

**ACTION**  
**MINUTES OF THE REGULAR BOARD MEETING**  
**OF THE**  
**HOUSING AUTHORITY OF THE COUNTY OF MONTEREY**  
**HELD FEBRUARY 22, 2010**

Commissioners met at the Central Office. Chair Alan Styles called the meeting to order at 6 p.m. Present: Chair Alan Styles, Vice Chair Elizabeth Williams, and Commissioners Josh Stewart, Tom Espinoza, and Andrew Jackson. Absent: Commissioner Kevin Healy. Also Present: Jim Nakashima, Executive Director; Jean Goebel, Director of Asset Management and Compliance; Starla Warren Director of Housing Development; Lynn Santos, Director of Finance, Shelley Giancola, Human Resources Manager; and Tom Griffin, Legal Counsel. Recorder: Sandy Tebbs

COMMENTS FROM THE PUBLIC:

Susan Price, tenant at Plaza House, commented that everyone knows who she is; she stated she has been trying to get a meeting with Mr. Nakashima now for months. She stated before this meeting began Mr. Nakashima told her that there is nothing that the Housing Authority can do because the building is owned by Monterey County Housing, Inc. She stated she was not asking to change the policy and procedures nor was she grieving the policy and procedures. These are things that have occurred by employees of the Housing Authority of Monterey County. It has nothing to do with Monterey County Housing, Inc. She stated she had just looked at the five year plan and it mentions something about grievance and how to handle it, but she really doesn't have a grievance. She stated she needs some questions answered and to privately sit down with Mr. Nakashima or someone that is in a decision-making position for the Housing Authority of Monterey County. She stated she needs to get some answers to some specific questions that she had already sent to HACM—by certified mail—it should not be a mystery. She further commented that she needs to know what she is doing wrong that she is not getting to meet—after so many months.

Mr. Nakashima asked the Chair if he could respond to Ms. Price. He stated he had conferred with the Executive Director of MCHI (Monterey County Housing, Inc.) because it is really an issue for their Board and the Executive Director. Mr. Nakashima stated he wanted to follow protocol because MCHI is a recognized entity with an individual Board and he has no right to intrude with that Board if they would like to take care of the issue--this is not personal. If the MCHI Executive Director, in talking with their Board, would like me to meet with Ms. Price, then they will have to let me know. Ms. Price replied Mr. Rose has been in communication with her and he's been very fine about it.

Mr. Rose stated the only thing he would interject is that he wants to get involved and Ms. Price can attest to that; and given the fact that MCHI is the owner (of Plaza House) and HACM is only involved in terms of screening people and maintaining the building. So if Ms. Price has a complaint, and he realizes it's not a complaint per se, that's one reason Ms. Price is encouraged to come to MCHI with the issue. If it is an issue that Mr. Nakashima is responsible for, then it can be referred to him as opposed to circumventing the situation. Ms. Price stated to Mr. Rose, if you want to get in on this, let me say it again, please do, but it's my feeling that I would need to meet with Mr. Nakashima privately.

Chair Styles stated that Ms. Price needs to sit down with Mr. Rose and let Mr. Rose make the decision on whether it comes back to HACM. Ms. Price stated that needed to be put in writing. Chair Styles replied, it will be in the minutes.

PUBLIC HEARING: Amendment to the 2009 Annual Plan.

Chair Styles opened the Public Hearing at 6:10 p.m.

Ms. Goebel explained that HUD asked that an amendment be made to the 2009 Annual Plan to include the language required for the ARRA funds. It has to deal with what is considered substantial modifications. That amendment is under the Consent Agenda for this meeting. It has been put out for public comment for the required period of time and no comments were received.

Upon motion by Commissioner Stewart, seconded by Commissioner Williams, the Board closed the Public Hearing for the Amendment to the 2009 Annual Plan. Motion carried with the following vote:

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

The Public Hearing was closed at 6:11 p.m.

