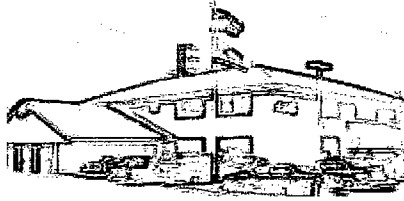


**Housing Authority of the County of San Joaquin**



**Alan Richard Coon**  
**General Counsel**  
421 S. El Dorado Street, Suite E  
Stockton, CA 95203  
Tel.: (209) 460-5025  
Fax: (209) 460-5125  
acoon@hacsj.com

Filed AUG 24 2010, \_\_\_\_\_  
ROSA JUNQUEIRO, CLERK

August 11, 2010

By TRISAL MARTINEZ  
DEPUTY

**Barbara S. Kauss**  
*Executive Director*

**Rosa Vazquez**  
*Deputy Executive Director*

**Board of Commissioners**

**Rudolph Willey**  
*Chairperson*

**Nellie Carter**  
*First Vice Chairperson*

**John Bevanda**  
*Second Vice Chairperson*

**Greg Arnaudo**  
*Commissioner*

**Irenemaree Castillo**  
*Commissioner*

**Jennifer Hernandez**  
*Commissioner*

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

Hon. Robin Appel  
Presiding Judge of the Superior Court  
County of San Joaquin  
222 East Weber Avenue-Room 303  
Stockton, California 95202

Re: 2009/10 San Joaquin County Grand Jury Case No. 0509-Grand Jury Report

Dear Judge Appel:

Response to Grand Jury:

The Housing Authority of the County of San Joaquin has received the Grand Jury's report sent to the Authority's Board of Commissioners and Executive Director on June 22, 2009. The Board of Commissioners has reviewed the report, the findings and recommendations therein. The Grand Jury Report stated that pursuant to Section 933 and 933.05 of the California Penal Code: "specific responses to all findings and recommendations contained in this report be submitted to the Presiding Judge of the Superior Court from the Housing Authority of the County of San Joaquin Board of Commissioners within 90 days of publication of this report."

**RESPONSE TO FINDINGS:**

F1. After several interviews and review of policies, promotions were given based on the interview and work record of the employees as per policy.

**The Housing Authority of the County of San Joaquin ("Housing Authority") agrees with this finding.**

F2. No specific evidence of harassment or intimidation was found. Some interactions between individual employees could be misinterpreted due to personality differences. Interviews of both current and former employees indicate these feelings seem to have been based on prior management, labor issues and personality conflicts.



**The Housing Authority agrees with this finding based upon information known.**

F3. Written complaints and interviews of HA employees revealed probable violations of the HA's "Code of Ethics and Standards of Conduct Policy". This Policy pertains to both employees and members of the Commission.

An incident was documented involving some employees and a Commissioner. The Commissioner received a Letter of Counseling regarding this behavior from HA legal counsel as directed by the Commissioners. A copy of this letter is in the Commissioner's file.

**The Housing Authority agrees, in part, with this finding as the Housing Authority provided a Letter to said Commissioner but can not concur that the alleged violation constituted a breach of the Code of Ethics.**

F4. A new modular software system (YARDI) is being purchased and implemented. The YARDI system is used by other HA's and is compatible with the required HUD reporting formats. In order to successfully install this new software, required new servers were purchased. Several modules of the new software are efficiently operating with the new servers.

**The Housing Authority agrees with this finding.**

F5. The file rooms at sites inspected were locked. Access to the keys to these rooms and cabinets is limited to authorized personnel. A sign-out sheet is attached to each Tenant file and requires a signature and date. Occasionally tenant files are unattended. The Administration offices have fireproof file cabinets in their building for long term record retention. Conway and Sierra Vista do not have fireproof file cabinets.

**The Housing Authority agrees with this finding, but would like to note that many of its tenant files are scanned with copies backed up to the agency's computer system. In the case of a fire, essential documents could be retrieved from an off-site backup.**

F6. During the Grand Jury investigation an ERC committee was re-established.  
**The Housing Authority agrees, in part, with this finding. The Agency Ethics committee was never discontinued although one member's service time had lapsed. A new member was appointed during the Grand Jury investigation period.**

F7. There was an inappropriate relationship between two management employees. They were counseled by the HR director and the ED.

**The Housing Authority agrees, in part, with this finding as the General Counsel did counsel the then management employees of the alleged inappropriate conduct during their period of employment.**

F8. A new phone system was fully integrated into the upgraded computer system. This has solved the problems inherent in the old system. The Commissioners decided in 2005 not to pursue recovery for the Great Plains software due to the high legal costs. It should be noted that numerous other HUD and HA agencies across the nation were similarly affected.

**The Housing Authority agrees with this finding.**

F9. It is apparent to this Grand Jury that there has been a resolution of the past software purchase issue. No malfeasance was discovered. The Commissioners were made aware of the situation and chose not to pursue recovery of funds already dispersed due to high legal costs involved.

**The Housing Authority agrees with this finding.**

#### **RESPONSE TO RECOMMENDATIONS:**

The Grand Jury recommends that:

- I. Staff follow procedures outlined in the Personnel Policy section of the Policy and Procedures Manual.

**The Housing Authority agrees with this recommendation.**

- II. Management continues to monitor and improve workplace conditions and attitudes to increase morale and decrease negative interactions. Implement the use of "High Performance Management Training" as provided by National Association of Redevelopment Officials (NAHRO). This training will benefit executive staff and any other individuals connected with the HA who interact with staff.

**The Housing Authority agrees with this recommendation and will continue to monitor and improve its workplace environment; and will implement training as budget allows. The Housing Authority notes that the overall environment showed improvement with the completion of its negotiated multi year union contracts. Further, in the Fall of 2009, the Board of Commissioners approved the Executive Director's participation as a member of NAHRO's Professional Development National Housing Committee. As a standing member of the Committee, the E.D. has recently been afforded the opportunity to monitor training courses such as those included in the High Performance Management Training series and direct appropriate staff for future training as budget allows.**

- III. The Commissioners continue to receive training on all aspects of their responsibilities and limits on their authority.

**The Housing Authority agrees with this recommendation.**

- IV. The HA continue to add necessary software modules as budget allows.

---

**The Housing Authority agrees with this recommendation.**

V. Tenant files remain secure at all times.

**The Housing Authority agrees with this recommendation.**

VI. A. Commissioners appoint members to the ERC and provide information on responsibilities, and the HA Code of Ethics and Standards of Conduct (Ethics).

**The Housing Authority agrees with this recommendation having already added a replacement member to address any future referral to the Ethics Review Committee, as stated in the Grand Jury Report. Appointments shall be made pursuant Article XI of the Housing Authority's Code of Ethics and Standard of Conduct.**

B. Commissioners revise the Ethics to include a complaint form and a clear Procedure for referring a complaint to the ERC.

**The Housing Authority agrees to prepare a complaint form for use in making complaint to the Ethics Review Committee. The procedure for addressing alleged breach of ethical conduct shall be as provided in Article XI of the Code of Ethics and Standards of Conduct.**

C. All HA staff be provided training on the revised Ethics.

**The Housing Authority agrees with this recommendation.**

D. Commissioners appoint one of their own to monitor the terms of the ERC Members and report upcoming term expirations.

**The Housing Authority agrees to monitor term expirations and will recommend the Clerk of the Board as the person to monitor terms and renewal and replacement appointments.**

Sincerely,



Barbara S. Kauss  
Executive Director