

**ACTION
MINUTES OF THE REGULAR BOARD MEETING
OF THE
HOUSING AUTHORITY OF THE COUNTY OF MONTEREY
HELD SEPTEMBER 28, 2009**

Commissioners met at the Central Office. Chair Alan Styles called the meeting to order at 6:02 p.m. Present: Chair Alan Styles, Vice Chair Elizabeth Williams, and Commissioners Josh Stewart, Merri Bilek (teleconference), Kevin Healy, and Andrew Jackson. Absent: Commissioner Tom Espinoza. Also Present: Jim Nakashima, Executive Director; Tony Caldwell, Chief Administrative and Operations Officer; Rosie Anderson, Director of Housing Assistance Programs; Jean Goebel, Director of Asset Management and Compliance; Starla Warren Director of Housing Development; Lynn Santos, Director of Finance; and Shelley Giancola, Human Resources Manager. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC:

Denise Turley, Section 8 client, read her complaint about her rent increase and requested when the stimulus money for homeless prevention is provided that it be used to help restore the HACV funds.

Rose Milan, Administrator and Representative of Del Monte Manor and the Seaside Civic League, commented that Commissioner Stewart had advised her to come to the meeting and to find out if there were any other questions or anything else that Ms. Warren might need regarding the NSP2 application; she wanted to make sure that it was known that the Seaside Civic League wants to be part of the stimulus package.

PRESENTATION:

HACM Yearly Review: Mr. Caldwell provided a Power Point presentation showing the Housing Authorities accomplishments during this last year. The Board thanked staff for the good job in 2009 and requested that staff let their departments know how much the Board appreciated their hard work.

Mr. Nakashima thanked Ms. Anderson and Ms. Santos for their dedication and hard work on the Section 8 voucher issue. He further thanked the Board for making the difficult decision in a timely manner regarding the Section 8 vouchers. Staff was able to professionally handle this difficult issue as well as undergo inspections at the same time; Mr. Nakashima stated there will be two more inspections forthcoming. A short discussion ensued regarding the homeless prevention stimulus and that it will go to HRC and not HACM.

CONSENT AGENDA

- A. Minutes—Approval of Minutes of the Regular Board Meeting held June 22, 2009
- B. Minutes—Approval of Minutes of the Special Board Meeting held July 13, 2009
- C. Minutes---Approval of Minutes of the Regular Board Meeting held August 24, 2009
- D. Resolution 2614: FY 2009 Management Assessment Subsystem Scores

Upon motion by Commissioner Williams, seconded by Commissioner Bilek, the Board approved Consent Agenda items A & B. Motion carried with the following roll call vote:

AYES: Styles, Williams, Stewart, Bilek, Healy, Jackson
NOES: None
ABSENT: Espinoza

Upon motion by Commissioner Healy, seconded by Commissioner Jackson, the Board amended the motion to approve the Consent Agenda to include Consent Agenda items A, B, C and D. Motion carried with the following roll call vote:

AYES: Styles, Williams, Stewart, Bilek, Healy, Jackson
NOES: None
ABSENT: Espinoza

REPORTS OF COMMITTEES

<u>Personnel Committee</u>	Commissioner Merri Bilek, Chairman
<u>Finance/Development Committee</u>	Commissioner Elizabeth Williams, Chairman
<u>Monterey County Housing, Inc.</u>	Starla Warren & Tony Caldwell, Representatives
<u>Affordable Acquisitions</u>	Starla Warren & Tony Caldwell, Representatives
<u>Resident Advisory Board</u>	Tony Caldwell/Michelle Machado, Representative
<u>Monterey County Housing Development Corporation</u>	Starla Warren, President
<u>TVI & Tynan Village Affordable Housing LP</u>	Starla Warren, Authorized Signature
<u>Rippling River Affordable Housing LLC & LP</u>	Starla Warren, Authorized Signature
<u>MCHADC & Benito FLC, LP</u>	Starla Warren, Authorized Signature
<u>MCHADC & Benito Street Affordable Housing LP</u>	Starla Warren, Authorized Signature
<u>MCHADC & Monterey Affordable Housing LP</u>	Starla Warren, Authorized Signature
<u>MCHADC & Fanoe Vista, LP</u>	Starla Warren, Authorized Signature

Personnel Committee: Commissioner Healy reported everything was on the agenda.

Finance/Development Committee: Commissioner Williams reported Sunny Wong from Hayashi & Wayland auditing firm attended the committee meeting and explained the Audit and Management Letter. The other new business item on the agenda is the line of credit.

