



## Legislation Details (With Board Report)

<b>File #:</b>	PAR 22-026	<b>Name:</b>	Board Referral 2021.31
<b>Type:</b>	Preliminary Analysis Report	<b>Status:</b>	Agenda Ready
<b>File created:</b>	9/6/2022	<b>In control:</b>	Board of Supervisors
<b>On agenda:</b>	9/13/2022	<b>Final action:</b>	9/13/2022
<b>Title:</b>	Receive a status report in response to Board Referral No. 2021.31 seeking to reorganize and consolidate the Housing Authority of the County of Monterey and its subsidiary, the Housing Development Corporation, under one Executive Director, and have the Monterey County Board of Supervisors serve at its new governing board to oversee its operations and implement needed reforms.		
<b>Sponsors:</b>			
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. Board Report, 2. Attachment A – Board Referral 2021.31, 3. Attachment B – TAG ASSOCIATES, INC report dated June 24, 2022 regarding HDC Assessment, 4. Completed Board Order Item No. 14		

Date	Ver.	Action By	Action	Result
9/13/2022	1	Board of Supervisors	approved	

Receive a status report in response to **Board Referral No. 2021.31** seeking to reorganize and consolidate the Housing Authority of the County of Monterey and its subsidiary, the Housing Development Corporation, under one Executive Director, and have the Monterey County Board of Supervisors serve at its new governing board to oversee its operations and implement needed reforms.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a status report in response to **Board Referral No. 2021.31** and:
  - 1) Direct that staff continue to work with the Board of Supervisor's Ad Hoc Committee and the Housing Authority of the County of Monterey in its evolution; or,
  - 2) Direct that staff:
    - i. Proceed with completion of referral based on modifications by the Board; or,
    - ii. Return to Board with a more comprehensive analysis of referral and anticipated effort for completion; or,
    - iii. Rescind referral.
- b. Provide further direction, as appropriate.

### SUMMARY/DISCUSSION:

On December 14, 2021, the Board of Supervisors assigned **Board Referral No. 2021.31** to the Housing and Community Department to evaluate options to achieve the Referral's purpose. On December 21, 2021, the Monterey County Board of Supervisors, Housing Authority of the County of Monterey (HACM) and Housing Development Corporation (HDC) held a Joint Special Meeting. During the meeting a report from Housing and Community Development was provided on the history of HACM, and how the interests of the County and HACM intersect. The Board of Supervisors also received a report from the Board of Commissioners of HACM on the status of HACM, current issues and challenges, and options or plans to address those issues and challenges. Following receiving public comments and discussion, the Board of Supervisors provided recommendations to the Board of Commissioners to consolidate the control of HDC under the HACM, with the

Executive Director of the HACM serving as the President/CEO of HDC and to conduct an audit of HDC's finances and performance. The Board of Supervisors also appointed Board Members Askew and Alejo to an ad hoc committee to make recommendations on the hiring of the executive director and reform measures. Lastly, the Board directed the Housing and Community Development Department to bring forward other HACM and HDC governance options for the Board to consider. The Board of Commissioners of HACM, and by the Board of Directors of HDC, adopted similar motions evidencing the partnership, collaboration, and shared goals of the three entities.

On December 23, 2021, HDC held a special meeting to consider implementing the restructuring of HDC authorized by the Board of Directors on December 21, 2021 during the Joint Special Meeting by (i) directing the newly created Restructuring Ad Hoc Committee to begin Transitioning All HDC Employees to the Housing Authority of the County of Monterey; (ii) End the Employment Contract of the current HDC President and CEO and transition to regular position under HACM; and (iii) appointing the Executive Director of the Housing Authority of the County of Monterey, or whoever holds that role including on an interim basis, as the new President and CEO of HDC. The HDC staff report of December 23, 2021 is included as Attachment B to this report. The Board of Directors adopted all 11 motions as found on pages 4 and 5 of its December 23, 2021 staff report.

On January 11, 2022, the Housing and Community Development Department presented a preliminary response to Board Referral 2021.31. The preliminary response was accepted by the Board at that time with understanding that recommendations of the ad hoc committee would be presented to the full Board at a later date for its consideration.

On August 19, 2022, the Board of Supervisor's Ad Hoc Committee (Supervisors Alejo and Root-Askew) meet with County staff and HACM's Interim Executive Director Tory Gunsolley to receive a status report on HACM's evolution. During this meeting several matters were discussed including the executive director recruitment, tenant commissioner recruitment, commissioner recruitment, the interim executive director's term, the restructuring of HACM and HDC, and the HDC Assessment prepared by TAG Associates, Inc dated June 24, 2022 (**Attachment B**).

The Interim Executive Director's contract is effective until the end of the year, unless extended. HACM intends to have the position filled by the end of the year and continues to work with its recruiter. In the interim, the Interim Executive Director (ED) is working to fill the vacant tenant commissioner and commissioner vacant seats. It is the Ad Hoc Committee's intent that these seats be filled with individuals that are agents of change. The Interim ED and HACM Board has also suggested that the Chief Financial Officer position be filled upon filling the ED position.

The merger of HDC into HACM has occurred. The result was that HDC employees were terminated and re-hired as HACM employees. The former HDC Executive Director and CFO did not return as HACM employees. To assist in this transition, the Monterey County Board of Commissioners recommended engaging a third party to perform an assessment of HDC and provide recommendations for the future of HDC as an integrated department of HACM. HACM hired TAG Associates, Inc to conduct this assessment. TAG Associates, Inc's report summarizes the overall findings of the assessment and presents information that it believes will help HACM recapture control of its assets and staff.

Considering the actions that have occurred since December, the Ad Hoc Committee and staff believe that HACM continues to make strong moves in addressing community and Board concerns regarding program efficiencies and effectiveness. As such, staff is not presenting further governance options at this time and suggests that ad hoc committee (Supervisors Alejo and Root-Askew) continue to meet periodically with the

Housing and Community Development Department and the HACM Interim ED to discuss the options and other reforms before presenting further options to the Board. These periodic meetings should occur until the executive director position has been filled, or thereafter, to ensure progress continues to be made on achieving the Board Referral's purpose.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Supporting HACM is in align with the Board of Supervisors Strategic Initiatives by enhancing the health and safety of Monterey County residents through the creation of safe and affordable housing opportunities. Also, the County's assistance to support HACM would promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency

☐ Economic Development  
☒ Administration  
☒ Health & Human Services  
☐ Infrastructure  
☐ Public Safety

Prepared and Approved by: Erik Lundquist AICP, Housing and Community Development Director, x5154

The following attachments are on file with the Clerk of the Board:

Attachment A - Board Referral 2021.31

Attachment B - TAG ASSOCIATES, INC report dated June 24, 2022 regarding HDC Assessment