IF YOU WISH TO ADDRESS THE BOARD:

1. Please file a speaker’s slip with the Executive Director, and upon recognition by the Chair, approach the rostrum and state your name; speakers are limited to 5 minutes per item.

2. If you need special assistance to participate in the meetings of the City of Alameda Housing Authority Board of Commissioners, please contact (510) 747-4325 (TDD: 510 522-8467) or dconnors@alamedahsg.org Notification 48 hours prior to the meeting will enable the City of Alameda Housing Authority Board of Commissioners to make reasonable arrangements to ensure accessibility.

AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

DATE & TIME
Wednesday January 17, 2018 –
Regular Meeting - 7:00 p.m.

LOCATION
Independence Plaza, 703 Atlantic Avenue, Alameda, CA

Welcome to the Board of Commissioners of the Housing Authority of the City of Alameda meeting. Regular Board of Commissioners meetings are held on the third Wednesday of each month in the Ruth Rambeau Memorial Community Room at Independence Plaza.

Public Participation
Anyone wishing to address the Board on agenda items or business introduced by Commissioners may speak for a maximum of five minutes per agenda item when the subject is before the Board. Please file a speaker’s slip with the Housing Authority Executive Director if you wish to address the Board of Commissioners.

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

2. Public Comment (Non-Agenda)

3. CONSENT CALENDAR
Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

3-A. Approve Minutes of the Board of Commissioners Meeting held December 20, 2017–Page 9
3-C. Accept the Monthly Overview Report Housing & Community Development – Page 11
3-D. Accept the Monthly Overview Report Housing Programs Department – Page 15
3-E. Accept the Monthly Overview Report Rent & Community Programs – Page 18
3-F. Accept the Monthly Overview Report Property Operations –Page 20
3-G. Accept the Monthly Development Report for Del Monte Senior Housing – Page 25
3-H. Accept the Monthly Development Report for 2437 Eagle Avenue – Page 27
3-I. Approve Deed Reconveyance and Loan Forgiveness for Intra-property Loans by June 30, 2018 and Authorize Executive Director to Execute Related Documents – Page 29
3-J. Accept the Budget Variance Report – Page 31
3-K. Accept the Annual Review of Investment Policy – Page 38

4. AGENDA

4-A. North Housing Project Update and Project Costs to Date; Approve the Use of Up to $750,000 to pay for Initial Demolition Costs at the North Housing Site; Authorize Executive Director to Negotiate Documents related to Easements, Demolition and Infrastructure Improvements – Page 49

5. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

6. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

7. ADJOURNMENT

* * *

Note

- If you need special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact 510-747-4325 (TDD: 510-522-8467) or dconnors@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility.

- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.

- Know Your RIGHTS Under The Ralph M. Brown Act: Government’s duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people’s review. In order to assist the Housing Authority’s efforts to accommodate persons with severe allergies,
environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA
HELD WEDNESDAY December 20, 2017

The Board of Commissioners meeting was called to order at 7:15 p.m.

1. **ROLL CALL**
   
   Present: Commissioner Kurrasch, Rickard, Vice Chair McCahan, Chair Tamaoki
   
   Absent: Commissioner Allen, Commissioner Kay

2. **Public Comment on Closed Session**
   
   None

3. **Closed Session – 6:30 p.m. – Adjournment to Closed Session to Consider**

   3-A. Pursuant to Government Code Section 54956.9(b) Conference with Legal Counsel: Anticipated Litigation: One Case –

   Islah Ali vs. Housing Authority of the City of Alameda
   United States District Court/Northern District of California
   Case Number: 3:17-cv-03658-EDL

   The above case was not discussed

   3-B. Conference with Real Property Negotiator – (Gov. Code. Sec. 54956.8)
   Agency Negotiator: Vanessa Cooper, Executive Director and Victoria Johnson, Director of Housing and Community Development

   Property: Parcel 1 (see attached metes and bounds description)
   Negotiating Parties: Housing Authority of the City of Alameda and Carmel Partners
   Under Negotiation: Price and Terms of Land
4. Adjournment of Closed Session

5. RECONVENE REGULAR MEETING – 7:15 p.m.

PLEDGE OF ALLEGIANCE

6. Announcement of Action Taken in Closed Session, if any.

Direction was given to staff on item 3-B

7. Public Comment (Non-Agenda)

Mr. Neveln commented that housing for the homeless is a key element around cities in the Bay Area. He talked about a presentation he did regarding obtaining jobs for people previously employed at the naval air station. He said that the focus should be on individuals rather than programs. He said that we should work on solutions to homelessness as we take on other projects.

8. CONSENT CALENDAR

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

Commissioner Kurrasch commented that the number of inspections and annual re-examinations, on page 23, have gone down due to some positive changes.

Commissioner Rickard noted that in the Quarterly Investment Report the CAMP Fund shows the returns and asked if we knew what the returns are on the LAIF Fund. Executive Director Cooper said that she would get that information to the Board. Commissioner Rickard asked if the CAMP statement includes a management fee or is there a manage fee above. Ms. Cooper said that it is built in.

Commissioner Rickard commented on a statement in the Quarterly Police Report that says activity has significantly decreased in the last year, but he does not see this in the chart provided on page 58. Ms. Cooper reviewed the report in detail with the Board. Police Officer Schlitt also gave some explanation of the incidents in the charts.

Commissioner McCahan commented on the Housing Programs Monthly Overview report on page 22. He asked if we really wanted to end the Landlord Leasing Incentive Program or suspend it. He commented that it has been a cost effective program. Ms. Cooper agreed and said that she would be looking at this in the budget process.

Commissioner McCahan asked if the City covers the cost of all legal issues with respect to Rent and Community programs. Ms. Cooper said that it is a full reimbursement program for rent stabilization. The City provides legal services.
Commissioner Kurrasch moved to accept the Consent Calendar and Commissioner McCahan seconded. The motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

*8-A. Approve Minutes of the Board of Commissioners Special Meeting held November 8, 2017 and the Regular Meeting held November 15, 2017 – Page 9 and Page 12
*8-C. Accept the Monthly Overview Report Housing & Community Development – Page 18
*8-D. Accept the Monthly Overview Report Housing Programs Department – Page 22
*8-E. Accept the Monthly Overview Report Rent & Community Programs – Page 25
*8-F. Accept the Monthly Overview Report Property Operations –Page 27
*8-G. Accept the Monthly Development Report for Del Monte Senior Housing – Page 32
*8-H. Accept the Monthly Development Report for 2437 Eagle Avenue – Page 34
*8-I. Accept the Holiday and Office Closure Schedule for 2018 – Page36
8-J. Approve A Short-term Internship Program to Provide Research and Analysis Support for Housing Authority Projects and Programs and Offer Professional Development Opportunities to Undergraduate and Graduate Students – Page39
8-K. Accept the Budget Variance Report – Page41
*8-L. Accept the Quarterly Investment Report for Period Ending September 30, 2017 – Page 47
*8-M. Accept the Quarterly Police Report – Page 54

9. AGENDA

9-A. Rosefield Project Update; Adopt a Resolution Authorizing an Application to Alameda County for A-1 Bond Funds; Approve the Commitment of up to $5.7 million in AHA loan funds; Authorize the Executive Director to Execute Related Documents – Page 59

Ms. Cooper introduced Danielle Thoe, Management Analyst for the Housing and Community Development Department. Ms. Thoe has been working on the Rosefield Redevelopment Project with Victoria Johnson.

Ms. Cooper said the County announced the application date for the A-1 Bond funding would be January 2, 2018 and staff have moved ahead to get the application ready. Ms. Cooper gave an update on the strategy. Ms. Cooper said that in order for this application to go forward, we are asking the Board to increase the commitment.

Commissioner Rickard commented that the subsidy per unit is lower than what AHA has been putting into other projects. This is a fantastic site and well served by transit.

Ms. Cooper talked about the three bedrooms required for a 9% percent tax credit deal. If we changed strategy later to four percent, we would not have the same obligations. Ms. Cooper said that we are committing to building the maximum number of units.

The Board is in support of this concept.
Commissioner Kurrasch moved to accept the staff recommendation on page 62 and Commissioner McCahan seconded.

Roll Call Vote: Commissioner Kurrasch yes, Commissioner Rickard yes, Vice Chair McCahan yes, and Chair Tamaoki yes.

