

San Joaquin County Grand Jury



The HOUSING AUTHORITY of the COUNTY of SAN JOAQUIN BOARD of COMMISSIONERS 2008/2009 San Joaquin County Grand Jury Case No. 08-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury found significant problems exist within the San Joaquin Housing Authority Board of Commissioners that require immediate action by the San Joaquin County Board of Supervisors.

The workplace atmosphere is one of employee harassment and intimidation, placing the Authority at risk for claims of hostile work environment and other workplace related liability claims. Commissioners failed to deal with issues raised in two audits performed by the Federal Department of Housing and Urban Development (HUD) that identified problems regarding the use of federal funds. Contracts have been executed by Commissioners and staff without the review of counsel as required by federal guidelines.

The Chair of the Board has made racial remarks to employees and in public meetings. A number of Commissioners have abdicated primary responsibility to provide leadership, stewardship and proper oversight of management and staff.

REASON FOR INVESTIGATION

This investigation was prompted by both citizen complaints and Grand Jury interest in looking into Housing Authority operations.

This Grand Jury finds it necessary to bring to the reader's attention that the motivation for this investigation was not due to the fact that Housing Authority management and employees are in labor negotiations. This issue was not considered or investigated.

BACKGROUND

The Housing Authority of the County of San Joaquin was founded in 1942 under the Federal Housing Act of 1937 and the California State Housing Authority Law of 1938. It was established to administer both federal and state affordable housing programs for low-income

residents in all of San Joaquin County. The Authority is governed by a seven-member Board of Commissioners appointed by the County Board of Supervisors. The U. S. Housing and Urban Development Department (HUD) funds 90% of the Authority's operations and California funds only agricultural migrant housing for 5% of the Authority's income, with the balance from other sources.

The Housing Authority owns 1,075 housing units, 288 agricultural migrant housing units and provides a substantial subsidy for 4,781 rental units under the Housing Voucher Program, formerly known as Section 8. The Authority provides housing for some 20,000 residents of San Joaquin County.

METHOD OF INVESTIGATION

The Grand Jury reviewed documents and interviewed persons concerned with the operation of the Housing Authority. Members of the Grand Jury also visited Housing Authority facilities and attended public Housing Authority meetings.

FINDINGS

1. The Board of Commissioners failed to comply with recommendations made in two audit reports. These audits are conducted by the Office of Inspector General (OIG), U.S. Department of Housing and Urban Development (HUD) for the purpose of ensuring that the Housing Authority has proper oversight and is held accountable for its spending of taxpayer funds. *Section 2.07 of the Housing Authority By-Laws establishes that one responsibility of the Board Commissioners is to ensure, through independent reviews and audits that the Authority operates within the law and according to Housing and Urban Development (HUD) regulations.* Several board members were unaware of the results of the recent 2008 Audit Report or the results of a 2004 Audit Report.
2. The 2004 OIG Audit Report recommended the termination and restructuring of the contract for legal services on the basis that the Authority disregarded HUD requirements that limit the length of service contracts and omitted required Federal provisions in the attorney's contract as required by Section 4.06.2 of Housing Authority By-Laws.
3. The OIG Audit Report stated, "The attorney's failure to effectively perform contracted services and reviews added to the problem of the Authority improperly awarding over \$3.3 million in contracts for goods and services and the resulting unnecessary financial and legal risks."
4. Contracts have been authorized and executed by the Commissioners and staff without referral for legal counsel review. The lack of quality legal review puts the Authority at risk of litigation and loss of federal funds.