Monterey County Housing, Inc: Mr. Rose reported there was a board meeting on September 9th in which Melissa DiPasquale became the President and Toivo Kask became the Vice President and Tony Caldwell remained the Secretary/Treasurer. At this point in time, the MCHI Board has come to the conclusion that due to the status of one of the Board members it needs to increase in order to keep the current members. Public service announcements through the media outlets possibly will be used to get the new board vacancies out to the public. At the same time, information on what MCHI and MCHI-AA do will also be provided. Commissioner Stewart requested copies of the MCHI Board minutes. Mr. Rose replied he would provide those minutes tomorrow to the Clerk to the Board of Commissioners. Mr. Nakashima suggested MCHI set up a separate web site for their minutes. Commissioner Williams noted she had some names for possible MCHI Board candidates.

MCHI-AA: same as above.

Resident Advisory Board: Mr. Caldwell reported the RAB tried to have two meetings last month but both meetings lacked a quorum. They are trying to bring the RAB board back to monthly meetings.

Monterey County Housing Development Corporation: Ms. Warren reported that the development corporation and other entities are reported in her development report.

REPORT OF SECRETARY

A. Executive Report

Mr. Nakashima reported the Washington, DC trip was interesting; he stated HUD will be concentrating on more inspections with the focus on procurement audits, Section 3 contracts and services, and deconcentration and data. Mr. Nakashima responded to Board query that HACM is basically ready for these inspections except for not knowing what is actually on HUD's checklist, but staff will have to start now. It will be important for us to talk to other authorities that have gone through this inspection. Mr. Nakashima responded to another Board query about the processes in Washington, DC and stated that the legal system is very powerful and if they approve something then most likely it will be passed by Congress. The current restriction is that anything that has money attached to it isn't go to move forward because of the Administration's focus on health care, Afghan War, and immigration. He emphasized now is the time to get housing program changes submitted.

Commissioner Styles reminded that there may be changes in the Administration, such as the Presidents, but the staff stays in place; they are civil service workers that remain in that job. So the issue becomes one of dealing with the elected official but their staff may recommend what has already been imbedded from previous Administrations. The hard thing is finding who belongs to the inner circle and the current Administration's inner circle is currently being developed. Office of Management and Budget is an important office to visit because they have the money. Commissioner Williams stated it is worth mentioning that we have an Executive Director who is very well connected to Washington, DC. Mr. Nakashima reminded that when funds are provided out of Washington, DC, there better be a well-kept paper trail.

The Board moved New Business agenda item B forward to accommodate Ms. Wong, auditor from Hayashi and Wayland.

B. Resolution 2615: Acceptance of Audited Finance Statements for Year Ending June 30, 2008

In a brief presentation, Ms. Wong explained the audit and management letter as well as answered questions regarding those documents. She reported that the main thing is that this Housing Authority received an unqualified opinion which is the best you can have. Commissioner Healy stated he would get with staff to better understand this audit and therefore would abstain from this vote. Commissioner Bilek thanked Ms. Wong and commented the budget was very well written and it reflected where HACM is financially. The Board thanked Ms. Wong for her presentation.

A motion was made by Commissioner Stewart, seconded by Commissioner Bilek to accept Resolution 2615, approving the Audited Financial Statements for Year Ending June 30, 2008. Motion carried with the following roll call vote:

AYES: Styles, Williams, Stewart, Bilek, Jackson
NOES: None
ABSENT: Espinoza
ABSTAIN: Healy

OLD BUSINESS

Organizational Structure

Commissioner Williams stated she requested this agenda item in order to see the minutes and what was stated on the issue at the meeting and the organizational chart that was selected; she stated she would have liked more written in the minutes. A lengthy discussion ensued on the position of the Development Corporation and its connection with the Housing Authority.

Commissioner Styles reminded that the Board had directed him at the Retreat to make sure the Development Corporation was separate from the Housing Authority and that he and Commissioner Williams had been meeting and working together to make that happen. He mentioned they had talked with Ms. Warren and Ms. Santos and other staff but had not gotten to Mr. Nakashima yet. Mr. Nakashima noted that he would have liked to have been included in the beginning of the discussions since he is the Executive Director, but he does agree that the Development Corporation should be separate from the Housing Authority since they are reaching out to other counties.