9-B. North Housing Project Update; Provide Direction to Staff Related to Possible Sale of a Portion of the AHA Site – Page 83

Ms. Cooper projected some drawings from the architect to the Board. She said that the drawings will continue to be refined in preparation for the January 2 meeting. Ms. Cooper said that laying out the site is helpful to get a sense of the density and access to the parcel. Ms. Cooper reviewed the various scenarios with the Board. There was discussion about the funding and building a mixed community. Carmel Partners confirmed that they got the extension from the Navy and the new deadline is the end of January.

Mr. Neveln spoke about land swap deals between the Army Reserve units and other non-profits. He recommends retaining the land as a bargaining chip for trading with other agencies and leasing the land. Mr. Neveln also spoke on the lot size and how to deal with land allocation.

Commissioner Rickard said that he wants to follow up on comments made about how conceptual this is. He said that it is useful to show what actual road work looks like and there is more work to be done on the application. He has concerns that things could start spinning around. Ms. Cooper said that she would think of something that could actually be put on the document. He appreciates the work that staff has done on this project.

Chair Tamaoki said that direction has been provided to staff in closed discussion.

9-C. Request for Board Member Participation in Senior Management Interviews – Page 86

Ms. Cooper gave an update on AHA hires. Ms. Cooper requested one Board Member to participate in the interview process for senior management. Chair Kurrasch commented on the interview process for the Director of Finance.

9-D. Approve the Revised Pay Schedule with a Modification in Wage Range Assigned to the Maintenance Specialist Position – Page 87

Ms. Basta spoke about the pay scale modification due to the retirement of a long-term employee who filled this position. The duties for the position have changed and therefore a lower pay scale is recommended.

Vice Chair McCahan moved to accept the staff recommendation on page 88 and Commissioner Kurrasch seconded.
Roll Call Vote: Commissioner Kurrasch yes, Commissioner Rickard yes, Vice Chair McCahan yes, and Chair Tamaoki yes.

10. **ORAL COMMUNICATIONS, Non-Agenda (Public Comment)**

Mr. Neveln spoke on apartment unit sizes. Mr. Neveln suggested looking at other countries models of apartment sizes. He suggested doing a study on shrinking population and apartments for seniors. Mr. Neveln suggested smaller and better quality apartments.

11. **COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)**

None

12. **ADJOURNMENT OF REGULAR MEETING**

There being no further business, Chair Tamaoki adjourned the meeting at approximately 8:10 p.m.

Signed by:

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Kenji Tamaoki, Chair

______________________________

Vanessa M. Cooper
Executive Director/Secretary
To: Honorable Chair and
Members of the Board of Commissioners

From: Janet Basta
Director of Human Resources and Operations

Date: January 17, 2018

Re: Monthly Overview Report to the Board: Operations, HR, and IT

BACKGROUND

This memo provides a high level overview of agency activities in the prior month for agency Operations, Human Resources, and IT.

Human Resources and Operations

Recruiting was the primary focus again last month. Recruiting for the Director of Finance position has been completed, and an offer was extended and accepted by Joyce Boyd, who will start in late January. Recruitment continues for the Controller position, and the Senior Accounting Technician position will be reposted in January, with a goal of having candidates for the new Director of Finance to interview shortly after she assumes the role. Temporary staff, including a Nan McKay consultant, continue to keep the Finance Department running in the meantime, and will remain on board for a period of time to ensure a smooth transition.

Recruitment for the Deputy Executive Director position is underway through a recruiting firm. AHA management expects to review applications in mid/late February, with first interviews tentatively scheduled for March 7. Participation from external interviewers, including AHA Board of Commission members, will be solicited for the first and/or second round of interviews.

Interviews for the Resident Manager II position at Esperanza Plaza are scheduled for January, and a Resident Manager position for China Clipper/Esperanza will be posted in January. The Property Management Supervisor position is on hold while the property staff positions are focused on.

On December 21, staff received a three-hour Fair Housing training provided by attorney-at-law Terry Kitay. Other attendees included several AHA vendors, individuals AHA utilizes as hearing officers, and a Board member. In January, three Management Analysts will attend an annual multi-day Laserfiche Empower conference, and several staff will attend the NorCal-Nevada NAHRO conference, including Suzanne Warner, who will be participating on a panel addressing Coordinated Entry, a critical component to any community's efforts to end homelessness.
Proposals that were submitted in response to the RFP for a strategic planning consultant are in the process of being reviewed. It is anticipated that a consultant will be selected by the end of January so this process can begin early in the calendar year.

**Information Technology/Administration**

The upgrade to staff cell phones was completed to replace older smart phones and to provide an agency cell phone to all supervisors in the Housing Authority. This is an important step due to clarifications in the law surrounding Freedom of Information Act and Public Information Requests and to avoid employees having to have their personal cell phones searched for records.

Regular meetings with Yardi staff have been scheduled to roll out Rent Café and the Yardi Affordable module. Rent Café is an online system to allow participants of the programs operated by the Housing Programs Department to submit reexaminations online and to upload documents with the submission of the annual. The Affordable module allows for easier management of the units owned and operated by the Housing Authority that have multiple assistance on the units, such as those units that have both HOME restrictions and Project-Based Vouchers on the unit. It also allows for better property management reports as the current module used by the Housing Authority is not designed for general property management, but is rather, designed for operation of the Housing Choice Voucher program and Public Housing units.

**RECOMMENDATION**

For information only.

Respectfully submitted,

[Signature]

Janet Basta
Director of Human Resources and Operations

JCB/TMSC
To: Honorable Chair and
Members of the Board of Commissioners

From: Victoria Johnson
Director of Housing and Community Development

Date: January 17, 2018

Re: Update to the Board of Commissioners – Housing and Community Development

BACKGROUND

This memo provides an overview of departmental activities in the prior month.

DISCUSSION

Capital Projects

Major
China Clipper Pool Demolition/Fill – The pool at China Clipper has been filled and the masonry pillars and wood awnings removed. Staff is presently coordinating final finishes, which include installing a picket fence and planter boxes. The original project budget was $100,000 and final cost will be approximately $75,000.

Independence Plaza ADA Upgrades – Staff is working to secure the permit for the ADA upgrade project at Independence Plaza. The application was submitted in October and is currently in its third (and final) round of review. The bid package will be published once the permit is secure. Staff has also met with the impacted tenants to discuss the project, the related scope details and relocation services. Construction is scheduled to begin in April 2018. A professional cost estimate was prepared and peer reviewed. The project cost estimate is $1.7mn. The Board has approved $1mn in the current fiscal year and the balance is included of the CIC funding request for next year. The budget will be adjusted if necessary after bids are received. The use of CIC funds for constructions triggers the payment of prevailing wages.

Rosefield Village, 738 Eagle Avenue Substantial Rehab Project – The contractor is completing the finish work, as well as the exterior ramp. Project completion has been delayed by the need to reroute a storm drain that is obstructing the installation of a ramp footing. The project is scheduled to conclude in January. The project is primarily
funded through a CDBG loan of $575,000. Total project costs including tenant relocation and other soft costs will be approximately $700,000.

Minor
Anne B. Diament Heater Repair – Staff facilitated the repairs to the community room heating systems.

AHA Office, Front Door Installation – Staff has engaged Pendleton Construction to replace the office front doors, as well as install ADA operating systems. Work is scheduled to begin and conclude in January.

Other Projects
Portfolio Roof Assessments – Staff has engaged Applied Materials & Engineer to inspect and assess the roofs at Ann B. Diamond, Eagle Village, Esperanza, Independence Plaza, Sherman House and the Housing Authority Office. Inspections are currently underway and will continue through February.

AHA Office Emergency Service Preparation – Staff is working to procure a towable generator and install the necessary electrical systems so that the Housing Authority Office may stay operational in the event of an emergency and/or power outage. An electrical contractor has been engaged, work will begin and conclude in January.

AHA Office Annual Fire Safety Certification – Staff coordinated with the Alameda Fire Department to certify the office’s fire safety systems. Such included completing the annual fire sprinkler inspections, replacing outdated sprinkler heads and alarm testing.

Minor Home Repair Grant & Loan Project (CDBG funded) – Staff is assisting a homeowner facilitate a Minor Home Repair Grant and Home Repair Loan. Scope items will include plumbing repairs, floor and cabinetry installation, electrical work and painting. Staff has assisted the homeowner secure an estimate and is currently administering the grant and loan applications.

Inclusionary and Below Market Rate Programs

Staff has conditionally approved household 103 for the last of three available units at Alameda Landing.

AHA has closed on the purchase of two units at Mulberry and families are being processed for transfers from other AHA units.

For the three, three-bedroom townhomes at Mulberry that will be sold to the public, staff has begun review of the first six applications.

