



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: October 4, 2019

HCR19-114

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2019, through September 18, 2020, as recommended by the Ad Hoc CEO Performance Evaluation Committee of the San Diego Housing Commission

COUNCIL DISTRICT(S): Not applicable

ORIGINATING DEPARTMENT: CEO Performance Evaluation Ad Hoc Committee

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.

EXECUTIVE SUMMARY OF KEY FACTORS:

- 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 San Diego Housing Commission Board of Commissioners (Board).
- A performance evaluation was performed by the Performance Evaluation Ad Hoc Committee and subsequently by the Board during the noticed Closed Session held on September 6, 2019, in accordance with the applicable provisions of the Brown Act.
- The evaluation covers the time period from September 19, 2018, to September 18, 2019 (the Evaluation Period).
- The Performance Evaluation Ad Hoc 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.
- 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 (FY) 2020 Budget includes sufficient funding for CEO compensation during FY 2020, as recommended in this report.



SAN DIEGO
HOUSING
COMMISSION

REPORT

DATE ISSUED: September 26, 2019

REPORT NO: HCR19-114

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of October 4, 2019

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2019, through September 18, 2020, 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 retroactively to September 19, 2019, to coincide with the anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the CEO Performance Evaluation Ad Hoc Committee, consisting of the Chair Stefanie Benvenuto and Vice Chair Ryan Clumpner, for the period of September 19, 2019, through September 18, 2020, specifically:

1. Increase the CEO's current base salary by 3.5 percent for the period of September 19, 2019, through September 18, 2020, (the Compensation Period), in consideration of the outstanding/excellent work of the CEO as determined by the Board, and consistent with the 3.5 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, 2018, through September 18, 2019, except as expressly modified by Items 1 and 3 of these recommendations; and
3. Approve a \$25,000.00 incentive performance payment in recognition of the CEO's accomplishment of all of the goals set at the CEO's last evaluation and his extraordinary performance.

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 Board.

A performance evaluation was performed by the Performance Evaluation Ad Hoc Committee and subsequently by the Board during the noticed Closed Session held at the September 6, 2019 Board Meeting, in accordance with the applicable provisions of the Brown Act. The evaluation covers the time period from September 19, 2018, to September 18, 2019 (the Evaluation Period).

PERFORMANCE EVALUATION

The Performance Evaluation Ad Hoc 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, including, but certainly not limited to the following:

- Under the direction of the CEO, the Housing Commission continued many of its annual achievements. Specifically, the Housing Commission,
 - achieved its S & P rating of AA, which is the highest rating S & P designates to local agencies
 - was granted U.S. Department of Housing and Urban Development (HUD) approval of the FY 2019-2020 MTW Annual Plan
 - FY 2018 fiscal audit confirmed compliance with all requirements
- Following the unexpected departure of upper management, the CEO quickly pivoted to a credible alternate management structure without any real disruptions to the Housing Commission.
- Housing Commission staff, led by the CEO, consulted City Council leadership on various policies as they were being developed.
- The Housing Commission, under the CEO's leadership, contracted with the Corporation for Supportive Housing (CSH) to develop the City of San Diego's Strategic Plan to Address Homelessness (Strategic Plan) in January 2019. CSH will likely deliver preliminary observations to the Housing Commission in October. The Strategic Plan will serve as an ongoing organic blueprint for future program planning purposes.
- The CEO oversaw negotiations with Veterans Village of San Diego (VVSD) to enter into an Intercreditor Agreement in an effort increase homeless veteran occupancy levels at the 4141 Pacific Highway campus.
- The CEO was designated part of the Management Team and participated in the successful labor negotiations with Service Employees International Union (SEIU) that resulted in the amicable and timely execution of a Memorandum of Understanding (MOU) between the Housing Commission and SEIU, which was later approved by the Housing Authority of the City of San Diego.
- Entered into an MOU with the City of San Diego to administer the Community Development Block Grant Affordable Housing Revolving Loan Fund, to continue the Commission's administration of the Fund, which was originally approved by the City Council in 2016.
- The CEO oversaw the negotiation and execution of an MOU with the City of San Diego, concerning homeless shelters and services, commencing on July 1, 2019, for a period of one year, with four additional annual options to extend the MOU. The MOU covered the administration of the following activities, as detailed in the MOU:
 - The Transitional Storage Center
 - PATH Connections Housing Interim Bed Program
 - Day Center Facility for Homeless Adults

