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COMMUNITY DEVELOPMENT COMMISSION

The Community Development Commission (CDC) provides and maintains housing for low-income people. Funds are provided by Housing and Urban Development (HUD) and by various state and federal grants. Because of the Congressional desire to provide housing for the homeless, CDC is the only agency that does not require proof of citizenship or a birth certificate to receive benefits. In Mendocino County, CDC is a public body created pursuant to the California Health and Safety Code. The Board of Supervisors (BOS) established the CDC in 1975 to provide Mendocino County citizens the option of operating and governing its own Housing Authority under a single entity and a Board of Commissioners. This also provided a Redevelopment Agency and community development programs. Although CDC derives its powers from the state legislature, the BOS appoints the commissioners for CDC.

Reason for Investigation

The Grand Jury received a citizen's complaint.

Method of Investigation

The Grand Jury interviewed several past and present employees of the CDC, the Executive Director (ED), a Commissioner from the CDC Board, and representatives from other county-wide organizations working with CDC in the Homeless Services Planning Group (HSPG). The HSPG is a collaborative representing twenty county agencies and organizations providing services and shelter to the county's homeless.

Documents reviewed consisted of financial statements, 1998 Audit, payroll information, purchase orders, personnel manual, minutes of the Board of Commissioners (BOC) meetings, Memorandum of Understanding, Procurement Handbook for Public and Indian Housing Authorities and other HUD regulations, CDC's Mission Statement and other relevant data furnished by CDC and other witnesses.

The CDC main office was visited.

Relevant Law

Code of Federal Regulations (24CFR85.36)
California Government Code, Section 54950 et seq. (The Brown Act)

Findings

1. There were no Request for Proposals (RFPs) on the many computers purchased during 1998-1999, totaling approximately \$30,000 and there were no Purchase Orders on some. These computers were not purchased through

competitive bidding. There was no justification found for this non-competitive purchase which is required by law (see HUD Procurement Handbook (Handbook), Section 4-29) and 24CFR85.36. Purchases of several computers in 1998 did not include a background check of the manufacturer, which went into bankruptcy after CDC purchased the computers. However, CDC did buy extended warranties at the time of purchase, thereby retaining the warranty coverage on those computers.

Response (Community Development Commission): The CDC purchased a total of twelve computers during the year, six in January, 1999, and six in April, 1999, at a total cost of less than \$25,000. Both purchases were based on a competitive bidding process in full compliance with the procedures and policies adopted by the Department of Housing and Urban Development. Although not required, the competitive bids were presented to and the Commissioners approved the purchases.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities, including purchasing and bidding. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

2. Some employees reported excessive down time on these new computers.

Response (Community Development Commission): The CDC cannot respond to this Finding No. 2 because it is non-specific as to time, duration and details of any computer problems. CDC has not experienced any significant down time on the twelve new computers. The vendor has been prompt and cooperative in resolving any reported problems.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the

Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

3. Further study reveals that in the purchase of their computers during 1998 and 1999, they violated Section II B 1, 2, 4, 5 & 6, and Section III B 4 of CDC's Procurement Policy. These sections require annual planning processes, written contracts, documentation on the history of the procurement, solicitation procedures consistent with federal regulation 24CFR85.36, independent cost estimates, cost and price analysis of the bid responses (no bids were solicited), and the requirement for three or more bids. Handbook Chapter 3-2 explains that the BOC is responsible for establishing the Housing Authority's (HA) procurement policy and that the BOC should designate the ED as the person responsible for carrying out its policy. This action should be stated in the minutes of the Board meeting. Handbook Chapter 3-3 explains the responsibilities of the ED.

Response (Community Development Commission): The Board of Commissioners approved the Procurement Policy on June 27, 1995. The Board of Commissioners review and approve policies as necessary.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

4. The CDC Procurement Policy specifies any purchase of \$100,000 or less is a "small purchase" and any amount up to \$500 may be processed through petty cash. Purchases up to \$25,000 do not need approval of the BOC. This allows sizable expenditures without BOC knowledge or approval.