Community Development Block Grant (CDBG)

Staff presented to the Social Service Human Relations Board (SSHRB) at the November 30 meeting. Staff will present SSHRB Board’s recommendations and
Honorable Chair and
Members of the Board of Commissioners

January 17, 2018

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preliminary survey results at the January 16 City Council meeting. The packet can be viewed at this link:


**Pre-development Loans**
The Housing Authority has made separate pre-development loans to Island City Development on behalf of two development projects: North Housing and Rosefield. A $250,000 working capital loan to ICD was also made in 2017. Reporting on loan balances is shown below or is included in a separate report.

<table>
<thead>
<tr>
<th>Rosefield Village</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-development Loan from AHA</td>
<td>$ 1,000,000</td>
</tr>
<tr>
<td>Usage through December 2017</td>
<td>$ 169,599</td>
</tr>
<tr>
<td>Balance</td>
<td>$ 830,401</td>
</tr>
</tbody>
</table>

Pre-development costs to date include geotechnical, survey and appraisal services, engineering and architectural services, and financial and application consultants.

**Pipeline**

*Everett Commons Apartments* – Construction is on schedule and a separate report on the project is attached.

*Del Monte Senior* – Construction is on schedule and a separate report on the project is attached.

*North Housing* – The task force committee that includes the community partners met again on January 10th. A separate report on the project is attached.

*Rosefield Village* – Staff worked with the consultant Real Estate Development Services (REDS) to submit an application to Alameda County for A-1 bond funds. The application was submitted on January 2, 2018. The County bond funds will also require approval by City Council. Staff is now working with Community Economics to confirm the feasibility of submitting a 9% application on July 1, 2018, and with Dahlin Architects to prepare the next phase of project drawings. Staff will return to the Board to authorize the next round of funding applications.

**Asset Management**

Staff has received the updated Physical Needs Assessment for the eight largest properties (Independence Plaza, Esperanza, Sherman Street, Eagle Village, Parrot Village, Parrot Gardens, China Clipper Plaza, and Anne B. Diament). With this updated information, staff has started reviewing the refinance scenarios, per the Ad Hoc Committee schedule of activities. Staff has also ordered appraisals for each property.
Honorable Chair and
Members of the Board of Commissioners

January 17, 2018

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The federal tax exemption application was submitted to the IRS for Alameda Affordable Housing Corporation (AAHC). Staff is working with legal counsel on the next steps for a property transfer to the nonprofit, to be presented to the Board for consideration in February.

Staff continues to oversee lease up coordination of 1301 Buena Vista Avenue with The John Stewart Company (JSC) and other AHA staff. The online pre-application process for the 5 LIHTC units was a success. Almost 400 applications were received. Staff has requested a report from JSCo with a breakdown of the applicants including the total number with an Alameda preference. In addition, the Housing Programs Department will be referring up to 50 names, initially, for the 25 PBV units in January. JSCO is managing the details of the waitlist and leasing.

Staff coordinated the purchase of two 3-bedroom townhomes at the Mulberry community, built though the City’s inclusionary housing program. Property Management and Housing Programs are working through the leasing details for two families. Two additional townhomes will become available later this year.

Staff provides audit support for the limited partnerships with fiscal year ending 12/31/2017, including partner limited partnerships. Fourth quarter bank and investor reporting is ongoing for the period ending December 31.

Other Activities

The City’s bike-share operator, LimeBike, has committed to equity goals in its contract with the City and staff has been in discussion with LimeBike about hosting bikes at AHA properties, providing reduced cost fares to AHA residents, and promoting bicycling to residents. Staff is working with attorneys to understand any risks to AHA and hope an understanding or formal agreement by mid-Spring 2018.

Staff continues to work with the City’s Community Development Department on the City Homelessness Policy that Council requested in mid-2017. Interviews, data collection, research into best practices, and idea-generation have all taken place. A draft report is being finalized and will be presented to SSHRB for input at its February meeting with the goal of going to City Council in May.

RECOMMENDATION

For information only.

Respectfully submitted,

Victoria Johnson
Director of Housing and Community Development
To: Honorable Chair and
   Members of the Board of Commissioners

From: Lynette Jordan
   Director of Housing Programs

Date: January 17, 2018

Re: Monthly Overview Report to the Board Housing Programs

BACKGROUND

This memo provides a high-level overview of Housing Programs Department (HPD) activities in the prior month.

HOUSING PROGRAMS FUNDING YEAR END UPDATE
Throughout the year HA Executive Management staff monitored our funding and leasing options closely by utilizing the HUD Two-Year Forecasting Tool (TYT). The TYT end of the year forecast was accurate and we ended the year with less than $50,000 remaining in HAP reserves or 0.2%. Staff rescinded 18 new vouchers on November 15, 2017, but those families affected were placed back on our waitlist until future funding levels can be determined and new vouchers issued to the families.

2018 Housing Choice Voucher Program (HCVP) Renewal Awards
On Friday, December 29, 2017 the Executive staff received our calendar year (CY) 2018 Housing Choice Voucher (HCV) renewal funding notification from HUD. HUD is currently operating under a Continuing Resolution (CR) until January 19, 2018, H.R.1370 Further Additional Continuing Appropriations Act, 2018. HUD would typically have 60 days to calculate the PHAs’ renewal funding and send renewal award notifications once a full year CR or Appropriations Act is enacted. However, in order to assist PHA’s in operating our programs until a definitive funding level is known for 2018 HUD offered the following guidance.

HUD has evaluated two 2018 funding possibilities that result in a range of Housing Assistance Payments (HAP) and Administrative Fee proration levels. The estimated HAP prorations are 98.810% and 95.301%, respectively. The Administrative Fees prorations are anticipated at 76.153% for the Senate Bill and 70.233% for the House Bill.
Honorble Chair and
Members of the Board of Commissioners

January 17, 2018

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Therefore, HUD advised PHA’s to utilize the HUD Two-Year Forecasting Tool to assess their projected leasing and spending starting with the 99% proration and then 95% proration. Staff will continue to utilize the TYT to model different funding scenarios throughout the year as we did in 2017. The more severe scenario (95% HAP and 70% Admin Fee) would require a closer review by staff, and eventually the Board on options for retaining housing assistance for our families and reducing costs to the program, through streamlines the administration and allocating staffing elsewhere.

Due to the new X HCV vouchers to be leased up at DelMonte and Eagle/Everett sites in 2018, additional funds will be required from HUD. Staff meet with HUD on January 17 and will discuss the situation at that time. AHA will automatically receive additional funds for the 5 VASH vouchers at Eagle/Everett.

TRIENNIAL RECERTS
HUD recently published an interim final rule in the Federal Register implementing the Fixing America’s Surface Transportation Act (Fast Act), which authorizes triennial reexams for some assisted families with fixed income. When 90 percent or more of a families unadjusted income consists of fixed income this streamlining process allows PHA’s to apply a COLA or COLAs to the family, if the family certifies both that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous year. AHA currently in the process of reviewing and implementing streamlining process for families with 100 percent fixed income.

FSS AWARD Notification
On December 18, 2017, AHA received notification from the Department of Housing and Urban Development (HUD), announcing funding recipients for Family Self-Sufficiency Program. AHA has been selected to receive $61,124 of funding to continue to support the staffing for the FSS program whereby families work to achieve self-sufficiency. The grant is effective January 1, 2018. These funds are for use of staffing costs for the program, a minimum of 25 clients must be served under the grant.

HPD Department Statistics

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Oct</th>
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<th>Dec</th>
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<tr>
<td>Annual Re-examinations Processed</td>
<td>134</td>
<td>97</td>
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<tr>
<td>Rent Increases</td>
<td>53</td>
<td>58</td>
<td>15</td>
</tr>
<tr>
<td>Interim Re-examinations Processed</td>
<td>28</td>
<td>21</td>
<td>43</td>
</tr>
<tr>
<td>HQS Inspections Conducted</td>
<td>60</td>
<td>23</td>
<td>34</td>
</tr>
</tbody>
</table>

82% pass rate 39% pass rate 47% pass rate
Voucher issuance and lease up data

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Oct</th>
<th>Nov</th>
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<tr>
<td>Section 8 Movers seeking housing</td>
<td>8</td>
<td>12</td>
<td>14</td>
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<tr>
<td>New voucher holders seeking housing</td>
<td>20</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Port-in seeking housing</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Voucher holders ported out and seeking elsewhere</td>
<td>8</td>
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<td>2</td>
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<tr>
<td>Total voucher holders seeking housing</td>
<td>36</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Non Port Leased</td>
<td>2</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Port Move-In Leased Up</td>
<td>6</td>
<td>4</td>
<td>0</td>
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<tr>
<td>Total vouchers leased up in month</td>
<td>8</td>
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<td>4</td>
</tr>
<tr>
<td>New Vouchers Issued</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

RECOMMENDATION

For information only.

