



REPORT

DATE ISSUED: November 12, 2015

REPORT NO: HCR15-096

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of November 20, 2015

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2015, through September 18, 2016, as recommended by the Ad Hoc CEO Performance Evaluation Committee of the San Diego Housing Commission

COUNCIL DISTRICT: Not applicable

REQUESTED ACTION

Adoption and approval of compensation package for the President and Chief Executive Officer of the San Diego Housing Commission (“CEO”) as recommended by the Ad Hoc CEO Performance Evaluation Committee.

AD HOC COMMITTEE RECOMMENDATIONS

That the Board of Commissioners for the San Diego Housing Commission (“Board”) establish the CEO’s compensation package to coincide with the seventh anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the Ad Hoc CEO Performance Evaluation Committee (Evaluation Committee), consisting of the Chair Gary Gramling, Vice Chair Roberta Spoon, and Commissioner Frank Urtasun, for the period of September 19, 2015, through September 18, 2016, specifically:

1. Increase the CEO’s current base salary by 2.5 percent for the period of September 19, 2015, through September 18, 2016 (the “Compensation Period”), in consideration of the outstanding/excellent work of the CEO as determined by the Board, and consistent with the 2.5 percent cost of living salary increase approved for all San Diego Housing Commission (Housing Commission) employees;
2. Maintain the CEO’s current compensation package as referenced within the report, for the period of September 19, 2015, through September 18, 2016, except as expressly modified by Items 1, 3, and 4 of these recommendations;
3. Approve a \$15,000.00 incentive performance payment in recognition of the CEO’s accomplishment of all of the goals set at the CEO’s 2014 evaluation; and
4. Approve an additional 100 hours of annual leave for the Compensation Period.

SUMMARY

Richard C. Gentry, CEO, was hired by action of the Housing Authority of the City of San Diego (“Housing Authority”) on July 29, 2008. Pursuant to the First Amendment to the Employment

Agreement, the CEO's employment commenced on September 19, 2008. Under the terms of the Employment Agreement, the CEO's performance and compensation package is to be evaluated on an annual basis by the Housing Commission.

A performance evaluation was performed by the Evaluation Committee and subsequently by the Board during the noticed Closed Session held on October 9, 2015, in accordance with the applicable provisions of the Brown Act. The evaluation covers the time period from September 19, 2014, to September 18, 2015 (the "Evaluation Period").

PERFORMANCE EVALUATION

The Evaluation Committee and the Board praised Mr. Gentry's management of the agency and found his performance during the Evaluation Period to be outstanding and excellent in every category. There were several significant accomplishments of the CEO during the Evaluation Period. Below is a summary:

- Successfully held an all-employee meeting to communicate with staff and report on the Strategic Plan.
- Successfully completed several projects toward achieving the Goals and Objectives in the Strategic Plan, including acquiring new funding for homelessness initiatives and increasing operational efficiency.
- Continued to evaluate Housing Commission's real estate portfolio by implementing new software to streamline data.
- Successfully established a program to assist in on-site inspections with the implementation of the use of mobile devices to assist in the evaluation of outstanding "small" loans assets.
- Continued to collaborate with local agencies to identify ways to reduce the homeless population through both HOUSING FIRST – SAN DIEGO, SDHC's three-year Homelessness Action Plan, and by replacing the City of San Diego's (City) emergency winter shelter tents with the City's year-round interim housing program at a permanent facility.
- Successfully identified and implemented new learning opportunities for the SDHC Achievement Academy by revamping the Employment Readiness program.
- Successfully refined processes for an improved asset management program by developing Asset and Portfolio Management Guidelines and developing a risk rating system for use in analyzing performance of assets.
- Successfully discovered innovative ways to reduce costs and increase inventory, specifically by helping develop a comprehensive blueprint to address such housing issues and through the passage of an amendment to the Housing Impact Fee which will generate additional monies to create additional affordable housing.
- Continued to identify and institutionalize best practices.
- Met and exceeded each of the goals established by the Board.

RECOMMENDATION OF THE PERFORMANCE EVALUATION AD HOC COMMITTEE

Based on the CEO's exemplary performance during the Evaluation Period the Evaluation Committee recommends that the CEO's base salary be increased two and one-half percent (2.5%), to \$283,330.50. This increase in base salary is the same percentage that is awarded to all other employees of the Housing Commission.

The Evaluation Committee recommends that the CEO's compensation package be continued with the same additional benefits in effect during the Evaluation Period. The CEO will continue to receive a \$9,600 annual car allowance, a full 457 Plan funded by the Housing Commission, health care benefits for the CEO and the CEO's spouse at the Housing Commission's expense, and full vesting in the Housing Commission's Retirement Plan. In addition, except as modified herein, all other benefits provided for in the Employment Agreement, as well as those normally provided to Executive/Management staff by the Housing Commission, shall continue to be provided to the CEO.