Response (Community Development Commission): All of the procurement policies of the CDC are in full compliance with the requirements established by the Department of Housing and Urban Development.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer

state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

5. Instead of taking advantage of “cooperative purchasing” with the County as authorized in Section III H of CDC’s Procurement Policy, CDC acts independent of the County.

Response (Community Development Commission): The CDC has and will continue coordinate and consult with the County on appropriate purchases.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendations

1. The BOC should insure that their Procurement Policy, which according to CDC complies with all applicable federal regulations, is strictly followed. The Handbook should be used as a reference for the BOC to insure that the Procurement Policy follows appropriate federal regulations.

Response (CDC): Refer to response to Finding #1.

Response (Board of Supervisors): The Board of Supervisors agrees.

Time Frame for Implementation: Pursuant to CDC, already implemented.

2. The BOC should review Handbook Chapters 3-2 and 3-3, plus other pertinent chapters in the Handbook and 24CFR85.36, to insure that they have taken all required steps in the procurement process.

Response (CDC): Refer to response to Finding #3.

Response (Board of Supervisors): The Board of Supervisors agrees.

Time Frame for Implementation: Pursuant to CDC, already implemented.

3. The Grand Jury recommends that the limits for "Petty Cash" and the \$25,000 limit not needing BOC approval be reevaluated and possibly lowered. The limits which are stated in the Handbook are maximum limits and can be lowered by the HA. The BOC should periodically audit Petty Cash. Handbook Chapter 4-4 outlines procedures for Petty Cash.

Response (CDC): Refer to response to Finding # 4.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: Pursuant to CDC, already implemented.

4. The CDC should coordinate with the County on significant purchases (as authorized in the CDC Procurement Policy) and draw upon County expertise in appropriate areas.

Response (CDC): Refer to response to Finding #5.

Response (Board of Supervisors): The Board of Supervisors agrees.

Time Frame for Implementation: Pursuant to CDC, already implemented.

Finding

6. The Personnel Manual needs updating and many employees were not sure there was one that was actually followed by management. Neither management nor employees were sufficiently familiar with the manual.

Response (Community Development Commission): In 1996, the Personnel Manual was substantially incorporated into and replaced by a comprehensive Memorandum of Understanding between the CDC and the employees' union which then represented and now represents most of the CDC employees. The CDC acknowledges that the Personnel Manual needs to be revised as a comprehensive document separate and apart from the MOU. The CDC will revise the Personnel Manual within the next year.

Response (Board of Supervisors): Response: The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendation

The BOC should immediately insure that the Employee Manual is updated and that both management and staff are made aware of its existence. This manual should be used as a training tool for all staff.

Response (CDC): Refer to response to Finding #6.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities.

Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: The CDC will revise the Personnel Manual within the next year (12 months).

Findings

7. The CDC has been generally uncooperative with the “Core Group” of the HSPG in the homeless program. HSPG finds it difficult to coordinate with CDC and to meet with the CDC Director.

Response (Community Development Commission): The CDC participates in the “Core Group” of the HSPG Program and has supported the homeless effort by doubling the grant award for the Shelter Plus Care Grant to provide over 100 units of homeless housing assistance for Mendocino County residents.

The Executive Director has been actively involved and has been available for meetings with any member of the group.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

8. Relations are poor between management and many staff personnel, with reports of frequent occasions of verbal abuse from management, retaliatory action directed towards agency employees, along with mistrust of management, by staff.

Response (Community Development Commission): The CDC takes strong exception to this Finding. For several years prior to the hiring of the current executive director, the CDC had experienced substantial and recurring problems in the relationships between the

prior executive director and staff The Commissioners, both individually and collectively, are extremely sensitive to this issue and have made a special effort to monitor the relationships between and among the executive director, management and staff. Some tension among these groups will always exist. However, the Commissioners believe that relationships among the executive director, management and staff are generally very good. In the event of any problem, the employees have a broad and explicit grievance procedure and a strong and responsive union. No grievances have been filed nor has the union regarding any inappropriate conduct presented any complaints by the current executive director and/or management.