Respectfully submitted,

Lynette Jordan
Director of Housing Programs
To: Honorable Chair and Members of the Board of Commissioners

From: Suzanne Warner, Director, Rent and Community Programs

Date: January 17, 2018

Re: Monthly Overview Report to the Board – Rent and Community Programs

BACKGROUND

The monthly reports for the Rent Stabilization Program are available at www.alamedarentprogram.org.

The following submissions were filed with our office for review:

<table>
<thead>
<tr>
<th>Submission Type</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Increases</td>
<td>21</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Rent IncreasesReviewed by the RRAC</td>
<td>3</td>
<td>2</td>
<td>3*</td>
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<tr>
<td>Terminations of Tenancy</td>
<td>12</td>
<td>11</td>
<td>12</td>
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<tr>
<td>Capital Improvement Plans</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
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</table>

For outcomes of submissions reviewed, please see the full report available on the website.

*The number of rent increases reviewed by the RRAC is pending the 1/10/18 RRAC hearing. As some cases may resolve ahead of the hearing, the actual rent increases reviewed may be less than three.

CITY COUNCIL ITEMS

An appeal to review the rent increase concerns and the Rent Review Advisory Committee’s (RRAC) non-binding decision regarding the rent increase at 3315 Willis Lane is scheduled as item 6-C for the January 16, 2018 Regular City Council Meeting. The appeal is regarding a noticed rent increase of $2,000 (133.3%), raising the rent from $1,500 to $3,500. Pursuant to Section 6-85.85.B of the Alameda Municipal Code, the Council’s review of the matter is limited to reviewing the RRAC’s determination and, if applicable, authorizing the Mayor to send a letter to the owners as to the Council’s non-binding recommendation regarding the rent increase.
Honorable Chair and
Members of the Board of Commissioners

RECOMMENDATION

For information only.

Respectfully submitted,

Suzanne Warner
Director of Rent and Community Program
To: Honorable Chair and
Members of the Board of Commissioners

From: Lisa Caldwell, Director of Property Operations

Date: January 17, 2018

Re: Monthly Overview Report to the Board for Property Operations

BACKGROUND

This memo provides a high-level overview of the property operations activities in the prior month.

DISCUSSION

VACANCY – December

Lease up coordination between the Property Management and Housing Programs departments continues in order to fill vacancies as soon as possible. Applicants from our waitlists have been outreached or are in process for all vacant units. Three applicants are processed at a time for each vacancy.

<table>
<thead>
<tr>
<th>Property</th>
<th>Unit #</th>
<th>Vacancies end of November</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne B. Diament Plaza</td>
<td>65</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>China Clipper Plaza</td>
<td>26</td>
<td>2</td>
<td>8%</td>
</tr>
<tr>
<td>Eagle Village</td>
<td>36</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Esperanza</td>
<td>120</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Independence Plaza</td>
<td>186</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Parrot Village</td>
<td>50</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Rosefield Village</td>
<td>52</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Combined Smaller Sites *</td>
<td>38</td>
<td>3</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>575</strong></td>
<td><strong>9</strong></td>
<td><strong>2%</strong></td>
</tr>
</tbody>
</table>

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4), Paru Street (1) and Mulberry Townhomes (2).

The total unit count above includes the six (6) manager units located at Anne B. Diament Plaza, Esperanza, Parrot Village, Independence Plaza, China Clipper and Eagle Village.
In December, there were five (5) units at Rosefield that were permanently offline due to the upcoming rehabilitation of the property. As vacancies come up at other AHA owned sites residents at Rosefield will be offered these units, where eligible, in order to accommodate as many current residents that want to remain housed in Alameda.

Effective November 1, 2017 all upcoming vacant units at Independence Plaza will not be filled in order to accommodate upcoming ADA capital improvements to 20 units. At the end of December there was one (1) vacant unit at Independence Plaza taken offline, this unit is not included in the vacancy numbers & rate listed above.

At the end of December, AHA purchased its first two units of four Below Market Rate (BMR) units at the Mulberry townhome community. These two units have been added to the vacancy chart above under combined smaller sites.

**RENT COLLECTIONS – December**

Most rents for December were collected. Legal proceedings will be started on the households who did not pay if agreements cannot be reached for the past due payments. No legal actions were taken in the prior month.

All properties had a collection rate of 95% or above in December with the exception of Ann B. Diament. Ann B. Diament had three vacant units at the beginning of December. Two of those units were leased at the end of December and payments will be reflected in January.

<table>
<thead>
<tr>
<th>Property</th>
<th>ABD</th>
<th>China Clipper</th>
<th>Eagle Village</th>
<th>ESP</th>
<th>IP</th>
<th>Parrot Village</th>
<th>*All Other Sites</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted GPR</td>
<td>80,193</td>
<td>33,246</td>
<td>72,022</td>
<td>280,153</td>
<td>134,390</td>
<td>123,076</td>
<td>50,306</td>
<td>773,386</td>
</tr>
<tr>
<td>Collected</td>
<td>75,249</td>
<td>32,558</td>
<td>73,776</td>
<td>285,465</td>
<td>131,502</td>
<td>124,875</td>
<td>48,645</td>
<td>772,070</td>
</tr>
<tr>
<td>Collection Rate</td>
<td>94%</td>
<td>98%</td>
<td>102%</td>
<td>102%</td>
<td>98%</td>
<td>101%</td>
<td>97%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4) and Paru Street (1)
Honorable Chair and
Members of the Board of Commissioners

January 17, 2018
Page 3 of 5

Below are the collection rates for Rosefield Village for the month of November. The financial information for Rosefield will be behind AHA managed properties by one month due to the transferring of property management to The John Stewart Company.

For the month of November, the collection rate was above 95%. As mentioned above there are currently five (5) units offline at Rosefield.

<table>
<thead>
<tr>
<th>GPR - Budget vs. Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosefield</td>
</tr>
<tr>
<td>November</td>
</tr>
<tr>
<td>Budgeted GPR</td>
</tr>
<tr>
<td>Collected</td>
</tr>
<tr>
<td>Collection Rate</td>
</tr>
</tbody>
</table>

Preparation and review of rent increases for 2018 has begun.

All qualifying residents at Independence Plaza were issued rent increase notices at the end of November with an effective date of February 1, 2018. As a reminder, rent increase notices are provided 60 days prior to the effective date.

Updates on further rent increases for other properties will be provided as they are issued. Increases will be within the 5% range again and will remain below the payment standard.

CONTRACTS

Property management related contracts were brought to the board for extensions and approval of contract amendments not to exceed 5 years. The last remaining contract was for the elevator service. The RFP process has been completed for the elevator service contract, and Thyssenkrupp Elevators Company has been selected.

RESIDENT SERVICES

The below chart outlines the number of hours and services provide by LifeSTEPS for the month of December for all AHA sites.

<table>
<thead>
<tr>
<th>Service</th>
<th>Participants</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Case Management</td>
<td>270</td>
<td>145.5</td>
</tr>
<tr>
<td>Education Classes</td>
<td>64</td>
<td>9.75</td>
</tr>
<tr>
<td>Community Building Enrichment Activities</td>
<td>254</td>
<td>89.75</td>
</tr>
<tr>
<td>Additional Services &amp; Education</td>
<td>204</td>
<td>27.25</td>
</tr>
</tbody>
</table>
The Reading Room at Esperanza is generally open weekly for children's reading and other activities. Alameda Family Services continues to provide services at Esperanza for families, seniors and the homeless. After school services are provided the Boys & Girls Club of Alameda. In partnership with AHA, the Alameda Food Bank provides services twice a month to both Anne B Diament and independence Plaza. The following total households were served in December.

<table>
<thead>
<tr>
<th>Property</th>
<th>No of units</th>
<th>Households Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne B Diament</td>
<td>65</td>
<td>63</td>
</tr>
<tr>
<td>Independence Plaza</td>
<td>186</td>
<td>90</td>
</tr>
</tbody>
</table>

AHA, LifeSTEPS and the Alameda Food Bank with partner together to provide services to Esperanza on a trial basis for four months starting in January.

MAINTENANCE

Annual HQS inspections for 2017-2018 have been completed at Eagle Village, Anne B. Diament, Parrot Village and Parrot Gardens. Staff is working on corrections for units that did not pass and required follow up.

Preventive maintenance has started at China Clipper and our scattered sites.

