



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: November 13, 2020

HCR20-114

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2020, through September 18, 2021, as recommended by the Ad Hoc CEO Performance Evaluation Committee of the San Diego Housing Commission

COUNCIL DISTRICT(S): Not applicable

ORIGINATING DEPARTMENT: Ad Hoc CEO Performance Evaluation 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, President & 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 President & 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 October 16, 2020, in accordance with the applicable provisions of the Brown Act.
- The evaluation covers the time period from September 19, 2019, to September 18, 2020 (the Evaluation Period).
- The Ad Hoc CEO Performance 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.
- The Employment Contract provides that the compensation package for the President & 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) 2021 Budget includes sufficient funding for President & CEO compensation during FY 2021, as recommended in this report.



REPORT

DATE ISSUED: November 6, 2020

REPORT NO: HCR20-114

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of November 13, 2020

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for Period of September 19, 2020, through September 18, 2021, 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 (Board) for the San Diego Housing Commission (Housing Commission) establish the President and Chief Executive Officer's (President & CEO) compensation package retroactively to September 19, 2020, to coincide with the anniversary date of the commencement of employment, as authorized by the Employment Agreement, and as recommended by the Ad Hoc CEO Performance Evaluation Committee, consisting of the Chair Stefanie Benvenuto and Vice Chair Ryan Clumpner, for the period of September 19, 2020, through September 18, 2021, specifically:

1. Increase the President & CEO's current base salary by 3.5 percent for the period of September 19, 2020, through September 18, 2021, (the Compensation Period) in consideration of the outstanding/excellent work of the President & CEO as determined by the Board, and consistent with the 3.5 percent cost-of-living salary increase approved for all Housing Commission employees;
2. Maintain the President & CEO's current compensation package as referenced within the report for the period of September 19, 2019, through September 18, 2020, except as expressly modified by Items 1 and 3 of these recommendations; and
3. Approve an incentive performance payment in recognition of the President & CEO's accomplishment of all of the goals set at the President & CEO's last evaluation and his extraordinary performance, as described within the report.

SUMMARY

Richard C. Gentry, President & 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 President & CEO's employment commenced on September 19, 2008. Under the terms of

the Employment Agreement, the President & CEO's performance and compensation package is to be evaluated on an annual basis by the Board.

A performance evaluation was performed by the Ad Hoc CEO Performance Evaluation Committee and subsequently by the Board during the noticed Closed Session held at the October 16, 2020, Board Meeting, in accordance with the applicable provisions of the Brown Act. The evaluation covers the time period from September 19, 2019, to September 18, 2020 (the Evaluation Period).

PERFORMANCE EVALUATION

The Ad Hoc CEO Performance 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 many significant accomplishments of the President & CEO during the Evaluation Period, including, but certainly not limited to the following:

- Under the direction of the President & 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 Fiscal Year (FY) 2020-2021 Moving to Work (MTW) Annual Plan; and
 - received an FY 2019 fiscal audit that confirmed compliance with all requirements.
- The President & CEO worked closely with the City Council President's office to help update the City of San Diego's Inclusionary Affordable Housing Ordinance to provide for more opportunities for the construction of affordable housing
- Housing Commission staff, led by the President & CEO, consulted City Council leadership on the development of additional policies, such as updates to the City of San Diego's Single-Room Occupancy Hotel Regulations.
- In response to the global pandemic caused by COVID-19, the President & CEO oversaw the negotiation and execution of a Memorandum of Understanding (MOU) with the City of San Diego, County of San Diego, and the Regional Task Force on the Homeless to create Operation Shelter to Home at the San Diego Convention Center. This was an important collaborative effort to mitigate the impacts of COVID-19 on persons experiencing homelessness.
- The President & CEO worked with Mayor Kevin L. Faulconer and his staff and Commissioners Eugene "Mitch" Mitchell and Ryan Clumpner in weekly meetings that began in February 2020, and resulted in the submission of two of the earliest applications to the State of California's Department of Housing and Community Development for Project Homekey grants, which were awarded on a competitive first come, first served basis, making early submission critical to obtaining the awards.
- The Housing Commission, under the President & CEO's leadership, obtained two Project Homekey grants in the amounts of \$10,000,000 and \$27,700,000 from the State of California to partially fund the purchase of the Residence Inn Kearny Mesa and the Residence Inn Hotel Circle, which will create 332 new units of permanent housing with supportive services for San Diegans experiencing homelessness or at risk of homelessness.
- The Housing Commission, under the leadership of the President & CEO, committed federal Project-Based Housing Vouchers for all 332 units at the hotels to help new residents of the permanent housing pay their rent. These vouchers enabled the Housing Commission to obtain a

loan with very low interest through JP Morgan Chase to partially fund the acquisition of the two hotels.