The CDC cannot respond more specifically to this Finding because no details of any perceived problems were presented. The Commissioners will immediately investigate any specific instances and will protect the privacy of any employee who may raise a complaint.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

9. Needed information from management is frequently slow in being disseminated and is limited to select personnel, indicating poor internal communication.

Response (Community Development Commission): The CDC disagrees with this statement. Information is disseminated quickly and is distributed to all appropriate staff. Monthly staff meetings are held within each department as well as an agency wide staff meeting. It is necessary for staff to attend the meetings to receive the information.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures

that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

10. Favoritism was a frequent complaint by many employees in many areas, including salaries and promotions.

Response (Community Development Commission): All salaries are set by a fixed salary schedule adopted by the Commissioners after negotiation with the employees' union. It is impossible for the executive director and/or management to play favorites in setting salaries. All job openings are well advertised within the agency and every effort is made to hire and promote from within the agency.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

10. Many employees state that they are afraid to speak out on issues and are fearful for their jobs.

Response (Community Development Commission): The employees are well represented by their union, which, in prior years, has not been reluctant to bring complaints and problems to the Commissioners. In past years, employees have also brought their concerns directly to the Commissioners in private communications. The identity and privacy of the employees was always protected. Neither the union nor any employees have brought any complaints to the Commissioners regarding the conduct of management and/or the executive director.

If the Grand Jury will provide specific information about employees who are afraid to speak out on important issues, the Commissioners will interview them and will protect their identity and privacy. Because so many employees have spoken out in the past without any type of retribution, the Commissioners find it difficult to believe that any employees are truly reluctant to bring their concerns directly to the Commissioners.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendation

Management needs to receive training in personnel relations, anger management, inter-agency cooperation, internal communication, avoiding favoritism, and team building.

Response (CDC): Refer to response to Findings 10 & 11.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: On-going. This is an issue addressed between the Union representatives and the BOC.

Finding

12. The CDC is publicly funded. The ED has been authorized to use an Agency vehicle, which happens to be a GMC sports utility vehicle. The ED stated she had to use it as she had no other vehicle. Use includes commuting to work between Ukiah and Willits, personal shopping, transportation of family members, plus business purposes. During the period June 1998 to January 2000, there were 23,700 miles put on the vehicle (based on CDC data). During that same period, commuting alone would have used approximately

17,000 miles, or well over 60% of the total mileage. This would leave little for other personal errands and normal business use.

The CDC's new policy is that the value of the percentage of personal use of the vehicle is listed as a fringe benefit on the ED's IRS W2 Form. This still would not reimburse the Commission for use of the vehicle.

The personal use of this or other vehicles is a questionable use of public funds.

Response (Community Development Commission): As part of the compensation package negotiated with the executive director, the Commissioners agreed to provide her with a vehicle for official and non-official use. Employees also use the vehicle during office hours as needed. This fringe benefit to the executive director is reported on her W-2 form and the vehicle is fully insured.

The use and mileage computations stated in the report are inaccurate. The report calculates that 60% of the 23,700 miles driven from June, 1998, to January, 2000, were driven in the executive director's Willits-Ukiah commute. In fact, the executive director did not even move to Willits until October, 1999.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendations

1. The Board of Commissioners should immediately consider its liability on the personal use of Agency vehicles.

Response (CDC): Refer to response to Finding #12.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission,

although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: BOC determines reasonable compensation package and vehicle needs for Director and staff. Board of Supervisors will communicate by February 2001 to BOC that they carefully consider Grand Jury concerns regarding the use of public funds for personal vehicle use when developing compensation package for staff.