Commissioner Styles stated that there is a package put together that he plans to bring to the November Board along with a new organizational chart on the separation. He emphasized that the way it is put together so far this Board becomes that Board--it cannot be changed. Therefore, the President of the Development Corporation can't select other Board members. He stated this information will be needed for future Boards. Commissioner Stewart requested legal counsel be invited to the November Board meeting.

As deemed by the Board, no action was required; this item was for Board clarification and information only.

NEW BUSINESS

A. Resolution 2613: HACM Job Description – Operations Planner/Scheduler

Upon motion by Commissioner Healy, seconded by Commissioner Stewart, the Board adopted Resolution 2613, Creation of HACM Job Description – Operations Planner/Scheduler. Motion carried with the following roll-call vote:

AYES: Styles, Williams, Stewart, Bilek, Healy, Jackson
NOES: None
ABSENT: Espinoza

Commissioner Bilek stated she would depart from the meeting at this point; the time was 7:37 p.m.

The Board took a break at 7:37 p.m. and reconvened to regular session at 7:47 p.m.

D. Resolution 2618: Authorize submittal of application to Joe Serna, Jr. Farmworker Housing Grant Program for proposed multi-family rental project known as Tynan Village Apartments

Upon motion by Commissioner Williams, seconded by Commissioner Healy, the Board adopted Resolution 2618, authorizing submittal of an application for funding for multifamily housing development from the Joe Serna, Jr. Farmworker Housing Grant Program of the State of California, Department of Housing and Community Development for the proposed affordable rental housing project known as "Tynan Village Apartments" in the City of Salinas. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Healy, Jackson
NOES: None
ABSENT: Bilek, Espinoza

E. Resolution 2619: Acknowledging the selection of the Contractor for the ARRA Solar Retrofit Project

Ms. Warren reported that there may be a protest by the Daniels House company regarding this project.

Upon motion by Commissioner Williams, seconded by Commissioner Stewart, the Board adopted Resolution 2619, accepting Emard Electric as the selected contractor for the ARRA Solar Retrofit Project. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Healy, Jackson
NOES: None
ABSENT: Bilek, Espinoza

The Board considered New Business agenda item C next.

C. Resolution 2616: Approve REVISED renewal of \$4,000,000 Line of Credit with Rabobank

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board Tabled Resolution 2616, approval of \$4.0 million Line of Credit with Rabobank. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Healy, Jackson
NOES: None
ABSENT: Bilek, Espinoza

The board moved agenda item G forward.

G. Change Meeting Dates for December

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board approved the December meeting date changes to Personnel Committee to December 7th,

Finance/Development Committee to December 8th, and Board meeting to December 14th. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Healy, Jackson
NOES: None
ABSENT: Bilek, Espinoza

F. Procedures/Election of Officers

Upon motion by Commissioner Stewart, seconded by Commissioner Healy, the Board approved the officers in place, Alan Styles as Chair and Elizabeth Williams as Vice Chair. Motion carried with the following vote:

AYES: Styles, Williams, Stewart, Healy, Jackson
NOES: None
ABSENT: Bilek, Espinoza

INFORMATION

A. Financial Report: Finance Update

Ms. Santos reported there was another VMS audit and staff is working through some challenges due to changes in the processes and procedures. As reported earlier, the line of credit is the biggest issue currently. Ms. Santos pointed out that the health trust cost had gone up to \$13K in one check run and there was another check run due tomorrow. Mr. Nakashima commented that the out briefing with HUD on the VMS inspection reflected they know how HACM got to where it was due to the late appropriations and there was no mismanagement on our part, but it has to go through their supervisor before approval. HUD will defend the new reporting system no matter how onerous. No action required.

B. Human Resources Report /Summary of Activity September 2009

Ms. Giancola reported that HACM ran three vacancy ads at one time and received 285 applications for the three positions and interviews have already started with one individual already selected for one of the positions. HACM will need more recruitment efforts for the Director of Housing Assistance Programs position. She further reported that even though the union negotiations are completed, HACM has not yet received a copy of the MOU. Ms. Giancola stated that due to the changes in the MOU, a lot of personnel policy changes are needed and those would be brought to the October Board meeting. No action required.

C. Status Report: Monthly Development Report

Ms. Warren reported that Yardi has been able to provide an analysis of what percentage of time an employee spends on work orders and that has been an enlightening tool for the employees with a significant improvement from July to August. She advised that there are four projects she is trying to convert to perm and Tynan Village is the largest but because of the 80% payment standards there will be another shortfall of \$500K. Mr. Caldwell stated that we need to wait to see what our payments are going to be for the month of September and look at October before knowing if or what the savings might be. When funding is received around January 1, we will be better able to know whether the payment standards can be changed; we have to do what is in the best interest of the whole organization. No action required.