The Evaluation Committee further recommends an incentive performance payment to the CEO of \$15,000.00 because of the CEO's exemplary service during the past year and for meeting and exceeding each of his goals.

In short, the Evaluation Committee recommends the full Board approve the compensation package as referenced within recommendations 1 through 4 of this report, in recognition of the CEO's exemplary accomplishment of goals set at the CEO's last Performance Evaluation.

COMPARABLE SALARIES/COMPENSATION OF PUBLIC OFFICIALS

Two matrices setting forth comparable salaries for public and non-profit executives across the United States are attached hereto as Exhibits A (2014 data) and B (2013 data). Each matrix contains three columns of data: Salary, Bonus Pay, and Total Compensation. Total Compensation constitutes the sum of Salary and Bonus Pay. The numbers represent only cash compensation, and exclude additional benefits including health care costs incurred by the employer for the employee and any pension plans or matching payments made by the employer for the benefit of the employee. Each Public Housing Authority must report the above described data – Salary and Bonus Pay– to the U.S. Department of Housing and Urban Development (HUD) each year pursuant to form HUD –52725.

FISCAL CONSIDERATIONS

Section 3.1 of the Employment Contract provides that the compensation package for the CEO may be set by the Board, without referral to the Housing Authority, provided that sufficient funding for the payment of such compensation has been included in the Housing Authority-approved budget for the current fiscal year. The Fiscal Year 2016 Budget includes sufficient funding for CEO compensation during Fiscal Year 2016, as recommended in this report. The FY 2016 Budget was approved by the Housing Authority on June 9, 2015. The payment for the compensation from the period of July 1, 2016, to September 18, 2016, will be included in the FY 2017 budget.

The funding for the CEO's compensation for the current fiscal year will comply with the provisions of applicable federal law. The compensation of the CEO will be funded with federal funds, as and to the extent permitted by applicable law, with the balance being funded with unrestricted local funds.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION

Richard C. Gentry, CEO, was hired by action of the Housing Authority on July 29, 2008. On November 21, 2014, the Board conducted an annual review of the CEO's performance and adopted the CEO's compensation package for the term from September 19, 2014 to September 18, 2015. An annual performance evaluation was performed by the Board during the noticed Closed Session held on October 9, 2015, in accordance with the applicable provisions of the Brown Act and the CEO was rated outstanding/excellent in all areas. The compensation package was not discussed in Closed Session and is, instead, the subject of this report, as required by applicable law.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS

No community participation or public outreach efforts were conducted, nor are they required for this action.

ENVIRONMENTAL REVIEW

This activity is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15060 (c) (3) of the state CEQA guidelines (the activity is not a project as defined in Section 15378). The project is categorically excluded from review under the National Environmental Protection Act pursuant to Section 58.35 (b) (5).

Submitted by:

By: Gary Gramling
Performance Ad Hoc Committee

By: Roberta Spoon
Performance Ad Hoc Committee

By: Frank Urtasun
Performance Ad Hoc Committee

Approved as to form this 12th day of November, 2015.

Christensen & Spath LLP

By: Charles B. Christensen
Charles B. Christensen
General Counsel
San Diego Housing Commission

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

EXHIBIT A
2014 Executive Compensation Matrix

The figures in this 2014 Matrix are for the 2014 Calendar Year (January 1, 2014 through December 31, 2014).

	Entity	Position	Salary	Bonus Pay	Total Compensation
1	Housing Authority of City of Santa Monica	City Manager	\$353,484	Unknown	Unknown
2	City of Compton, California	City Manager	\$341,798.01	\$170,929.78	\$512,727.79
3	SANDAG	Executive Director	\$290,000-\$300,000	Unknown	Unknown
4	City of Santa Clara, California	City Manager	\$289,920.01	\$13,708.22	\$303,628.23
5	City of Burbank, California	City Manager	\$287,584.00	\$21,953.00	\$309,537.00
6	Housing Authority City of Los Angeles	President and CEO	\$277,284.80	\$9,931.56	\$287,216.36
7	San Diego Housing Commission*	President and CEO	\$276,420.00	\$30,000.00	\$306,420.00
8	San Diego Unified Port District	Executive Director	\$274,825.00	\$177,949.00	\$452,774.00
9	City of Vallejo, California	City Manager	\$270,000.00	\$22,777.00	\$292,777.00
10	City of Palo Alto, California	City Manager	\$269,352.00	\$19,990.92	\$289,342.92
11	Housing Authority of the City of El Paso, TX	CEO	\$255,425	Unknown	Unknown
12	Housing Authority City of Linden, New Jersey	Executive Director	\$254,414	Unknown	Unknown
13	City of San Jose, California	City Manager	\$253,749.99	\$5,100.00	\$258,849.99