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- o Mental Health Systems Serial Inebriate Program Transitional Housing
- o Emergency Solutions Grant Rapid Rehousing Programs
- o Year-Round Interim Housing Program operated by Father Joe's Villages

RECOMMENDATION OF THE PERFORMANCE EVALUATION AD HOC COMMITTEE

Based on the CEO's exemplary performance during the Evaluation Period, the Performance Evaluation Ad Hoc Committee recommends the CEO's base salary be increased 3.5 percent, to \$320,465.80. This increase in base salary is the same percentage that is awarded to all other employees of the Housing Commission.

The Performance 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 Performance Evaluation Ad Hoc Committee further recommends an incentive performance payment to the CEO of \$25,000.00 because of the CEO's exemplary service during the past year and for outstanding performance as determined by the Board of Commissioners.

In short, the Performance Evaluation Ad Hoc Committee recommends the full Board approve the compensation package as referenced within recommendations 1 through 3 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 nonprofit executives across the United States are attached hereto as Exhibits A and B – one matrix contains 2018 numbers (Exhibit A) and the other contains 2017 data (Exhibit B). Each matrix contains three columns of data: Base Pay, Bonus Pay, and Total Compensation. Total Compensation constitutes the sum of Salary and Bonus Pay. Attached as Exhibit C is a sampling of 2017 data as reported to HUD by each Public Housing Authority (PHA). This 2017 data is the most current publicly released data.

Each PHA must report the above described data – Salary and Bonus Pay – to HUD each year pursuant to form HUD-52725. Starting in 2017, HUD-52725 requires the annual collection of W-2 compensation to the top three executives in any PHA. Each PHA must submit the total compensation figure reported on the PHA employee's IRS form W-2 for the PHA's reporting year. That number is then broken out into six components for each executive:

1. base salary from tenant-based Section 8 and Section 9 funds,
2. bonus compensation from tenant-based Section 8 and Section 9 funds,
3. incentive and other compensation from tenant-based Section 8 and Section 9 funds,
4. base salary from non-Section 8 (tenant-based) and non-Section 9 funds,
5. bonus compensation from non-Section 8 (tenant-based) and non-Section 9 funds, and
6. incentive and other compensation from non-Section 8 (tenant-based) and non-section 9 funds.

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Non-taxable income is not included in these numbers.

In prior years, the numbers represented only cash compensation and excluded 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. This shift should be considered when comparing current numbers with the matrices provided herein.

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 (FY) 2020 Budget includes sufficient funding for CEO compensation during FY 2020, as recommended in this report. The FY 2020 Budget was approved by the Housing Authority on June 10, 2019.

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 only, with the balance being funded with unrestricted local funds.

PREVIOUS SAN DIEGO HOUSING COMMISSION AND/OR COMMITTEE ACTION

Richard C. Gentry, CEO, was hired by action of the Housing Authority on July 29, 2008. On September 6, 2019, the Board conducted an annual review of the CEO's performance for the term from September 19, 2018, to September 18, 2019. An annual performance evaluation was performed by the Board during the noticed Closed Session held on September 6, 2019, in accordance with the applicable provisions of the Brown Act, and the CEO was rated outstanding. 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 is it 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: Stefanie Benvenuto

For the CEO Performance Ad Hoc Committee

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Approved as to form this 26th day of September, 2019.

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 and the fifth floor reception desk 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 in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

Exhibit A

The figures in this 2018 Matrix represent California Cities and are for the 2018 Calendar Year (January 1, 2018 through December 31, 2018).