CONSENT AGENDA

- A. Minutes - Approval of Minutes of the Regular Board Meeting held January 25, 2010
- B. Minutes – Approval of Minutes of the Special Board Meeting held February 8, 2010
- C. Resolution 2644: Amendment to the 2009 Annual Plan

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

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

REPORTS OF COMMITTEES

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

Personnel Committee: Commissioner Stewart reported everything was on the agenda.  
 Finance/Development Committee: Commissioner Williams reported everything was on the agenda; she stated Ms. Santos provided a complete and detailed report on the finances and the Committee extended their appreciation to Ms. Santos for making the reports easier to read.  
 Monterey County Housing, Inc.: Mr. Rose reported Mr. Caldwell's resignation has left the Board with a vacancy. However, MCHI has added another Board member, Pedro Rodriguez; he has a long history of living in the Salinas area. He also brings Board experience from being on the school district board. MCHI will be looking to HACM for the replacement for Mr. Caldwell to the MCHI Board. MCHI had some unexpected expenditures with the elevator at Parkside.  
 Affordable Acquisitions: Same as MCHI.

Resident Advisory Board: Ms. Goebel reported there were approximately 20 residents that attended the recent RAB meeting. The meeting was scheduled primarily to discuss and to present the Annual Plan and to inform the residents that participation is welcomed at the RAB and that election of officers would be taking place soon; some residents seemed interested in attending the RAB meetings. Ms. Warren noted there was a good cross section of the properties at that meeting.

Monterey County Housing Development Corporation and LP's: Ms. Warren reported that all her information is in her Development Report.

## REPORT OF SECRETARY

### A. Executive Report

Mr. Nakashima reported a letter was received from Washington, DC HUD that reflects a new direction for HUD; that letter is with legal counsel for review. The letter reflects that any litigation that concerns HUD programs requires HUD to be notified along with the type of litigation; HUD wants their attorneys to be directly involved.

## NEW BUSINESS

### A. Resolution 2643: HACM Job Description – Chief Operations & Finance Officer

Staff explained that this position was needed due to the direction that the Administration is going with procurement, contracts, and Section 3. The individual HACM is looking for will have CPA experience and hopefully some legal knowledge as an oversight on documents before they are forwarded to legal counsel to save turn-around time and expense. They will be able to provide financial advice which the auditors are not allowed. He or she also will be a great asset during inspections because of their expertise.

During a lengthy discussion, Commissioner Stewart stated that the Personnel Committee recommended this item for approval but had some concerns regarding morale and cross-training HACM employees. He stated he wished this position could have been a selection from in-house. Ms. Giancola responded that most employees are very knowledgeable regarding their functions and sometimes a staff employee can do the day-to-day functions of the senior level, but that individual may not be able to fulfill the leadership part of that position. Mr. Nakashima reminded that the Administration's focus on procurement, contracts, and Section 3 are important factors for recruiting for this position and having a CPA license and legal knowledge would be very beneficial. He further reported HACM just got word that we will have another remote audit on the VMS from Washington, DC. The Administration is not only focusing on creating jobs, but now wants justification of the funds which now takes three times the staff time to meet those requirements.

Commissioner Stewart stated for the record that we're really going to have to make sure that employees are cross-trained so that someone else can step into a position when needed. Commissioner Espinoza expressed his concern that the Personnel Committee agreed to recommend approving this new position, but the cross-training or morale issues were not major discussion items at the committee meeting even though they may have been in the past, but if these concerns are things that should be addressed before the final approval then maybe this item should be sent back to the Personnel Committee for further discussion. Mr. Nakashima reminded that when HACM had to downsize that the luxury of having someone to backfill a position was no longer economically feasible.

Mr. Nakashima emphasized that we need this position filled; it is not costing HACM anymore financially. To Board query, Mr. Nakashima stated that the position will be filled through public

process. He suggested that maybe two or three Commissioners might like to be included in the selection process.

Commissioner Styles stated he was concerned about the legal requirement also but noticed in the special requirements portion of the position that legal oversight is not the main focus on the position and if HACM could find a CPA with legal background then that would be a benefit, but not the main requirement.

Commissioner Williams expressed concern about overlapping in places and putting too much emphasis on the legal oversight since we already have attorneys that do that work and are only a phone call away. Commissioners Stewart stated he wanted to make sure through the organizational chart that there was no overlapping and that morale is not affected. Mr. Nakashima reminded that staff are already doing several different jobs and are overloaded; this position will help rectify some of this overload.

Commissioner Espinoza expressed concern whether an individual with legal experience may stay for only a short period of time; we want to be sure this individual will be with us for a long period of time.