- The President & CEO continuously informed each of the City Council offices of progress on the acquisition of the hotels, which helped facilitate the unanimous 9-0 City Council and Housing Authority votes to approve the hotel acquisitions, with the Mayor speaking in favor of the proposed acquisitions at the City Council and Housing Authority hearings.
- The President & CEO oversaw the diligent search for potential hotel acquisitions and the evaluation of 29 hotels, which resulted in the execution of purchase and sale agreements for the purchase of the Residence Inn Kearny Mesa and the Residence Inn Hotel Circle to create permanent housing with supportive services for individuals experiencing homelessness, including those residing at the temporary shelter at the San Diego Convention Center, created in response to the COVID-19 pandemic.
- The President & CEO worked with the City of San Diego to create, in response to the COVID-19 pandemic, an Emergency Rental Assistance Program for households with low income experiencing financial hardship due to COVID 19.
- The Housing Commission, under the leadership of the President & CEO, entered into an MOU with the City of San Diego for the Oversight and Administration of the City of San Diego's Safe Parking Program.
- The Housing Commission, under the leadership of the President & CEO, entered into an MOU with the City of San Diego to administer Homeless Housing, Assistance and Prevention Program (HHAP) funds.
- The Housing Commission, under the leadership of the President & CEO, seamlessly transitioned a majority of the 311 SDHC employees to work remotely at the outset of the COVID-19 pandemic.
- The President & CEO oversaw and directed the development of the Housing Commission's affordable housing preservation study, "Preserving Affordable Housing in the City of San Diego," released on May 28, 2020; accepted by the City Council on June 2, 2020; and referred to the City Council's Land Use and Housing Committee for further action, resulting in the City Council's October 27, 2020, approval of seven actions to implement a strategy for affordable housing preservation in the City of San Diego.

RECOMMENDATION OF THE PERFORMANCE EVALUATION AD HOC COMMITTEE

Based on the President & CEO's exemplary performance during the Evaluation Period, the Ad Hoc CEO Performance Evaluation Committee recommends the President & CEO's base salary be increased 3.5 percent, to \$331,682.10. This increase in base salary is the same percentage that is awarded to all other employees of the Housing Commission.

The Ad Hoc CEO Performance Evaluation Committee recommends that the President & CEO's compensation package be continued with the same additional benefits in effect during the Evaluation Period. The President & 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 President & CEO and his 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 President & CEO.

The Ad Hoc CEO Performance Evaluation Committee further recommends an incentive performance payment to the President & CEO of \$16,500.00, because of the President & CEO's exemplary service

during the past year and for outstanding performance as determined by the Board of Commissioners. Each employee of Housing Commission that is rated “strong” or “excellent” by their supervisors is also granted incentive performance payments each year.

In short, the Ad Hoc CEO Performance Evaluation Committee recommends the full Board approve the compensation package as referenced within recommendations 1 through 3 of this report, in recognition of the President & CEO’s exemplary accomplishment of goals set at the President & 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 2019 numbers (Exhibit A) and the other contains 2018 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 2018 data as reported to HUD by each Public Housing Authority (PHA). This 2018 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.

Non-taxable income is not included in these numbers.

FISCAL CONSIDERATIONS

Section 3.1 of the Employment Contract provides that the compensation package for the President & 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) 2021 Budget includes sufficient funding for President & CEO compensation during FY 2021, as recommended in this report. The FY 2021 Budget was approved by the Housing Authority on June 16, 2020.

The funding for the President & CEO’s compensation for the current fiscal year will comply with the provisions of applicable federal law. The compensation of the President & 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.