	Entity	Position	Base Pay	Bonus Pay	Total Compensation
1	Alameda County	County Administrator	\$339,431	\$183,400	\$522,831
2	City of South San Francisco, California	City Manager	\$268,618	\$17,373	\$285,991
3	City of Palo Alto, California	City Manager	\$313,477	\$22,257	\$335,734
4	City of Santa Ana, California	City Manager	\$285,000	\$30,624	\$315,624
5	City of Fontana, California	City Manager	\$327,136	\$25,000	\$352,136
6	City of Santa Monica, California	City Manager	\$342,780	\$30,006	\$372,786
7	City of Redlands, California	City Manager	\$255,680	\$589,645	\$845,325
8	City of Lancaster, California	City Manager	\$302,646	\$234,611	\$537,257
9	City of Palm Springs, California	City Manager	\$335,587	\$48,519	\$384,106
10	City of Santa Clara, California	City Manager	\$383,788	\$100,362	\$484,150
11	City of Vallejo, California	City Manager	\$244,615	\$77,870	\$322,485
12	City of San Jose, California	City Manager	\$326,085	\$11,158	\$337,243
13	City of Escondido, California	City Manager	\$285,964	\$67,014	\$352,978

EXHIBIT B**2017 Executive Compensation Matrix**

The figures in this 2017 Matrix are for the 2017 Calendar Year (January 1, 2017 through December 31, 2017).

	Entity	Position	Base Pay	Bonus Pay	Total Compensation
1	Alameda County	County Administrator	\$326,851	\$174,627	\$501,478
2	City of South San Francisco, California	City Manager	\$247,585	\$18,924	\$266,509
3	City of Palo Alto, California	City Manager	\$306,010	\$21,682	\$327,692
4	City of Santa Ana, California	City Manager	\$32,542	\$342,907	\$375,449
5	City of Fontana, California	City Manager	\$294,819	\$51,534	\$346,353
6	City of Santa Monica, California	City Manager	\$341,082	\$37,366	\$378,488
7	City of Redlands, California	City Manager	\$282,859	\$68,037	\$350,896
8	City of Lancaster, California	City Manager	\$293,799	\$11,914	\$305,713
9	City of Palm Springs, California	City Manager	\$331,651	\$31,764	\$365,415
10	City of Santa Clara, California	Acting City Manager	\$244,944	\$57,804	\$302,748
11	City of Vallejo, California	City Manager	\$238,846	\$92,021	\$330,867
12	City of San Jose, California	City Manager	\$242,936	\$129,326	\$372,262
13	City of Escondido, California	City Manager	\$273,630	\$71,187	\$344,817

Exhibit C
PHA Self-Reported Executive Compensation Data from 2017

PHA Name	Title	Reported W2 Total Compensation	Reported Salary and Bonus Paid from Sec. 8 and Sec. 9 Funds	Reported Salary Paid from Other Sources
Housing Authority of the County of Los Angeles	CEO	\$331,300.79	\$0.00	\$101,774.50
Housing Authority of the City of Los Angeles	CEO	\$336,911.23	\$161,900.00	\$134,258.60
San Diego Housing Commission	CEO	\$331,350.10	\$121,771.16	\$209,578.94
Carlsbad Housing & Neighborhood Services	CEO	\$352,636.38	\$0.00	\$300,388.00
City of Pasadena Housing Department	CEO	\$313,914.33	\$0.00	\$274,999.93
Housing Authority of the City of Inglewood	CEO	\$384,665.60	\$0.00	\$0.00
Housing Authority of the City of Burbank	CEO	\$369,033.23	\$0.00	\$293,717.44
Housing Authority of the City of Santa Monica	CEO	\$378,448.00	\$0.00	\$341,082.00
Housing Authority of the City of Norwalk	CEO	\$540,272.19	\$0.00	\$181,542.90
Housing Authority of the City of Torrance	CEO	\$330,724.22	\$0.00	\$330,724.22
Housing Authority of the County of Dekalb, GA	CEO	\$321,314.62	\$0.00	\$296,314.62
Chicago Housing Authority	CEO	\$322,056.82	\$161,900.00	\$112,157.00
Crawford County	CEO	\$387,406.00	\$0.00	\$387,406.00
Housing Authority Of Baltimore City	CEO	\$375,061.00	\$161,900.00	\$213,161.00
Newark Housing Authority	CEO	\$514,171.78	\$161,900.00	\$352,271.78
Housing Authority City of Linden	CEO	\$333,279.00	\$99,984.00	\$233,295.00
Community Development Corp of Long Island	CEO	\$561,999.14	\$3,887.79	\$558,111.35
Austin Housing Authority	CFO	\$326,465.27	\$78,351.66	\$248,113.61
Housing Authority of the City of El Paso, TX	CEO	\$316,706.86	\$155,500.00	\$129,192.66