. Appointment of Michael Nichols to the Resident Advisory Council**
- I. Follow-up and Referral Items**

There were no information items pulled and no discussions; no actions required.

COMMISSIONER COMMENTS

Commissioner Bilek commented, I have a memo that's a follow-up on some things that we talked about last time. It's on the Brown Act—suggestions from Mr. Escamilla and the voting issue. Commissioner Bilek read from her memo dated January 10, 2005, The Brown Act, Suggestion to Mr. Escamilla, and the Voting Issue. There seems to be a misunderstanding about the Brown Act from both Tim Escamilla and Mary Jo Zenk. This misunderstanding was shared by others so I've addressed this letter to all of you. The Brown Act prohibits quorums of Supervisors and Commissioners from meeting together without complying with the Brown Act. The Ad Hoc Committee meeting attended by Richard Rangel last Friday was attended by only two Commissioners plus Mr. Rangel. Accordingly no violation of the Brown Act occurred. It also is doubtful that the Ad Hoc Committee remains exempt from the Brown Act. Representatives of the Board of Supervisors and the Housing Authority who constitute less than a quorum of each body, meeting solely for the purpose of exchanging information. If this is the only purpose of these meetings, why are we, HACM, paying an attorney who has no independent information to attend these meetings? Clearly, more is taking place than the permitted exchange of information. I did not attend the meeting, but it is my understanding that Richard Rangel did exactly what he was allowed under the Brown Act. It is my suggestion that everyone read the Brown Act in a way that Mr. Rangel and

myself were required to do as new Commissioners. I further suggest that because this misunderstanding incited so much anger in Tim Escamilla that he attend the introductory classes offered in February so he can come up to speed with the Tenant Commissioners. My last topic is in regards to Mr. Escamilla's suggestion that voting rights be taken away from the Tenant Commissioners. As you all know, Richard Rangel and I were placed on the Board to represent family and senior residents. We were ensured that we had full voting rights. Our election by the Supervisors, who appointed us with voting rights, came after the right to appoint Tenant Commissioners was taken away from the Housing Authority because there was a large group of residents not being represented. Your appointees Ms. Schneider and Mr. Nichols did not organize visits for tenants and failed to hear the residents, making them unable to represent their best interests. I believe that Mr. Escamilla had no problems with these two Commissioners voting because they voted the way he wanted them to. Now the new Commissioners appointed specifically to represent all residents may choose to vote differently from him. And it appears that this threatened him. Mr. Escamilla's proposal, after we and the Board of Supervisors were told that we would have voting rights, is an insult to us and the Board. They did not take the trouble to appoint us to just have our voting rights stripped for no good reason. At a time of diminished resources, it makes no sense for a Commissioner to take out a useless spite like this rather than concentrating on providing the best services possible to our tenants. Supposedly the Housing Authority is working with the Supervisors to repair Rippling River. Defying the Supervisors by trying to take the vote from Tenant Commissioners to support this effort makes one question the sincerity of the Housing Authority; perhaps placing Commissioners on the Ad Hoc Committee who want to work with the Supervisors is in order. So that's a memo that I sent to all the Commissioners. Chair Styles explained that we were told not to send them out so we didn't, but Commissioner Bilek has now read the letter into public record.

Commissioner Stewart commented I am not usually a person who is speechless, but what is happening right now is really bothersome to me, but I am going to hold my thoughts. He stated he had a very, very happy 66th birthday. He further commented he better see some HACM faces at the NAACP Awards dinner. Mr. Nakashima responded that the dinner would take place on February 7th and that he and Commissioner Gin would be attending.

Chair Styles wished Commissioner Stewart a Happy Birthday, which was on January 22nd. He stated Commissioner Stewart would be receiving the President's Award at the NAACP dinner, which is a high honor and well deserved.

Commissioner Rangel congratulated Commissioner Stewart on his award.

The Board and staff wished Commissioner Stewart a Happy Birthday.

CLOSED SESSION: Closed Session was addressed above.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:52 p.m.