5. The 2008/2009 Chairperson (originally appointed Dec. 15, 1998) has made racial remarks in the presence of Authority employees and in public meetings. This behavior puts the Authority at risk of discrimination lawsuits, and cannot be tolerated. *Section 3.0 of the Housing Authority Code of Ethics and Standards of Conduct establishes standards for employee and commissioner conduct that will assure the highest level of public service and it identifies those acts or omissions of acts that could be deemed injurious to the general mission of the Authority.* The Chair dismisses the remarks as “colorful language”. The Chair’s conduct in public forum is unprofessional. There have been outbursts and accusations that hinder the Board’s ability to be effective in doing the work of the Authority.
6. A Tenant Commissioner (originally appointed May 20, 2006) has a documented history of violations for repeatedly behaving in an abusive manner toward Housing Authority employees and contractors. She is also in violation of Residency Certification regarding income-reporting and criminal-background standards.
7. A number of the Commissioners assert that their only responsibility is to “set policy”. *Section 2.06 of the Housing Authority By-Laws provides that a commissioner’s responsibility is setting policies governing operations, and to prevent fraud, abuse, mismanagement and discrimination; to ensure that the authority acts legally and with integrity in its daily operations.* The Director is responsible for managing the daily operations of the Authority. The Commissioners have abdicated responsibility to provide leadership, stewardship and proper oversight.
8. A Commissioner (originally appointed Mar. 29, 2008) has refused to receive the training offered by the Authority. Training is offered to commissioners in order to give them an understanding of federal regulations, the operations and mission of the Authority.
9. The 2003/2004 Grand Jury recommended that the Board of Commissioners adopt and enforce a Code of Ethics for the Housing Authority. *Section 7.0 of the Housing Authority Code of Ethics and Standards of Conduct states, “There shall be established an Ethics Review Committee of the Authority of the County of San Joaquin. The purpose of the Committee shall be to review and render decisions on any matters involving ethical conduct, or breach of ethical conduct, by employees, vendors, or commissioners.”* However, a Code of Ethics was not adopted until 2006. This document provided for an Ethics Review Committee to be established within 90 days. An Ethics Review Committee was not established until April 2009.
10. In 2007, the Commissioners eliminated the position of deputy director. In 2008, the Executive Director resigned from the Authority. Since there was no Deputy Director to fill the void, the employees did not have effective leadership during the past year.
11. The Grand Jury found the Board of Commissioners inadequate in dealing with and in understanding its full responsibility and stewardship.

12. The Housing Authority attorney's actions on notices of tenant eviction often result in a stipulated settlement agreement in lieu of court-ordered eviction of non-compliant tenants. The Grand Jury understands the effectiveness of stipulated settlements when used appropriately. However, evicting non-compliant tenants will provide housing for more deserving families.
13. Although the Housing Authority has an employee Grievance Procedure in place, grievances are not handled in a timely manner and are often ignored when filed.
14. In 2008 the Authority received a favorable Public Housing Assessment (PHA) score on the physical condition of its properties.

RECOMMENDATIONS

1. The San Joaquin County Board of Supervisors remove the 2008/2009 Commission Chair (originally appointed Dec. 15, 1998) from the Housing Authority Board of Commissioners pursuant to statute of Housing Authorities Law (California Health & Safety Code, §34282): "For inefficiency, neglect of duty, or misconduct in office, a commissioner may be removed by the governing body of the county in the case of a county authority."
2. The San Joaquin County Board of Supervisors remove the Tenant Commissioner (originally appointed May 20, 2006) from the Housing Authority Board of Commissioners pursuant to statute of Housing Authorities Law (California Health & Safety Code, §34282): "For inefficiency, neglect of duty, or misconduct in office, a commissioner may be removed by the governing body of the county in the case of a county authority."
3. The San Joaquin County Board of Supervisors, in consultation with the Housing Authority Director, implement a comprehensive application and interview process in order to make more suitable appointments to the Board of Commissioners.
4. The Board of Commissioners adopt a bylaw which requires all commissioners, within 90 days of appointment, to attend specialized training to enhance their understanding of federal rules and the Housing Authority operations.
5. The Board of Commissioners require the Executive Director to provide copies of all audit reports to all Commissioners and be prepared to fully discuss them at public meetings.
6. The Board of Commissioners seek legal counsel's advice prior to finalizing binding documents that fall under the purview of federal guidelines.
7. The Executive Director and Legal Counsel assist the Commissioners with ongoing training. Due to the nature and ever-changing scope of the Housing Authority, mandatory training will strengthen the Board's understanding of its responsibility for the entire operation.

8. The Board of Commissioners involve the recently appointed Ethics Review Committee to deal with complaints on a regular basis, pursuant to Section 7.0 of the Code of Ethics and Standards of Conduct.
9. The Executive Director enforce compliance with the existing employee Grievance Procedure, closely monitor the resolution process and report to the Board of Commissioners.
10. The Executive Director encourage employees to come forward with personnel matters or complaints.
11. The Executive Director of the Authority submit a monthly activity summary report to the San Joaquin County Board of Supervisors.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The San Joaquin County Board of Supervisors shall report on all Findings and Recommendations, where applicable, to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

The Housing Authority Board of Commissioners shall report on all Findings and Recommendations, where applicable, to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.