



**Peter W. Ragsdale**  
*Executive Director*

July 31, 2017

**BOARD OF COMMISSIONERS**

Presiding Judge  
Grand Jury  
County of San Joaquin  
222 East Weber Avenue-Room 303  
Stockton, California 95202

**Greg Arnaudo**  
*Chairperson*

Re: 2016-17 Case No. 0216-Grand Jury Report

**Dale Cose**  
*First Vice Chairperson*

Response to Grand Jury:

**Jon Mendelson**  
*Commissioner*

The Housing Authority of the County of San Joaquin ("Authority") has reviewed the Grand Jury's report received by the Authority on June 5, 2016. The Board of Commissioners herein responds to the findings and recommendations as required under Sections 933 and 933.05 of the California Penal Code.

**Martha Moore**  
*Second Vice Chairperson*

Introduction:

**Lester Patrick**  
*Commissioner*

The Authority agrees with much of the summary of the facts including its basic findings that the Housing Authority has made remarkable progress in the last 18 months concluding that the anonymous "Complaint" about its General Counsel was unsupported by facts. The Board of Commissioners remain concerned that the Grand Jury Report did not mention, refer to or even discuss the resignations of the two (2) Commissioners, one in 2015 and the other in 2016; nor to comment on the resignation of a juror member of the 2015-2016 Grand Jury in the spring of 2016 especially as it believed that these events were a further reason for the delay in the presentation of the 2016-2017 Grand Jury Report. This is not to say that the delay was not warranted. It was commendable of the 2016-2017 Grand Jury to complete its own independent investigation.

**Rudolph Willey**  
*Commissioner*

**Alan R. Coon**  
*General Counsel*

The Board of Commissioners reserves the future right to provide additional detail related to the events which caused the resignation of two of its Commissioners and the resignation of a member of the 2015-2016 Grand Jury.

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**FINDINGS; AND RESPONSE TO FINDINGS AND RECOMMENDATIONS:**

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Findings F1.1 through F1.8. With the exception of F.1.8, the Housing Authority generally concurs with Findings 1.1 through 1.7. Specifically, the 2016-2017 Grand Jury apparently disagreed with the conclusions reached by the 2015-2016 Grand Jury and found the allegations in the anonymous "Complaint" were not supported by the facts.

Recommendation R1.1. The Housing Authority is satisfied with the General Counsel's timecards. The Grand Jury's concern may be alleviated with a more complete understanding of the "time sheet summaries" which were requested and provided to the Grand Jury. These "time sheet summaries" contain the break out and inter-department charges to the various departments but do not contain the detail provided in the original "time sheets" which are provided and approved by the Board of Commissioners because they contain information protected by the attorney client privilege and/or attorney work product.

Finding F2.1. The Housing Authority agrees in part and disagrees in part with this finding.

Recommendation R2.1. The Housing Authority will evaluate and consider the need for a succession plan for its Executive Directive although, in truth, the future needs would dictate the skillset and experience of any successor.

Finding F3.1. With the exception of F.3.3, in part, the Housing Authority generally concurs with these Findings subject to its concerns stated above.

Response to R3.1. The Housing Authority has several concerns with this recommendation. First, the Housing Authority is an agency independent of the Board of Supervisors; it is an agency that primarily administers federal and state funds. Second, the Board of Supervisors has had recent success with its commissioner appointments despite the historical difficulty in both attracting and retaining Commissioners for many of the County's volunteer boards and committees. It remains concerned that the decision to interview the candidates might make it difficult to attract and retain qualified candidates.

Response to R3.2. The Authority agrees to update and provide an outline of the typical duties of its Board of Commissioners recognizing the ever changing complexities of the commissioner position.

Finding F4.1. The Housing Authority agrees and disagrees in part with this finding.

Response to Recommendation R.4.1. The Authority agrees that it does not provide a "formal" orientation for its newly appointed Commissioners. Instead, it provides initial meetings with its existing Board members, Clerk of the Board and General Counsel in which the Brown Act, ethical policies and its Bylaws are provided and discussed. Then, the Authority provides opportunities to attend trainings offered by professional

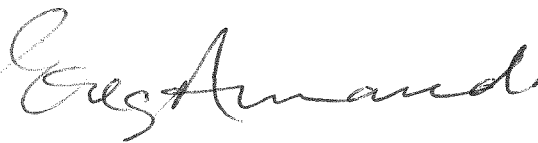
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trainers in areas where a commissioner may need additional education and/or changes in law or policy. It is also important to know that Commissioners are mandated by State law to take AB 1234 Ethics Training (with renewed training every two years thereafter) as well as completion of annual Form 700s. Finally, our Commissioners regularly take training offered by national experts in the field (e.g. NAHRO, PHADA) on board governance, federal and state funding issues and current topics specific to public housing authorities.

#### Conclusion

The Authority recognizes the importance of the Grand Jury's role of oversight for governmental accountability and welcomes the opportunity to review and consider implementing their suggestions to improve this agency. The Board of Commissioners wished to acknowledge and commend its newly appointed Executive Director, General Counsel and current administrative staff for their efforts in serving the affordable housing needs of this community. A small sample of those efforts, which were accomplished within the last eighteen months and all following the resignations of many administrative staff including the former Executive Director, Deputy Executive Director and Human Resources Director, include: The Housing Authority received a 9% Low Income Housing Tax Credit (LIHTC) award for the 115 unit, \$34 million dollar Phase I redevelopment of Sierra Vista Homes. Further, the Authority applied for and received \$2 million dollars from the U.S. Department of Agriculture (USDA) for the final ten unit rehabilitation of Sartini Manor in Thornton. In addition to this renovation, HACSJ reassumed operating responsibilities for the three Office of Migrant Center (OMS) properties in the County. Attracting over \$2.4 million in capital funding in the first eighteen months of center operation, our role further protects affordable agricultural housing in the county. Finally, the Authority undertook an ambitious campaign to maximize its underutilized Housing Choice Voucher (HCV) program adding nearly 700 households to the program. This endeavor returned the maximum amount of funding available to San Joaquin County and increases funding in upcoming HUD budgets.

Sincerely,



Greg Arnaudo  
Chairperson  
Housing Authority of the County of San Joaquin