Upon motion by Commissioner Stewart, seconded by Commissioner Jackson, the Board adopted Resolution 2643, creation of HACM Job Description – Chief Operations & Finance Officer. Motion carried with the following vote:

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

Commissioners Williams, Espinoza, and Stewart volunteered to be part of the selection committee for the Chief Operations & Finance Officer position.

B. Structural Reorganization Proposal

After a lengthy discussion and explanation of the differences between the positions that are HACM employees and the employees that are Fee for Service, the Board requested a revised organizational chart be provided to the Board so they might provide any further suggestions to Ms. Giancola. Ms. Giancola emphasized the need for approving a new organizational chart due to the added functions that department heads are now operating. She stated she would provide a revised organizational chart with Force Account in the proper position on the chart as well as identifying the vacant positions. She emphasized that the changes on the chart do not change the number of paid positions. Mr. Nakashima reminded that the Board has given direction to bring Property Management and Maintenance back under HACM and this organizational chart reflects that direction.

The Board returned this agenda item to the Personnel Committee for further review with the recommended changes to the organizational chart.

INFORMATION

A. Financial Report: Finance Update

Ms. Santos reported she did not have anything to add to her report. She stated a phone call came in today from HUD, Washington, DC, regarding waiver recessions, but she was out of the office at another meeting and returned too late to return the call; tomorrow she will return the call. The 2010 funding for Section 8 has come out and it is just about at the position where we are now at the 95% payment standards. If the phone call is about a waiver recession, we may have to go to

100% payment standards, but staff is working to apply for the set-aside funds by March 9<sup>th</sup>. There are a number of other deadlines coming up in March in the Finance Department: the operating fund submission deadline has been changed from March 1<sup>st</sup> to the 15<sup>th</sup> due to problems with their system and the audit of last year is due by the end of March.

Mr. Nakashima noted that HACM received an invitation for two people to attend a special conference in Washington, DC March 2<sup>nd</sup> and 3<sup>rd</sup> regarding Section 8 funding and possibly regionalization. Ms. Goebel and Ms. Santos will be attending because they can best present our case.

To Board query regarding the Health Trust, Ms. Giancola responded that the reduction in expenditures for the Health Trust is due to the new plan structure. She reported that prescription claims are significantly down as well. No action required.

B. Human Resources Report /Summary of Activity January 2010

Ms. Giancola reported that the individual that we thought was going to apply for the Housing Programs Manager position decided it was not the right time for her so staff will be talking to another applicant later this week. To Board query, Ms. Giancola responded that the applications are coming in for that position but they do not meet the qualifications we are looking for. She further reported that under the negotiations we agreed to form a health insurance committee made up of management and employees that would meet on an annual basis in order to share information from the HACM broker. That committee has been formed with each department represented except for development, which chose not to be included. We have provided renewal information from Saylor and Hill to that committee and all the members are very involved in the process. We were able to get some fully insured quotes this year and we have focused on Blue Cross because they are offering better plans with a lesser premium. She stated she will be meeting tomorrow with Mr. Nakashima and Ms. Santos to discuss in depth about leaving the health trust and moving to a fully insured plan. Being fully insured would allow us to know our monthly fixed cost and not worry about high claims coming in unexpectedly. The outstanding balance that the health trust owes HACM will be an issue for the Board to resolve. A meeting with the Union will be requested to give them a highlight of where we're at; this will be a meet and consult meeting. She stated there are several different agencies within Monterey County that are in receipt of ARRA funds to provide training to unemployed displaced workers and HACM has agreed to participate in their programs. There is no cost to HACM, our only obligation is to actually provide training. We interviewed an individual today and that person will be brought in to the Procurement Department to train under the Procurement Contract Manager and also help HACM get organized for any upcoming procurement audits. This program will last until the end of September; the individuals are covered by Workers' Compensation and their wages are through their county agency. Commissioner Espinoza commented sounds like a win-win. No action required.