Upcoming capital improvement work at Independence Plaza includes ADA upgrades to 20 units and will take place over the upcoming year. The first tenant meeting for the units impacted took place in December and staff will report back with updates as the project moves forward.

Below is the average completion time for work orders through December 2017.

<table>
<thead>
<tr>
<th>Month</th>
<th>Goal</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency</td>
<td>24 Hours</td>
<td>Within 24 Hours</td>
<td>Within 24 Hours</td>
<td>Within 24 Hours</td>
</tr>
<tr>
<td>Urgent</td>
<td>3 Days</td>
<td>3.00 Days</td>
<td>3.00 Days</td>
<td>3.00 Days</td>
</tr>
<tr>
<td>Routine</td>
<td>7 Days</td>
<td>6.00 Days</td>
<td>4.00 Days</td>
<td>3.00 Days</td>
</tr>
</tbody>
</table>
Honorable Chair and
Members of the Board of Commissioners

January 17, 2018
Page 5 of 5

The work order report below shows the work orders completed calendar year to date.

**Work Order Analysis by Completion Month**

<table>
<thead>
<tr>
<th>Property Name</th>
<th>Units</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHA OFFICE</td>
<td>N/A</td>
<td>8</td>
<td>8</td>
<td>16</td>
<td>12</td>
<td>14</td>
<td>14</td>
<td>15</td>
<td>25</td>
<td>22</td>
<td>15</td>
<td>17</td>
<td>2</td>
<td>178</td>
</tr>
<tr>
<td>SHERMAN STREET</td>
<td>9</td>
<td>5</td>
<td>12</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>2</td>
<td>52</td>
</tr>
<tr>
<td>LINCOLN HOUSE</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td>31</td>
</tr>
<tr>
<td>ESPERANZA</td>
<td>120</td>
<td>75</td>
<td>93</td>
<td>199</td>
<td>92</td>
<td>48</td>
<td>45</td>
<td>42</td>
<td>64</td>
<td>44</td>
<td>47</td>
<td>64</td>
<td>4</td>
<td>817</td>
</tr>
<tr>
<td>PARROT VILLAGE</td>
<td>50</td>
<td>77</td>
<td>36</td>
<td>28</td>
<td>28</td>
<td>25</td>
<td>32</td>
<td>26</td>
<td>28</td>
<td>23</td>
<td>55</td>
<td>83</td>
<td>13</td>
<td>454</td>
</tr>
<tr>
<td>Detached Homes</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>ANNE B DIAVENT PLAZA</td>
<td>65</td>
<td>24</td>
<td>16</td>
<td>28</td>
<td>27</td>
<td>18</td>
<td>19</td>
<td>13</td>
<td>75</td>
<td>43</td>
<td>45</td>
<td>36</td>
<td>8</td>
<td>352</td>
</tr>
<tr>
<td>ROSEFIELD VILLAGE</td>
<td>46</td>
<td>47</td>
<td>55</td>
<td>34</td>
<td>12</td>
<td>15</td>
<td>14</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>185</td>
</tr>
<tr>
<td>PARROT GARDENS</td>
<td>8</td>
<td>9</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>STANFORD HOUSE</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td>LINCOLN/WILLOW</td>
<td>5</td>
<td>2</td>
<td>9</td>
<td>9</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
<td>2</td>
<td>31</td>
</tr>
<tr>
<td>SENIOR CONDOS</td>
<td>7</td>
<td>2</td>
<td>7</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>CHINA CLIPPER PLAZA</td>
<td>26</td>
<td>39</td>
<td>18</td>
<td>10</td>
<td>8</td>
<td>6</td>
<td>11</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>11</td>
<td>9</td>
<td></td>
<td>135</td>
</tr>
<tr>
<td>EAGLE VILLAGE</td>
<td>42</td>
<td>9</td>
<td>7</td>
<td>16</td>
<td>11</td>
<td>24</td>
<td>20</td>
<td>14</td>
<td>61</td>
<td>37</td>
<td>29</td>
<td>10</td>
<td>1</td>
<td>239</td>
</tr>
<tr>
<td>INDEPENDENCE PLAZA</td>
<td>186</td>
<td>92</td>
<td>61</td>
<td>76</td>
<td>155</td>
<td>177</td>
<td>82</td>
<td>47</td>
<td>77</td>
<td>62</td>
<td>78</td>
<td>54</td>
<td>7</td>
<td>968</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>573</strong></td>
<td><strong>397</strong></td>
<td><strong>333</strong></td>
<td><strong>441</strong></td>
<td><strong>362</strong></td>
<td><strong>338</strong></td>
<td><strong>246</strong></td>
<td><strong>182</strong></td>
<td><strong>352</strong></td>
<td><strong>247</strong></td>
<td><strong>292</strong></td>
<td><strong>299</strong></td>
<td><strong>50</strong></td>
<td><strong>3,539</strong></td>
</tr>
</tbody>
</table>

* Effective 7/1/2017 Rosefield Village the majority of maintenance work orders will be completed by The John Stewart Company and not included on the chart above.

For the month of December, work orders are still in the process of being closed out due to change in staff and training of the new maintenance specialist.

**FINANCIAL IMPACT**

Report only, no financial impact.

**RECOMMENDATION**

For information only.

Respectfully submitted,

Lisa Caldwell
Director of Property Operations

VMC/all
To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Prepared by: Tobi Liebermann
Housing and Community Development Sr. Project Manager

Date: January 17, 2018

Re: Sherman & Buena Vista LP Project Update

BACKGROUND
The Community Development Department provides monthly reports on projects under construction where AHA is acting as developer and provides performance guarantees.

The Sherman & Buena Vista LP (Del Monte Senior) project (Project) includes the new construction of 31 units located at 1301 Buena Vista Ave. Construction funds were secured at the financial closing on December 14, 2016 and BBVA Compass is serving as construction lender. Brown Construction is the General Contractor.

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># Units</td>
<td>30</td>
<td>1</td>
<td></td>
<td></td>
<td>31</td>
</tr>
</tbody>
</table>

Gross Floor Area = 28,466 Square Feet (includes common areas)

DISCUSSION
Construction of the Project started on December 27, 2016. The current percent complete as of the end of December billing is 80%. To date, a total of 50 days of time extensions have been approved. The site work that is to be performed by Tim Lewis has been delayed by permitting issues, and staff is continuing to monitor this closely. Current construction activities include interior gypcrete, painting, doors frames and hardware, and the start of unit cabinets. Under ground work related to water connections is ongoing.
The construction contract totals $11,148,028. The development budget includes a 5% hard cost construction contingency in the amount of $557,401. There are three owner approved prime contract change orders (PCCO) at this time. Approved PCCOs now total $162,059 including both added costs and credits. Owner contingency funds are held separately from the contract and as change orders are approved, the original construction contract value will increase accordingly as shown in the table below.

<table>
<thead>
<tr>
<th>Contingency Utilization</th>
<th>Original Budget</th>
<th>Current Revisions</th>
<th>Previous Revisions</th>
<th>Current Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contract</td>
<td>11,148,028</td>
<td>0</td>
<td>162,059</td>
<td>11,310,087</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>557,401</td>
<td>0</td>
<td>-162,059</td>
<td>395,342</td>
</tr>
<tr>
<td>Soft Cost Contingency</td>
<td>143,686</td>
<td>-11,654</td>
<td>-39,128</td>
<td>92,903</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Construction Contract Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Total Value of Work Completed</td>
</tr>
<tr>
<td>11,310,087</td>
</tr>
</tbody>
</table>

FINANCIAL IMPACT
A pre-development loan from AHA to ICD in the amount of $1M was made on behalf of the Project and was repaid. The current construction draw schedule is shown below. The land line item is shown as disbursed but is a deferred payment. The $ Disbursed includes the current draw amount.

<table>
<thead>
<tr>
<th></th>
<th>$ Budget</th>
<th>$ Disbursed</th>
<th>% Disbursed</th>
<th>$ Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>3,435,000</td>
<td>3,435,000</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>11,705,429</td>
<td>8,175,265</td>
<td>70%</td>
<td>3,530,164</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>4,059,874</td>
<td>2,430,851</td>
<td>60%</td>
<td>1,629,023</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,200,303</td>
<td>14,041,116</td>
<td>73%</td>
<td>5,159,187</td>
</tr>
</tbody>
</table>

Respectfully submitted,

Vanessa M. Cooper  
Executive Director

VMC:tl
To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Prepared by: Tobi Liebermann
Housing and Community Development Sr. Project Manager

Date: January 17, 2018

Re: Everett Commons (Everett and Eagle LP Project) Update

BACKGROUND

The Community Development Department provides monthly reports on projects under construction where AHA is acting as developer and provides performance guarantees.