November 6, 2020

Actions Establishing President & Chief Executive Officer Compensation

Page 5

PREVIOUS SAN DIEGO HOUSING COMMISSION AND/OR COMMITTEE ACTION

Richard C. Gentry, President & CEO, was hired by action of the Housing Authority on July 29, 2008. On October 16, 2020, the Board conducted an annual review of the CEO's performance for the term from September 19, 2019, to September 18, 2020. This annual performance evaluation was performed by the Board during the noticed Closed Session held on October 16, 2020, in accordance with the applicable provisions of the Brown Act, at which time the President & CEO's performance 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 Ad Hoc CEO Performance Evaluation Committee

Approved as to form this 5th day of November 2020.

Christensen & Spath LLP

By: Charles B. Christensen

Charles B. Christensen

General Counsel

San Diego Housing Commission

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

Exhibit A

The figures in this 2019 Matrix represent California Cities and are for the 2019 Calendar Year (January 1, 2019 through December 31, 2019).

	Entity	Position	Base Pay	Bonus Pay	Total Compensation
1	Alameda County	County Administrator	\$351,374	\$184,956	\$536,330
2	City of South San Francisco, California	City Manager	\$287,022	\$19,147	\$306,169
3	City of Palo Alto, California	City Manager	\$355,111	\$48,617	\$403,728
4	City of Santa Ana, California	City Manager	\$36,704	\$407,641	\$444,345
5	City of Fontana, California	City Manager	\$307,116	\$54,309	\$361,525
6	City of Santa Monica, California	City Manager	\$343,570	\$37,764	\$381,334
7	City of Glendale, California	City Manager	\$284,146	\$19,117	\$303,273
8	City of Lancaster, California	City Manager	\$299,669	\$7,413	\$307,082
9	City of Palm Springs, California	City Manager	\$352,159	\$28,536	\$380,695
10	City of Santa Clara, California	City Manager	\$403,320	\$98,137	\$501,457
11	City of Vallejo, California	City Manager	\$264,999	\$24,000	\$288,999
12	City of San Jose, California	City Manager	\$343,712	\$16,058	\$359,770
13	City of Escondido, California	City Manager	\$286,000	\$72,642	\$358,642

EXHIBIT B**2018 Executive Compensation Matrix**

The figures in this 2018 Matrix 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 Glendale, California	City Manager	\$271,521	\$22,404	\$293,925
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 C
PHA Self-Reported Executive Compensation Data from 2018

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 City of Los Angeles	CEO	\$355,097.78	\$164,200.00	\$151,374.29
Culver City Housing Authority	CEO	\$321,458.00	\$0.00	\$276,653.00
San Diego Housing Commission	CEO	\$352,161.76	\$126,597.34	\$225,564.42
Carlsbad Housing & Neighborhood Services	CEO	\$242,409.71	\$0.00	\$242,409.71
City of Pasadena Housing Department	CEO	\$336,416.16	\$0.00	\$295,923.85
Housing Authority of the City of Inglewood	CEO	\$353,072.39	\$0.00	\$353,072.39
Housing Authority of the City of Burbank	CEO	\$378,693.27	\$0.00	\$308,669.91
Housing Authority of the City of Santa Monica	CEO	\$372,786.13	\$0.00	\$342,780.03
Housing Authority of the City of Norwalk	CEO	\$289,349.04	\$0.00	\$261,895.12
Housing Authority of the City of Torrance	CEO	\$327,662.70	\$0.00	\$327,662.70
Housing Authority City of Redondo Beach	CEO	\$280,315.14	\$0.00	\$234,770.17
Chicago Housing Authority	CEO	\$333,233.74	\$0.00	\$325,000.00
Housing Authority City of Columbus	CEO	\$315,027.00	\$160,300.00	\$154,727.00
Housing Authority City of Fort Myers	CEO	\$410,216.00	\$164,200.00	\$21,016.00
Housing Authority City of Stamford	CEO	\$356,010.23	\$89,542.50	\$266,467.73
Housing Authority City of Linden	CEO	\$358,677.00	\$107,604.00	\$251,073.00
Housing Authority of the City of Daytona Beach	CEO	\$335,910.45	\$111,106.61	\$171,710.45
Housing Authority of the City of Dallas, TX	CEO	\$345,484.00	\$160,000.00	\$94,800.00
Housing Authority of the City of El Paso, TX	CEO	\$328,193.65	\$155,500.00	\$172,693.65