14	City of Palm Desert, California	City Manager/Executive Director Redevelopment	\$243,964.00	\$11,808.00	\$255,772.00
15	City of Escondido	City Manager	\$236,873.00	\$158,628.00	\$395,501.00
16	Housing Authority of the City of Redondo Beach	City Manager	\$227,932.00	Unknown	Unknown
17	Housing Authority of City of Garden Grove	Executive Director of Housing	\$220,102.68	Unknown	Unknown
18	Housing Authority of City of San Jose, California	Director of Housing	\$212,707.01	\$144,822.33	\$357,529.34
19	Housing Authority of City of Richmond, California	Housing Director	\$201,020.72	\$37,339.99	\$238,360.71
20	Housing Authority of San Mateo County, California	Director of Housing	\$182,572.80	\$79,570.36	\$262,143.16
21	San Diego County – Housing and Community Development	Director, Housing and Community Development	\$156,587.90	\$68,855.27	\$225,443.17

* These figures represent total compensation during the Compensation Period (September 19, 2014 through September 18, 2015).

EXHIBIT B
2013 Executive Compensation Matrix

	Entity	Position	Salary	Bonus	Total Compensation
1	Housing Authority of the City of Santa Monica	City Manager	\$353,484.00	\$0.00	\$353,484.00
2	Transitional Services of NY for Long Island,	Chief Executive Officer	\$338,594.00	\$0.00	\$338,594.00
3	Housing Authority of the City of Atlanta Georgia	Former President and CEO	\$323,350.00	\$0.00	\$323,350.00
4	San Diego Foundation	President and CEO	\$312,881.00	\$81,249.00	\$394,130.00
5	Housing Authority of the City of Torrance	Executive Director	\$311,290.00	\$0.00	\$311,290.00
6	Housing Authority City of Linden	Executive Director	\$294,327.00	\$0.00	\$294,327.00
7	Housing Authority of the City of Garden Grove	Executive Director	\$293,104.00	\$0.00	\$293,104.00
8	City of Roseville	Executive Director	\$280,951.00	\$0.00	\$280,951.00
9	Housing Authority of the City of Pasadena	City Manager	\$277,854.00	\$0.00	\$277,854.00
10	Housing Authority of the City of Atlanta Georgia	Interim President and CEO	\$261,100.00	\$45,250.00	\$306,350.00

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11	Housing Authority of the City of Los Angeles	President and Chief Executive Officer	\$260,160.00	\$0.00	\$260,160.00
12	City of Carlsbad	City Manager	\$260,000.00	\$50,000.00	\$310,000.00
13	Housing Authority of the City of Raleigh	Executive Director	\$258,116.00	\$30,550.00	\$288,666.00
14	The Municipal Hsng Authority City Yonkers	Executive Director	\$254,581.00	\$0.00	\$254,581.00
15	San Diego Housing Commission	President and CEO	\$253,734.00	\$12,600.00	\$266,334.00
16	Brockton Area Multi Services Inc.	CEO	\$253,045.00	\$7,388.00	\$260,433.00
17	Housing Authority of the City of Stamford	Executive Director and CEO	\$251,671.00	\$0.00	\$251,671.00
18	Housing Authority of the City of San Jose	Executive Director	\$245,700.00	\$0.00	\$245,700.00
19	Housing Authority of the County Santa Clara	Executive Director	\$245,700.00	\$0.00	\$245,700.00
20	Colorado Housing Finance Authority	Executive Director/CEO	\$245,271.00	\$30,000.00	\$275,271.00
21	Housing Authority of the City of Atlanta Georgia	Chief Finance Officer	\$242,100.00	\$63,250.00	\$305,350.00
22	Community Connections	CEO	\$240,532.00	\$16,500.00	\$257,032.00

23	City of Escondido	City Manager	\$234,700.00	\$124,300	\$359,000.00
24	Chicago Housing Authority	CEO	\$216,000.00	\$32,400.00	\$248,400.00
25	Housing Authority of the City of Redondo Beach	Executive Director/City Manager	\$211,731.00	\$43,963.00	\$255,694.00
26	Housing Authority of the City of Hawaiian Gardens	Executive Director	\$186,532.00	\$83,704.00	\$270,236.00