D. Status Report: Monthly Property Management Report

Mr. Caldwell reported that the properties owned by MCHI are also being affected by the payment standards in the lease-up at Parkside and Casanova. Out of 60 people attending a briefing at Casanova, only two were interested in moving into Casanova and the biggest complaint was that the rent was too high. No action required.

E. Status Report: Monthly Asset Management Report

Ms. Goebel reported that HACM has been notified that the REAC inspectors will be coming on October 15th, but they should be done in about a month. Staff is gearing up for this inspection. No action required.

F. Status Report: Eligibility/Section 8 Reports

Ms. Anderson reported that there are two new homeowners on the list under Section 8 and the FSS Coordinator stated there will be two forthcoming. She reported that due to the payment standards being lowered some landlords are becoming creative in order to keep the Section 8 tenants that they currently have renting. Eventually, the benefits will be seen but it will take several months. No action required.

G. Status Report: Administrative Report

Mr. Caldwell reported that staff continues to refine the process and procedures in the inventory area to gain more efficiency. They are also reviewing the procurement policy for any potential procurement audit as well as doing an internal audit of the procurement files to make sure staff is doing exactly what they should. There will be several staff members going to the Yardi Conference in Santa Barbara; the construction module will make it easier to administer and manage the projects for the development area. No action required.

H. Legislative Update

Mr. Caldwell reported staff continues to monitor the trends and how they affect us in terms of our clients and housing issues. No action required.

I. Media Update

Mr. Caldwell reported he had nothing to add to his report. Mr. Nakashima reported that he had provided a document that reflected nation-wide the impact of the funding shortfall for 2009 and HACM was mentioned in the article. It showed every State and the number to note is the number of vouchers in use left unfunded because that means termination. He noted he had provided Supervisor Parker's office with a copy also. No action required.

CLOSED SESSION

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

- A. Closed Session: Government Section 54957.9(b)(B): Potential Litigation: regarding contract with Wald Ruhnke Dost
ACTION: No action taken in Closed Session.
- B. Closed Session: Government Section 54956.8: Conference with Real Property Negotiators: Property: 30 East Market Street, Salinas, CA
Negotiating Parties: James Nakashima, Starla Warren, and Tony Caldwell
ACTION: No action taken in Closed Session.

COMMISSIONER COMMENTS

Commissioner Healy commented that he had recently been honored to be voted as the Vice President of Sunrise House and he was very honored to serve as their Vice President. The Board and staff congratulated Commissioner Healy.

Commissioner Jackson commented that he would like some assistance especially with the financials; Commissioner Styles recommended Commissioner Jackson set up an appointment with the Finance Director for HACM.

Commissioner Stewart asked if it was possible to have a summarization of the Committee meetings provided for the Board meeting; Ms. Tebbs explained that would difficult because the

September 28, 2009

Committee meetings end on Tuesday and the Board packet process begins on Wednesday in order for delivery on Friday.

Commissioner Williams commented she was sorry to miss the dinner, but she had another commitment. She also advised there had been a bus accident in front of Fano Vista; she doesn't feel that bus stop was thought out very well. She reported no one was hurt in the accident. She further thanked Mr. Caldwell, Ms. Giancola, and Ms. Imwalle for their work on the union negotiations; they did a good job. She thanked Ms. Tebbs for working on setting up the Strategic Planning meeting and she wished all those going to Washington, DC good luck. Commissioner Williams also wished good luck to Commissioner Styles on his vacation and requested that staff take her appreciation back their staff.

Commissioner Styles thanked Ms. Tebbs for putting the dinner together and explained the issues that took place at the restaurant that evening with another group sharing the same room. He felt the restaurant had made an error in allowing that group to become larger and disruptive to our group. He noted there was a nice apology letter received from the Growers Pub that even offered another dinner or lunch to those in attendance that evening. Commissioner Williams suggested that might be an idea to consider for the Christmas dinner.

Commissioner Styles thanked the Board for their vote of confidence tonight for the Chair and Vice Chair and stated we certainly want to go forward and work with you all to make that happen. He reminded that he would be going to Washington, DC and then on to Tampa, FL for his vacation, but he would be available by cell phone.

Commissioner Williams also thanked the Board for the vote of confidence.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:06 p.m.

Chairman

ATTEST:

Secretary

Date