

Community Development Commission

The Community Development Commission (CDC) has had erratic leadership and acted without following procedures. A new director is working to stabilize CDC. The Board of Supervisors (BOS) needs to fill vacant and expired positions on the Board of Commissioners (BOC). CDC needs to rectify some of its practices and staffing to raise employee morale and better serve low-income housing needs, especially in coastal areas.

Method of Investigation

The Grand Jury interviewed past and present personnel of the CDC including the fiscal section, Fort Bragg office, public and agency owned housing section, accounting section, housing program section, community development section, the Executive Director, and executive assistant. The Grand Jury interviewed independent contractors of the CDC. The Grand Jury reviewed the BOC meeting agendas and minutes from September 2000 through July 2001, the 1999-2000 Grand Jury report "Community Development Commission," and a August 2001, letter to the editor that appeared in several local newspapers regarding the closing of the CDC Fort Bragg office. The Grand Jury reviewed the BOS Ad-Hoc Committee report dated January 25, 2002 and The Brown Act, California Government Code (Govt. Code) §54950 et seq.

Background

The CDC disperses the funds provided by Housing and Urban Development and various state and federal grants, assisting low-income people in obtaining housing. The CDC is governed by a board of seven commissioners appointed by the BOS.

Agency leadership, financial operations, and the closure of the Fort Bragg office were the primary focus of the Ad-Hoc committee report. The Ad-Hoc committee recommended that the CDC clarify organizational structure of working relationships within the CDC, establish and maintain an agency culture that empowers the agency Director and professional staff, develop a system that the CDC could employ to benefit from the resources pool currently available from the county, employ a fiscal officer as an agency employee, develop and adopt an agency-wide operating budget and multi year agency-wide plan.

The previous Executive Director left in December 2000; two interim directors followed; a new permanent director was hired in February 2002.

Findings

1. An outside consultant acts as the fiscal officer for the CDC.
2. Employee morale has been low. The new Executive Director appears to be restoring morale and establishing appropriate lines of authority.

3. While there are budgets for the various government programs, the CDC does not have an agency-wide budget with which to gauge agency performance.
4. The CDC does not have a long-range plan identifying goals and expected results.
5. BOS ad-hoc committee recommended the BOS “develop a system that the CDC could employ to benefit from the resource pool currently available from the County, such as Human Resources, Auditor-Controller, General Services, and County Counsel, to fulfill the mission of the CDC.”
6. The 1999–2000 Grand Jury found that two units of CDC-owned housing were destroyed by fire and the insurance settlement was received in February of 1998, but to date the CDC has not replaced the units. CDC is investigating the feasibility of rebuilding these units on that site.
7. The personnel in the Fort Bragg office felt the office was closed as retribution for those who testified before the 1999–2000 Grand Jury. The CDC management indicated the office closure was due to the difficulty of supervising that office from a long distance and the expense of the operation for the services provided. The Grand Jury was unable to determine conclusively why it was closed.
8. The Executive Director had discussed the Fort Bragg office closure with the AFSCME (AFL-CIO) union prior to September 21, 2000, without receiving direction from the BOC.
9. The BOC agenda October 19, 2000, showed item 10A as a closed session discussion/action item regarding personnel matters and labor negotiations under Govt. Code §54957.6.
10. The BOC minutes of the October 19, 2000 reporting on the closed session states, “The BOC has decided to close the Fort Bragg office and transfer the employees to the Ukiah office.” The BOC properly made employee transfers in closed session, but the Brown Act requires that the BOC make the decision to close the Fort Bragg office in open session.
11. The BOC, in violation of the Govt. Code (§54954.2 (a) “no action or discussion shall be undertaken on any item not appearing on the posted agenda”) did not show as a separate discussion/action item on any agenda about the closure of the Fort Bragg office.
12. The BOC did not hold a public hearing and did not allow public comment prior to closing the Fort Bragg office. The right to know is paramount when conducting the public’s business. Govt. Code §54950 in part states, “In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and other public agencies in this State exist to aid in the conduct of the people’s business. It is the intent of the law that their actions be taken openly and that their

deliberations be conducted openly.” Govt. Code §54953(a) states “All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the local agency, except as otherwise provided in this chapter.”

13. All services normally provided in Ukiah, are also provided to Fort Bragg clients. Ukiah employees travel to Fort Bragg, usually once a week, to provide these services by appointment only.
14. While CDC can handle applications and renewals from Fort Bragg by mail, CDC employees expressed concern that the loss of face-to-face meetings and inspections may result in a higher incidence of fraud and result in a lack of control of the condition of the agency housing.

Recommendations

- A. The CDC make the fiscal officer an employee of the agency and not an outside consultant. (Finding 1)
- B. The BOC insist on an agency-wide budget to track the overall performance of the agency. (Finding 3)
- C. The BOC set goals and develop a long-range plan. (Finding4)
- D. The CDC take advantage of County expertise to help the CDC “fulfill the mission” as recommended in the BOS ad hoc committee report. (Finding 5)
- E. The CDC take immediate steps to replace the two housing units lost in 1998. (Finding 6)
- F. When making important decisions that concern the public as well as the employees, such as opening or closing of a satellite office, the BOC hold well-advertised special meetings to garner public comment. (Finding 12)
- G. The BOC attend training seminars to become familiar with the Brown Act and have a copy available at every meeting. (Findings 7–12)
- H. The BOC open a Fort Bragg office with posted regular office hours. (Findings 13, 14)

Response Required

Community Development Commission of Mendocino County Board of Commissioners

Response Requested

Community Development Commission Executive Director