

REPORT

DATE ISSUED: September 1, 2009

REPORT NO: HCR 09-087

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of September 11, 2009

SUBJECT: Actions Establishing President & Chief Executive Officer Compensation for
Period September 19, 2009 through September 19, 2010

REQUESTED ACTION:

The Performance Evaluation Ad Hoc Committee recommends that the CEO receive a bonus payment, totaling \$20,000, plus a salary increase of 5% of the CEO's current salary, bringing the salary to \$252,000.00.

In addition, the Performance Ad Hoc Committee recommends that a \$9,600 annual car allowance because no separate auto allowance is currently being paid to the CEO, a full 457 Plan funding for the CEO by the Commission, as was previously and historically provided to the prior CEO, 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 one (1) year rather than in four (4) years for the CEO. 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.

OPTIONS

The Board of Commissioners may discuss alternative recommendations at the time of the meeting.

BACKGROUND

Performance Evaluation

The Ad Hoc Committee and the entire Board praised Mr. Gentry's management of the organization and found his performance to be outstanding in every way. In addition, there were several significant accomplishments noted during the evaluation period. These included:

- Reinstated the Move to Work Program
- Reinstated the Public Relations/Community Relations Division
- Reorganized the Real Estate and Finance Division to create the necessary structure required by HUD for implementing the opt out Public Housing and creating a minimum of 350 units
- Secured Additional Housing Funding

DISCUSSION

Section 3.1 of the Employment Contract provides that the Housing Commission may set the compensation package for the CEO without referral to the Housing Authority of the City of San Diego if

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funds are contained within the budget for this. The Employment Contract established the initial compensation package to include base salary, paid employee health group insurance available to all employees of the Housing Commission, flex benefit credits, tuition credits, a retirement plan, annual leave and other core benefits. The approved FY10 budget includes funding for CEO compensation adjustments as recommended in this report.

The performance evaluation of the CEO for the period September 19, 2008 through August 21, 2009 was discussed in closed session on August 21, 2009. The CEO's performance was rated as outstanding by the entire Board. The compensation package was not and may not be discussed in closed session. That compensation package is the subject of this report.

The Performance Evaluation Ad Hoc Committee is recommending a \$20,000 bonus payment for the CEO plus a salary increase of 5%. The CEO's base salary is currently \$240,000 per year; the 5% increase in salary would increase the base salary to \$252,000 for the year for the next year .

In addition, the Performance Ad Hoc Committee has recommended that a specific car allowance be added to the CEO's compensation package in the amount normally paid to executives of the San Diego Housing Commission, which is \$9600.00 annually.

The Performance Ad Hoc Committee has also recommended full 457 Plan funding by the Commission and that both the CEO and the CEO's spouse be provided with full health care benefits, at the Commission's expense, provided that such coverage is in a Housing Commission approved plan. In addition, all other benefits provided in the Employment Agreement as well as those normally provided to Housing Commission Executive/Management Staff shall be provided to the CEO.

Finally, the Performance Ad Hoc Committee has recommended that the CEO receive one (1) year vesting, instead of four (4) year vesting in the Commission's Retirement Plan.

COMPARABLE SALARIES OF PUBLIC OFFICIALS

The following is a matrix showing salaries and compensation for public officials for the Board's information that may be utilized in coming to a decision concerning the adjustment in compensation package for the CEO of the San Diego Housing Commission.

Agency	Comparable Position	Salary
City of Indian Wells	City Manager	\$262,500 base + \$25,000 bonus
San Bernardino County	County Administrative Officer	\$273,744.36
County of Los Angeles	CEO	\$310,000
City of Berkeley, Ca	City Manager	\$232,020
Riverside County	Executive Officer	\$275,000
Centre City Development Corp.	President / COO	\$248,000
Economic Dev. Corp.	President / CEO	\$300,000* Approximation
Unified Port of San Diego	Executive Director	\$200,000
SANDAG	Executive Director	\$230,000

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Agency	Comparable Position	Salary
San Diego Convention Corporation	President / CEO	\$309,810 + \$38,377 Additional Benefits
San Diego County	Chief Admin. Officer	\$156,000 - \$301,600
San Diego County	Assistant Chief Admin. Ofcr.	\$174,720 -270,400
San Diego County	CFO / General Manager	\$174,720 -270,400
San Diego County	County Counsel	\$174,720 -270,400
San Diego Unified School District	Superintendent	\$269,000
City of San Diego	Chief Operating Officer	\$250,001
City of San Diego	Chief Financial Officer	\$180,617
San Diego Data Processing Corp.	Chief Executive Officer	\$230,000 Base + \$74,471 Fringe Benefits
City of San Diego	City Attorney	\$193,648
Community Development Commission / Housing Authority County of Los Angeles	Executive Director	\$195,000

Fiscal Impact: The budget for fiscal year 2010 provides sufficient funds to allow for the recommended adjustments in the compensation package for the CEO.

Previous Related Action: Richard C. Gentry, CEO, was hired by action of the Housing Authority of the City of San Diego (SDHA) on July 29, 2008. A performance evaluation was performed by the Commission during the noticed Closed Session held on August 21, 2009, in accordance with the applicable provisions of the Brown Act.

The First Amendment to Employment Agreement was signed on September 19, 2008 and states that the CEO's employment shall commence on September 19, 2008 rather than October 1, 2008, because the CEO's move from Chicago to San Diego was more expeditious than originally contemplated. Under the terms of the employment contract, the CEO's performance and compensation package is to be evaluated on an annual basis and may occur in August or September.

Future Related Action: None. No action by the Housing Authority is required pursuant to the applicable terms of the CEO's employment agreement. The Housing Authority may, under the terms of the employment agreement review this action by giving notice of such desire within seven (7) days of the action by the SDHC Board. See SDMC Section 98.0301.

ENVIRONMENTAL REVIEW

This action is not a project under the provisions of California Environmental Quality Act of 1970.

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Submitted by:

Sal Salas

Performance Ad Hoc Committee

Approved by:

Jennifer Adams Brooks

Performance Ad Hoc Committee

Approved as to form, legality and procedure this 1st of September, 2009.

General Counsel

San Diego Housing Commission

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