The Everett Commons project (Project) includes the new construction of 20 units located at 2437 Eagle Ave. Construction funds were secured at the financial closing on June 29, 2017 and JPMorgan Chase is serving as construction lender. J.H. Fitzmaurice, Inc. is the General Contractor.

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># Units</td>
<td>4</td>
<td>11</td>
<td>5</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

Gross Floor Area = 26,167 Square Feet (includes common areas)

DISCUSSION

Construction of the Project started on July 7, 2017. The current percent complete as of the end of December billing is approximately 23%. Current GC activities include framing of all buildings.

The construction contract totals $11,556,266 including five approved prime contract change orders for a total of $113,311. The development budget includes a 5% hard cost construction contingency in the amount of $577,813. Owner contingency funds are held.
separately from the contract and as change orders are approved, the original construction contract value will increase accordingly as shown in the table below.

<table>
<thead>
<tr>
<th>Contingency Utilization</th>
<th>Original Budget</th>
<th>Current Revisions</th>
<th>Previous Revisions</th>
<th>Current Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contract</td>
<td>11,556,266</td>
<td>26,978</td>
<td>86,332</td>
<td>11,669,577</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>577,813</td>
<td>-26,978</td>
<td>-86,332</td>
<td>464,502</td>
</tr>
<tr>
<td>Soft Cost Contingency</td>
<td>148,371</td>
<td>-2,893</td>
<td>-49,242</td>
<td>96,236</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Construction Contract Utilization</th>
<th>Value of Work Completed</th>
<th>Retention Withheld</th>
<th>Payments to Date</th>
<th>Balance to Finish</th>
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</thead>
<tbody>
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<td>Contract Total</td>
<td>2,476,543</td>
<td>184,691</td>
<td>1,662,224</td>
<td>9,795,683</td>
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</tbody>
</table>

Staff is working with our Tax Credit CPA to complete the 10% test.

FINANCIAL IMPACT
A pre-development loan from AHA to ICD in the amount of $1M was made on behalf of the Project and was paid back in August. The current construction draw schedule is shown below. The $ Disbursed includes the current draw amount.

<table>
<thead>
<tr>
<th></th>
<th>$ Budget</th>
<th>$ Disbursed</th>
<th>% Disbursed</th>
<th>$ Balance</th>
</tr>
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<tbody>
<tr>
<td>Land</td>
<td>34,900</td>
<td>15,833</td>
<td>45%</td>
<td>19,067</td>
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<tr>
<td>Hard Costs</td>
<td>12,134,079</td>
<td>2,476,543</td>
<td>20%</td>
<td>9,657,536</td>
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<tr>
<td>Soft Costs</td>
<td>2,759,942</td>
<td>1,734,351</td>
<td>63%</td>
<td>1,025,591</td>
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<tr>
<td>Total</td>
<td>14,928,921</td>
<td>4,226,727</td>
<td>28%</td>
<td>10,702,194</td>
</tr>
</tbody>
</table>

Respectfully submitted,

Vanessa M. Cooper
Executive Director
VMC:tl
To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper Executive Director

Prepared by: Kathleen Mertz, Asset Manager

Date: January 17, 2018.

Re: Approve Deed Reconveyance and Loan Forgiveness for Intra-property Loans by June 30, 2018 and Authorize Executive Director to Execute Related Documents

BACKGROUND

In 2009 and 2010, the Housing Authority made loans between different Housing Authority properties from a property that had more cash flow to properties that had less cash flow (intra-property loans). There are four executed Promissory Notes that reflect different amounts of cash transfers between Anne B. Diament and Lincoln House and between Anne B. Diament and Sherman Street. There is one recorded a Deed of Trust against title to Lincoln House for one of the intra-property loans. Staff could not locate Loan Agreements for any loan. Staff recommends each of these intra-property loans be forgiven and the Deed of Trust be reconveyed and removed from title. This will also allow staff to make corresponding adjustments to the financial statements.

DISCUSSION

The table below summarizes the intra-property loans.

<table>
<thead>
<tr>
<th>Lincoln House</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Deed of Trust</td>
<td>2010</td>
<td>$81,585</td>
</tr>
<tr>
<td>Promissory Note</td>
<td>2009</td>
<td>$80,547</td>
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<tr>
<td>Promissory Note</td>
<td>2010</td>
<td>$78,111</td>
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<table>
<thead>
<tr>
<th>Sherman Street</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Promissory Note</td>
<td>2009</td>
<td>$274,534</td>
</tr>
<tr>
<td>Promissory Note</td>
<td>2010</td>
<td>$266,113</td>
</tr>
</tbody>
</table>

Based on staff reports from that period, staff was considering refinancing the properties in the future, and may have thought that there could be some advantage to advancing
funds in the form of loans as opposed to making the needed repairs and reporting the costs as capital expenses. However, both Lincoln House and Sherman Street are in good condition, and it is unlikely that either property will be included in a tax credit syndication or other refinancing in the foreseeable future. Hence the Promissory Notes and the Deed of Trust serve no useful purpose. Also, there are some discrepancies in the financial statements with respect to balances, accrued interest and repayment terms for the five loans.

FISCAL IMPACT

The Housing Authority is both the lender and the borrower on these loans, the pool of funds for these loans is the AHA general operating account (even though staff track them as separate properties for accounting purposes, the operating bank account is the same), and there is no third party lender that is affected by the forgiveness of these loans. Unlike a loan to third party, where ‘forgiveness’ would require a write-off that would reduce overall cash position, there is no negative balance sheet impact by forgiving the loans.

These loans were made from general operating funds for these unrestricted properties. There will be an adjustment made in Yardi to show the forgiveness but there will be no net change in liabilities or assets for the Housing Authority’s balance sheet.

RECOMMENDATION

Approve Deed Reconveyance and Loan Forgiveness for Intra-property Loans by June 30, 2018 and Authorize Executive Director to Execute Related Documents

Respectfully submitted,

Vanessa M. Cooper
Executive Director
To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 17, 2018

RE: Budget Variance Report for November 30, 2017

BACKGROUND
On May 18, 2016 the Board of Commissioners approved a two-year operating budget for all programs covering the fiscal years July 1, 2016 through June 30, 2018. A revision was approved by the Board of Commissioners for 2016-17 at the May 2017 meeting for 2017-18. This high-level, year-end Budget Variance Report covers preliminary unaudited financial operating results compared to the revised 2017-18 budget. Although the year-end financial data is accrued, the month-to-month financials are on a cash basis. The numbers are subject to change based on the final audit report.

DISCUSSION

Revenue

Overall, total revenue income is higher than the year-to-date budget by $396,579 (2%).

The net rental income (total tenant revenue) is $148,477 (3%) higher than budget due to low vacancy rates in the very tight housing market in the Bay Area, especially for low-income tenants and Housing Choice Voucher (HCV) holders. See the Property Operations overview for details on vacancies and rent collection.

Agency-wide, the Other Income is $23,981 (3%) more than the year-to-date budgeted revenue. During this year there was a payment of $240,000 for Developer Fee from Sherman and Buena Vista LP and income from the Playa Del Alameda refinancing of $286,124.86 of which $43,015.86 was posted to interest income.

Administrative Fee income in the HCV Program is less than the year-to-date budget by $24,564. This is mainly due to a lesser disbursement by HUD of the
Administrative Fee revenue compared with our budgeted revenue that included a projected higher proration than actual. Proposed reductions in Administrative fee for 2018 (as low as a 70% proration) will need to be considered when the Board approves the 2018-19 budget revision in June. Administrative Fees from HUD have for many years now not fully funded the Housing Programs Department and the Section 8 program has been subsidized by income from the Property Management Department. It will be important to review options for reducing these costs, which may include freezing hires in the HPD department, accelerating streamlining options such as triennial recertifications and transferring staff to open positions that come available in other departments. Closing the front door to the public every Friday as opposed to every other Friday could facilitate, over time a reduction in staff costs since fewer receptionist time would be needed.

Expenses

Agency-wide total operating expenses are lower than the year-to-date budget by $663,026 (3%). This is mainly due to the lower salary and benefit expenses and lower than expected rent for the Rent Program office. Please note the use of temporary staff or contractors to fill permanently budgeted positions. There are currently nine unbudgeted but unfilled positions.

Net income (before depreciation) is $1,643,797. This is $584,192 (21%) over budget.