2. If the CDC Board of Commissioners wishes to enhance the ED's compensation, the Grand Jury recommends that a more direct and visible approach through salary increases be used.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: BOC determines reasonable compensation package and vehicle needs for Director and staff. Board of Supervisors will communicate by February 2001 to BOC that they carefully consider Grand Jury concerns regarding the use of public funds for personal vehicle use when developing compensation package for staff.

Findings

13. The stated mission of CDC is "...working vigorously toward providing Mendocino County residents the opportunity for an affordable home in a suitable living environment."

Response (Board of Supervisors): The Board of Supervisors agrees.

14. In early 1998 two CDC units at their South Dora Street, Ukiah, location were destroyed by fire. Shortly thereafter CDC received an insurance payment of approximately \$200,000. To this date the units have not been replaced or rebuilt. The insurance proceeds remain idle.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

15. There is a significant shortage of low cost housing units in Mendocino County.

Response (Board of Supervisors): The word significant is ambiguous, but the Board of Supervisors agrees that addition low and moderate income housing is needed.

16. A program for the construction of additional affordable housing units is now in its early stages and has yet to be presented to the BOC.

Response to Findings #13-16 (Community Development Commission): The CDC has worked aggressively to increase affordable housing within the county. Since December, 1997 over 160 new housing units have been added:

Seventy-five new vouchers for Family Unification

Fifty additional certificates for the Shelter Plus Care Program

Fifteen new units of Public Housing opened in Ukiah

Fifteen new units of Public Housing opened in Fort Bragg

Seven new units of affordable housing opened in Ukiah

The two particular units that were destroyed by fire in March, 1998, were not replaced in-kind because HUD de-funded the construction of additional public housing units.

Response (Board of Supervisors): The Board neither agrees or disagrees with this finding.

Recommendation

The CDC should take immediate steps to initiate purchase and construction projects to replace the destroyed units and expand the inventory of affordable rental units.

Response (CDC): Refer to response to Finding #16.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: On-going.

Finding

17. The BOC is charged with overseeing and making critical decisions concerning the administration of a highly complex housing program. They are further challenged to grasp the mass of regulations promulgated by HUD. In response to this need, the National Association of Housing and Redevelopment Officials sponsors a series of seminars and workshops, specifically designed for commissioners whose background is not in housing. Unfortunately, not all of the Commissioners have taken advantage of this important training.

Response (Community Development Commission): The majority of the Commissioners have attended conferences and training sessions in an effort to remain current with the complex housing issues and seemingly ever changing policies and regulations. The executive director regularly circulates among Commissioners descriptions of available training sessions.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendation

Training in HUD regulations and community development should be mandated for all members of the BOC. The BOC should be more aware of the business transactions conducted by the Commission and of personnel morale.

Response (CDC): Refer to response to Finding #17.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: On-going.

Finding

18. As required by HUD, personnel authorized to draw down money from their HUD account are issued an individual password code. No other person is authorized to use that code. The password code used to draw down money from HUD and restricted to specific users was reported by several employees to be loosely controlled. At this time, there is no authorized alternate person available.

Response (Community Development Commission): Control over the HUD account password (LOCCS) is regulated by a designated Commissioner, currently Commissioner Henderson. The only person with authority to use the password is the executive director. The CDC will implement the recommendation of the Grand Jury and designate a second person with access authority.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendation

Necessary steps should be taken to insure that there is an authorized alternate and the control of password codes is strictly enforced.

Response (CDC): Refer to response to Finding #18.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: Immediately.

Finding

- 19.** There were many reports of improper hiring and promotion practices. Job announcements were not always posted. Also, according to testimony, temporary employees were hired and then assigned to permanent jobs without posting.

Response (Community Development Commission): The CDC disagrees with this statement. All employment opportunities are posted internally so those interested employees may apply. All employment opportunities are advertised in the local newspaper.

Since this finding is non-specific, the CDC is unable to provide specific information.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendation

If the BOC does not now have a formal procedure to critically evaluate the ED and staff morale; a comprehensive procedure should be developed.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: Not applicable. Recommendation of Grand Jury is not consistent with Finding #19 which is directly applicable to the hiring process and not the evaluation of Executive Director and staff morale.