C. Status Report: Monthly Development Report

Ms. Warren reported that all of the properties are at about 90% leased up cumulatively. She stated staff continues to work on the placed in service packages for projects that need them plus they are currently working on the RFP response due on the 26<sup>th</sup> of this month to San Mateo. There was an incident at Fano Vista where a gentleman was shot and killed on Friday night. The son of a long-time resident had a party that had gang-affiliated people attending; the police have two suspects in custody. A copy of the police report has been requested so staff is still working that issue. In further discussion, staff noted that the long-term resident unfortunately would be getting a notice to vacate to eliminate any further risk to the other tenants.

Ms. Warren reported that when Force Account finishes at Elgin Village, they will move to Casa De Oro and then to 1259 Del Monte; coordination will be done with Property Management and

others. The ARRA money is close to being expended; she stated she is trying to get the contractors paid for the solar. The other ARRA funds should close out shortly also. The bids are due today on the community center; that contract will be brought to the Board for approval. She stated the Finance/Development Committee gave her instructions on Lakeview so that will be coming back to the Board. Paso Robles project is going very well; final approval is expected in May. The tax credit round will be in July and the same schedule continues for Haciendas. She stated Commissioner Stewart has agreed to set up a meeting with the Mayor of Seaside to discuss possible projects for that city. She mentioned that work orders are significantly down due to the Yardi system.

She stated the Moss Landing units are on the market and offers have been made; one all cash offer and the other FHA, which will take a little longer to close. They were put on the market at \$280K and the FHA is coming in around the appraisal amount; the cash offer is at \$250K.

Commissioner Williams commented as a former Mayor of the city of Gonzales, the police department will have the issue at Fano Vista taken care of within the next month or two. No action required.

D. Status Report: Monthly Property Management Report

Ms. Goebel reported she had nothing to add to her report; no action required.

E. Status Report: Monthly Asset Management Report

Ms. Goebel reported staff is working on VCA. The recycling grant is available again so staff continues to finish our portion of that implementation. There are only have a few properties left that have not implemented recycling, but they're difficult logistically due to lack of space. The proposed PHA plan for the next fiscal year is out for public comment right now and will be brought to the March Board for public hearing and approval. No action required.

F. Status Report: Eligibility/Section 8 Reports

Ms. Goebel reported she had nothing to add to her report; no action required.

G. Status Report: Administrative Report

Mr. Nakashima reported staff is working on procurement and Yardi assistance has been very good. Mr. Caldwell left us with good contacts in Yardi so we've been able to make the changes needed. No action required.

H. Legislative Update

Mr. Nakashima reported yesterday he received a phone call from the Department of Labor that noted the information they provided was incorrect; the actual number for unemployment went down to 10.1%, due to the drop from 11 million illegal immigrants to 8.1 million. The other surprising data was they didn't count those individuals that came off the rolls because they had given up looking for jobs. So the true number is a little bit worse than provided. No action required.

I. Media Update

Mr. Nakashima reported he had nothing to report; no action required.

The Board convened to Closed Session at 7:43 p.m.

**CLOSED SESSION**

- A. Closed Session: Government Section 54956.8: Conference with Real Property Negotiators: Property: 30 East Market Street, Salinas, CA  
Negotiating Parties: Starla Warren and Jim Nakashima  
ACTION: The Board unanimously voted to authorize Starla Warren to begin efforts regarding the possible legal remedies with Monterey County Housing, Inc. (MCHI) regarding the MCHI/HACM note on Plaza House.

The Board reconvened to regular session at 8:34 p.m.

**COMMISSIONER COMMENTS**

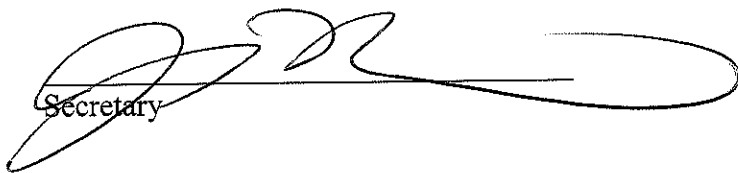
Commissioner Williams asked whether the Form 700 form needed to be filled out again. Ms. Tebbs, Clerk to the Board, explained that this was a new Form 700 to be filled out and was due to the County of Monterey by April 1<sup>st</sup>.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 8:35 p.m.

  
\_\_\_\_\_  
Chairman

ATTEST:

  
\_\_\_\_\_  
Secretary

3/27/10  
\_\_\_\_\_  
Date