HOUSING ASSISTANCE PAYMENTS (HAP) PASS-THROUGH

The Housing Assistance Payments (HAP) Pass-through budget includes all the Housing Choice Voucher/Section 8, Shelter Plus and Bessie Coleman (SRO) programs. The year-to-date HAP revenue is $309,063 (3%) above the budget due to the use of reserves. The HAP payments to landlords are $688,604 (6%) more than the year-to-date budget. The budget was based on the 2016 Budget Authority which was cut by HUD to 97.1% proration in 2017. See HPD memo for more on HAP proration proposals for 2018.

HUD established a project reserve, whereby AHA can draw additional HAP funds if our HAP costs exceed any month’s HAP budget authority. This HUD-held HAP reserve began with a balance of $3.6 million dollars at the start of the calendar year. To make HAP payments, over $3m was drawn from reserves and the current projection for 2017 year-end HUD-held reserves is $816,314. Staff is working closely with HUD to monitor the HAP revenue and expenditure, and the federal budget process to ensure a sufficient cash flow for the program.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

A new Finance Director, has been hired and will start on January 29, 2018. Nan McKay and Associates continues to provide on-site consulting and training services full-time. Other positions have been filled with temporary staff and
recruitment is ongoing for positions currently vacant. At the same a process of documenting desk instructions for Finance staff has also been put in place to assist with the handover.

The 2016-17 AHA audit is almost complete. The audit report will be presented in February 2018. The ICD 2017 audit is also in progress.

Staff issued an RFP for auditors earlier this summer. HUD requires that the audit contract be rebid every five years. Five firms submitted, and interviews took place on November 23. Commissioner Kurrasch served on the panel along with staff and the Board will make the final selection in February or March.

RECOMMENDATION
For information only.

Respectfully submitted,

[Handwritten signature]

Vanessa M. Cooper
Executive Director

VC

Attachments: 1. Budget Variance Report
<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>MTD Actual</th>
<th>MTD Budget</th>
<th>% Var</th>
<th>Variance</th>
<th>MTD Actual</th>
<th>MTD Budget</th>
<th>% Var</th>
<th>Variance</th>
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<td>116,926</td>
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<td>1,341</td>
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<td>669,500</td>
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<td>715000</td>
<td>Miscellaneous Other Revenue</td>
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<td>715040</td>
<td>Gain/Loss on Sale of Fixed Assets</td>
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<td>Administrative Fees from HUD</td>
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<td>Administrative Fees Paid (PORT-Outs)</td>
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<td>101,434</td>
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<td>2019 Budget</td>
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- Item 2: 350
- Item 3: 525
- Item 4: 125

**Grand Total:** 1,750
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<td><strong>Budget Comparison (with PTD)</strong></td>
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<td>9998000 NET INCOME AFTER DEPRECIATION</td>
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To: Honorable Chair and  
Members of the Board of Commissioners  

From: Vanessa M. Cooper  
Executive Director  

Date: January 17, 2018  

RE: Accept the Annual Review of Investment Policy  

BACKGROUND  

In February 1996 the Housing Commission adopted by resolution a revised Investment Policy for the investment of program funds provided by the U.S. Department of Housing and Urban Development (HUD) and to allow for less restrictive investment of non-HUD program funds.  

Both State law and HUD require housing authorities to adopt and comply with sound cash management and investment policies and procedures. Additionally, State law requires that all local government agencies review their investment policy at a public meeting of their governing boards once each year.  

DISCUSSION  

California Government Code Section 53646 requires that the Authority Finance Director file an annual investment policy with the Board of Commissioners. It also requires that the Finance Director file a quarterly report with the Board of Commissioners on the status of all investments, including compliance with the adopted investment policy and a certificate that the expenditure requirements for the next six months can be met.  

California Government Code Section 53600.3 provides that each person or governing body investing public funds is a Trustee and, therefore, is a fiduciary subject to the Prudent Investor Standard. It further provides that the primary objectives when investing public funds are the safety of principal, preservation of liquidity and the return of an acceptable yield, in that order. The bill also prohibits the use of specific investment vehicles and limits the use of others, including reverse repurchase agreements.  

HUD also mandates that housing authorities establish cash management procedures and comply with requirements governing the type of instruments in which they may invest.  

The types of investments permitted under the State and Federal legislation are not different from the types of investments currently held by the Housing Authority.
Honorable Chair and
Members of the Board of Commissioners

January 17, 2018
Page 2 of 2

The attached redline version has been reviewed by AHA's General Counsel.

FISCAL IMPACT

Does not apply.

RECOMMENDATION

It is recommended that the Board of Commissioners accept the report on the Investment Policy.

Respectfully submitted,

[Signature]

Vanessa M. Cooper
Executive Director

VC:MW

Attachment
INVESTMENT POLICY
Updated January 2018

SCOPE:

This Investment Policy (the "Policy") applies to all liquid assets of the Housing Authority of the City of Alameda (the "Housing Authority" or the "Authority"). These funds are accounted for in the Consolidated Annual Financial Statements, which includes the Housing Choice Voucher program and SRO Program.

PRUDENCE:

The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, persons acting on behalf of the Housing Authority shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVE:

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities, shall be:

1. Safety. Safety of principal is the foremost objective of the investment program. Housing Authority investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity. The investment portfolio will remain sufficiently liquid to enable the Housing Authority to meet all operating requirements which might be reasonably anticipated and shall always have the ability to convert sufficient securities in the portfolio to cash to meet contingency needs. A portion of the portfolio may be placed in money market mutual funds or LAIF which offer same-day liquidity for short-term funds.

3. Return on Investments. The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the
INVESTMENT POLICY

portfolio. (California Government Code 53600.5)

DELEGATION OF AUTHORITY:

Authority to manage the investment program is derived from Section 401(E) of the HUD/PHA Annual Contributions Contract and California Government Code Sections 53601, et seq. Management responsibility for the investment program is hereby delegated to the Executive Director, who shall establish written procedures for the operation of the investment program consistent with this Investment Policy.

Procedures should include references to safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements, banking services contracts, as appropriate. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Executive Director.

The Executive Director is responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials. The Executive Director is a trustee and a fiduciary subject to the prudent investor standard. (California Government Code 53600.3)

The Executive Director may delegate day-to-day investment decision making and execution authority to an investment advisor, subject to Board selection and approval of that advisor and written agreement with the advisor. The Authority must be able to revoke the investment advisor’s authority at all times and without notice. Eligible investment advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The advisor will follow the Policy and such other written instructions as are provided by the Authority.

ETHICS AND CONFLICTS OF INTEREST:

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS:

The Executive Director will select financial institutions on the basis of credit worthiness,
INVESTMENT POLICY

financial strength, experience and minimal capitalization, that are authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by State laws.

For brokers/dealers of government securities and other investments, the Executive Director will select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Executive Director will have received from said firm a signed Certification Form. This form will attest that the individual responsible for the Housing Authority's account with that firm has reviewed the Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Housing Authority that are appropriate under the terms and conditions of the Investment Policy.

If the Housing Authority Board has appointed an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the Housing Authority. Eligible brokers/dealers must be registered with the Securities and Exchange Commission (SEC). The brokers/dealers will follow the Policy and such other written instructions as are provided by the Authority or Advisor.

AUTHORIZED AND SUITABLE INVESTMENTS:

1. The Housing Authority is empowered by HUD Notice PIH 96-33 (reinstated by PIH 2002-13) to invest HUD funds in the following:

   a. United States Treasury Bills, Notes and Bonds;

   b. Obligations issued by Agencies or Instrumentalities of the U. S. Government;

   c. State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or California Asset Management Program (CAMP) or pooled cash investment funds managed by County treasuries;

   d. Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100 percent collateralized by securities listed in "a" and "b" above;

   e. Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in "a" and "b" above;
INVESTMENT POLICY

f. Insured Super NOW Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in "a" and "b" above;

g. Certificates of Deposit (CDs) issued by federally- or state-chartered banks or associations. Not more than 30 percent of surplus funds can be invested in CDs;

h. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements will be no more than 102 percent of market value; (See special limits in HUD Notice 96-33 and CGC 53601.0.)

i. Sweep Accounts that are 100 percent collateralized by securities listed in "a" and "b" above;

j. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (i.e., Money Market Mutual Funds) Such Funds must carry the highest rating of at least two (2) national rating agencies. Not more than 20 percent of surplus funds can be invested in Money Market Mutual Funds;

k. Funds held under the terms of a Trust Indenture or other contract or agreement, including the HUD/PHA Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts;

l. Principal only STRIPS; and

m. Any other investment security authorized under the provisions of HUD Notice PIH 96-33.