Finding

20. It was reported that the ED recommends to the BOS people to be appointed as commissioners to CDC.

Response (Community Development Commission): All Commissioner appointments are made by the Board of Supervisors. The individual Commissioners, the executive director and employees may make recommendations to the Board of Supervisors as can any member of the public. The CDC believes that the Board of Supervisors, both individually and collectively, have sufficient interest, intelligence and independence to make appointments that are in the best interests of the public, regardless of the recommendations received from the executive director and/or anyone else associated with the CDC. In any event, only a single Commissioner has been appointed during the term of the current executive director.

Response (Board of Supervisors): The County Administrative Office is not aware of this practice. It is the practice of the County to properly notice vacancies to all boards and commissions. The Board of Supervisors then makes appointments based upon information included in the application.

Recommendation

The BOS should appoint commissioners without getting recommendations from the ED, which is allowing the “employee” to recommend who their “supervisor” should be.

Response (CDC): Refer to response to Finding #20.

Response (Board of Supervisors): The Board of Supervisors agrees.

Time Frame for Implementation: Already implemented.

Findings

21. BOC meeting notices are posted only at the North State Street main office.

Response (CDC): The CDC disagrees with this statement. The Board of Commissioner” meetings are posted at the CDC offices in Willits, Fort Bragg, and Ukiah.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities.

Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

22. Board minutes are frequently not clear to anyone who was not present at the meeting. Discussions are frequently reported without mention of what the subject is about.

Response (Community Development Commission): The CDC disagrees with this statement. The Board minutes are clear and concise. All minutes are approved by the Board of Commissioners.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Recommendations

1. While the posting of BOC meetings meet legal requirements, the Grand Jury recommends that CDC consider using county wide news media to post meeting notices. For example, BOS meetings are posted at numerous other public places besides the Court House.

Response (CDC): Refer to response to Finding #21.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over

all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: Not applicable. CDC meets legal noticing requirements.

2. Minutes of BOC meetings need to be more specific as to what is discussed. A person not attending the meeting should be able to readily understand what the subject of discussion was by reading the minutes. The BOC should also ensure that all decisions, and the specifics of those decisions, be included in the minutes.

Response (CDC): Refer to response to Finding #22.

Response (Board of Supervisors): The Community Development Commission is appointed by the Board of Supervisors to administer state and federal programs available for low income housing development, purchase assistance, and renovation. The Commission, although appointed by the Board of Supervisors, functions independently in the management of said program responsibilities. Inasmuch, the Commission and its staff are responsible for the operational decisions, and compliance with laws and/or procedures that govern their activities. In granting program responsibilities to the Commission, the Board of Supervisors expects careful oversight over all administrative actions, and compliance with all laws and applicable regulations.

Time Frame for Implementation: Not applicable.

Comment

There is the appearance of a lack of planning in purchasing of some items.

A long range planning program for housing has now been started, but is still in its infancy stage.

There are other procurement requirements for the BOC to act on as specified in Chapter Three, of the Handbook, which the Grand Jury did not review due to time constraints. The BOC has serious responsibilities in the area of procurement.

A common goal exists; funds are provided; and it is reasonable to expect that the various agencies involved be able to work together in a state of harmony. It is the responsibility of all publicly funded agencies to see that public funds are properly and effectively administered. All persons involved, regardless of agency, should be able to "meet and confer" in a friendly, business-like atmosphere, to determine the proper application of these public funds to achieve the goals set forth.

All employees have the right to expect to be treated in a professional manner in the work place and to act in a professional manner, as well. Vigilance and discipline is necessary when administering public funds. Anyone in a position of public trust has the responsibility to protect public funds and faithfully pursue the Agency's mission to serve the public interest.

Response Required

Mendocino County Board of Supervisors
Board of Commissioners, Mendocino County Community Development Commission