



EXECUTIVE SUMMARY

DATE ISSUED: October 11, 2010

REPORT NO: HCR 10-140

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of October 15, 2010

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for
Period of September 19, 2010 through September 19, 2011

COUNCIL DISTRICT: Citywide

SUMMARY:

Richard C. Gentry, CEO, was hired by action of the Housing Authority of the City of San Diego on July 29, 2008. The First Amendment to Employment Agreement modified the Employment Agreement to commence the CEO's employment on September 19, 2008. Under the terms of the employment contract, the CEO's performance and compensation package is to be evaluated on an annual basis in August or September.

A performance evaluation was performed by the Commission during the noticed Closed Session held on September 17, 2010, in accordance with the applicable provisions of the Brown Act. The evaluation covers the time beginning September 19, 2009 to September 19, 2010 (the "Evaluation Period".)

STAFF RECOMMENDATION:

That the Board establish the CEO's compensation package to coincide with the second anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the Performance Evaluation Ad Hoc Committee, for the period of September 19, 2010, through September 19, 2011, specifically:

1. Maintain the current salary and compensation package as referenced within the report, without any increase, for the period of September 19, 2010 through September 19, 2011; and
2. Approve an additional four (4) weeks of paid annual leave for the CEO, effective immediately upon approval, for the period from September 19, 2010 through September 19, 2011 to be added to the CEO's unused balance of annual leave.

FISCAL CONSIDERATIONS:

Section 3.1 of the Employment Contract provides that the compensation package for the CEO may be set by the Board of Commissioners, without referral to the Housing Authority of the City of San Diego, provided that such compensation has been included in the Housing Authority-approved budget for the current fiscal year. The Fiscal Year 2011 budget includes funding for CEO compensation as recommended in this report and was approved by the Housing Authority on May 11, 2010.



SAN DIEGO
HOUSING
COMMISSION

REPORT

DATE ISSUED: October 4, 2010 **REPORT NO:** HCR 10-140

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of October 15, 2010

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for
Period of September 19, 2010 through September 19, 2011.

COUNCIL DISTRICT: Citywide

REQUESTED ACTION:

Adoption of compensation package for the President and Chief Executive Officer ["CEO"] of the Housing Commission ("CEO").

STAFF RECOMMENDATION:

That the Board establish the CEO's compensation package to coincide with the second anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the Performance Evaluation Ad Hoc Committee, for the period of September 19, 2010, through September 19, 2011, specifically:

1. Maintain the current salary and compensation package as referenced within the report, without any increase, for the period of September 19, 2010 through September 19, 2011; and
2. Approve an additional four (4) weeks of paid annual leave for the CEO, effective immediately upon approval, for the period from September 19, 2010 through September 19, 2011 to be added to the CEO's unused balance of annual leave.

SUMMARY:

Richard C. Gentry, CEO, was hired by action of the Housing Authority of the City of San Diego on July 29, 2008. The First Amendment to Employment Agreement modified the Employment Agreement to commence the CEO's employment on September 19, 2008. Under the terms of the employment contract, the CEO's performance and compensation package is to be evaluated on an annual basis in August or September.

A performance evaluation was performed by the Commission during the noticed Closed Session held on September 17, 2010, in accordance with the applicable provisions of the Brown Act. The evaluation covers the time beginning September 19, 2009 to September 19, 2010 (the "Evaluation Period".)

Performance Evaluation

The 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 in every category. There were several significant accomplishments of the CEO during the Evaluation Period, including:

- Securing financing for the agency's real estate growth created by the repositioning of its former public housing properties. The financing occurred in two parts, with \$37 million set of loans through Fannie Mae closing in December 2009, and an additional \$55 million set of loans through FHA closing in August/September 2010.
- Acquiring 430 additional housing units, either closed or under commitment, which include the 350 HUD required housing units. A grand total of 700-800 units acquired by the Commission is anticipated.
- Fully implementing the first full year of the Move to Work program.
- Engaging the City of San Diego's homeless needs by assuming administration of most of the City's HUD funded homeless programs, taking the administrative lead in a City directed effort involving the development of a one stop facility for the homeless in the downtown area, and developing a relationship with the San Diego United Way.
- Establishing a Compressed Work Schedule in which employees have alternate Fridays off work, which has improved employee morale.
- Meeting and exceeding each of the goals established by the Ad Hoc Committee at the time of the prior evaluation.

Recommendation of the Performance Evaluation Ad Hoc Committee

Although the CEO's outstanding performance certainly warrants increased compensation, the CEO has requested that his compensation not be increased because the agency employees have not received any additional salary increases this year. The Performance Evaluation Ad Hoc Committee therefore recommends that the CEO's compensation package be continued at the same salary and benefits in effect during the Evaluation Period. The CEO's salary will remain at \$252,000.00. The CEO will continue to receive a \$9,600 annual car allowance, a full 457 Plan funding by the Commission, health care benefits for the CEO and the CEO's spouse, at the Commission's expense, and full vesting in the Commission's Retirement Plan. In addition, all other benefits provide 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. No bonus will be paid to the CEO for this past year's work, although his outstanding accomplishments on behalf of the Commission would certainly justify a bonus.

The Performance Evaluation Ad Hoc Committee additionally recommends that the CEO receive an additional four (4) weeks of paid annual leave, effective immediately upon Board approval, in consideration for his outstanding service to the Commission. Any leave in excess of the permitted maximum may continue to be accrued from year to year.

FISCAL CONSIDERATIONS:

Section 3.1 of the Employment Contract provides that the compensation package for the CEO may be set by the Board of Commissioners, without referral to the Housing Authority of the City of San Diego, provided that such compensation has been included in the Housing Authority-approved budget for the current fiscal year. The Fiscal Year 2011 budget includes funding for CEO compensation as recommended in this report and was approved by the Housing Authority on May 11, 2010.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Richard C. Gentry, CEO, was hired by action of the Housing Authority of the City of San Diego on July 29, 2008. On September 11, 2009, the Board conducted an annual review of the CEO's performance

and adopted the CEO's compensation package for the term from September 19, 2009 to September 19, 2010.

An annual performance evaluation was performed by the Board of Commissioners during the noticed Closed Session held on September 17, 2010, in accordance with the applicable provisions of the Brown Act and the CEO was rated outstanding in all areas. The compensation package was not discussed in closed session and is the subject of this Report.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

No community participation or public outreach efforts were conducted or are 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: Jennifer Adams Brooks
Performance Ad Hoc Committee

By: Khadija Basir
Performance Ad Hoc Committee

Approved as to form, legality and procedure this 4th of October, 2010.

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.sdlhc.org.