2. The Housing Authority is empowered by California Government Code (CGC) Sections 5922 and 53601 et seq. to invest non-HUD funds in the following investment instruments authorized for California local agencies under the provisions of California Government Code Sections 5922 and 53601:

a. Bonds issued by the City of Alameda;

b. United States Treasury Bills, Notes and Bonds;

c. Registered state warrants or treasury notes or bonds issued by the State of California;

d. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California;
INVESTMENT POLICY

e. The California Local Agency Investment Fund ("LAIF") and other pooled investment funds sponsored by the State of California, County Treasuries, and other local agencies or Joint Powers Authorities;

f. Obligations issued by Agencies or Instrumentalities of the U. S. Government;

g. Bankers Acceptances with a term not to exceed 180 days. Not more than 40 percent of surplus funds can be invested in Bankers Acceptances and no more than 30 percent of surplus funds can be invested in the bankers acceptances of any single commercial bank;

h. Commercial Paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO) with a term not to exceed 180 days. Commercial paper cannot exceed 10 percent of total surplus funds, provided, that if the average maturity of all Commercial paper does not exceed 31 days, up to 25 percent of surplus funds can be invested in Prime Commercial paper. Additionally, the Housing Authority may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.

i. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Negotiable Certificates of Deposit shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Not more than 30 percent of surplus funds can be invested in Negotiable Certificates of Deposit;

j. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements will be no less than 102 percent of market value. Reverse repos cannot constitute more than 20 percent of the Authority's portfolio. Reverse repos are also limited to 92 days unless the minimum spread between the rate on investment and cost of funds is guaranteed in writing. (See special limits in CGC 53601.)

k. Medium-term Notes, not to exceed five (5) years of corporations organized and operating within the United States which are rated in a rating category of "A" or its equivalent or better by an NRSRO. Not more than 30 percent of surplus funds can be invested in Medium-term Notes;

l. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (i.e., Money Market Mutual Funds). Such Funds must carry the highest rating of at least two national rating agencies. Not more than 15 percent of surplus funds can be invested in Money Market Mutual Funds. In addition, no more than 10 percent of
INVESTMENT POLICY

the Authority's portfolio may be invested in any single mutual fund.

m. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements;

n. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations;

o. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five (5) years. Securities in this category shall be issued by an issuer rated in a rating category of "A" or its equivalent or better for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. No more than 20 percent of surplus funds can be invested in this category of securities; and

p. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and no more than 30 percent of surplus funds can be invested in this category of securities.

The Authority will limit investments in any one non-government issuer, except investment pools and money market funds, to no more than 5% regardless of security type.

The Board of Commissioners may, at times, further reduce the selection of types of investment to be used by the Advisor or Executive Director by a formal vote.

Where this Policy specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

Credit criteria listed in this Policy refers to the credit rating at the time the security is purchased. The Authority may from time to time be invested in a security whose rating is subsequently downgraded. In the event a rating drops below the minimum
INVESTMENT POLICY

allowed by this Policy, the Executive Director will review and recommend an appropriate plan of action to the Board no less frequently than quarterly. If the Authority has an Investment Advisor, the Investment Advisor will notify the Executive Director and recommend a plan of action.

3. Also, see CGC 53601 and Attachment A to HUD Notice 96-33, "HUD Approved Investment Instruments," for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC 53601 and Attachment A are attached and included by reference in this Investment Policy.

4., the Housing Authority will not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

COLLATERALIZATION:

1. The percentage of collateralization on repurchase agreements will conform to the amount required under CGC 53601 (i)(2).

SAFEKEEPING AND CUSTODY:

1. All security transactions entered into by the Housing Authority will be conducted on delivery-versus-payment (DVP) basis.

2. All securities purchased or acquired will be delivered to the Board of Commissioner of the Authority by book entry, physical delivery, or by third-party custodial agreement. (CGC 53601)

DIVERSIFICATION:

It is the policy of the Housing Authority to diversify its investment portfolio. The Authority will diversify its investments by security type and, within each type, by institution. Assets will be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies will be determined and revised periodically. In establishing specific diversification strategies, the following guidelines will apply:

1. Portfolio maturities will be matched against projected liabilities to avoid an over concentration in a specific series of maturities.

2. Maturities selected will provide for stability and liquidity.

3. Disbursement and payroll dates will be covered by the scheduled maturity of specific investments, marketable U. S. Treasury Bills or Notes or other cash equivalent
INVESTMENT POLICY

instruments, such as money market mutual funds.

MAXIMUM MATURITIES:

To the extent possible, the Housing Authority will attempt to match its investments with anticipated cash flow requirements. Where there is no anticipated cash flow requirement on an investment, no investment shall be made in any security, which at the time of the investment, has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment no less than three months prior to the investment [CGC 53601

INTERNAL CONTROL:

The Housing Authority shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

REPORTING:

The Executive Director shall submit to each member of the Board of Commissioners a quarterly investment report. The report will include:

1. A complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed by third party contractors.

2. The source of the portfolio valuation. In the case of funds invested in the LAIF, FDIC Insured accounts or county investment pools, current statements from those institutions will satisfy the above reporting requirements. The report will also include a certification that:
   a. All investment actions executed since the last report have been made in full compliance with the Investment Policy; and
   b. The Housing Authority will meet its expenditure obligations for the next six months. [CGC 53646(b)]

3. The Executive Director will maintain a complete and timely record of all investment transactions.
INVESTMENT POLICY
To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Prepared By: Victoria Johnson, Director of Housing and Community Development

Date: January 17, 2018

Re: North Housing Project Update and Project Costs to Date; Approve the Use of Up to $750,000 to pay for Initial Demolition Costs at the North Housing Site; Authorize Executive Director to Negotiate Documents related to Easements, Demolition and Infrastructure Improvements

BACKGROUND

In 2012, the Navy approved the transfer of 13 acres of land from the Navy to the Housing Authority at the former Coast Guard housing site known as North Housing. The AHA 'public benefit conveyance' approval is based on a proposal submitted by AHA, Alameda Point Collaborative (APC) and Building Futures with Women and Children (BFWC) to develop 90 units of permanent supportive housing. The North Housing area also includes a 2-acre parcel that will be separately transferred to Habitat for Humanity.

The Navy is ready to sell the 14-acre adjacent parcel of land to Carmel Partners, and the closing is scheduled for January 31, 2018. Housing Authority staff has met with Carmel Partners regularly since July. On August 15, 2017 the Housing Authority received a written offer from Carmel with an expiration date of September 30, 2017. On October 30, 2017 another written offer letter was received with an expiration date of November 30, 2017. In prior closed session meetings, the Board gave direction to the Executive Director to evaluate and consider offers, but no further Board action has been taken. The APC and BFWC Boards also gave direction to consider the offer. As of January 2018, AHA has not received another offer. Before the Board can take action that authorizes a real estate transaction, the specific price and terms of the sale must be publicly noticed in compliance with Brown Act procedures.

In November 13, 2017 the Planning Board considered an application to remove the G-overlay from the proposed Housing Authority, Carmel Partners, and Habitat sites and also whether to lift or reinstate the 435 unit cap that was placed on the combined sites when the G-overlay was applied.
Honorable Chair and
Members of the Board of Commissioners

January 17, 2018

Page 2 of 4

The City Council considered the item in a public hearing on January 2, 2018. Many members of the community spoke in favor of lifting the cap. Council voted to approve the removal of the G-overlay, to remove and not to reinstate the 435-unit cap, and to authorize the City Manager to negotiate and execute a MOU with Carmel Partners that outlines the responsibilities related to infrastructure. The Housing Authority and Habitat are not parties to the MOU, but are third party beneficiaries and the terms of the MOU have direct impact on future improvements made at the adjacent sites.

With the removal of the G-overlay and cap, the property zoning will be restored to R-4 (30 units per acre) with a Multi-Family overlay. If affordable units are provided, a density bonus may be granted. As a zoning action, two readings are required and the Second Reading will be on January 16, 2018.

DISCUSSION

The City and AHA have negotiated the MOU terms over the past four months. The MOU requires that Carmel construct road extensions at Singleton and Moseley and install utility upgrades sufficient to support 435 housing units. The MOU term sheet is attached.

Carmel’s intent is to construct the roads while other site work (such as installation of new water lines) is under construction. To do so, six buildings (3 on AHA site and 3 on Habitat site) must be demolished, and Carmel will ask permission from Navy to access the site and to complete the demolition while the land is still owned by the Navy. However, the future owners will still be responsible for the cost of the demolition. Therefore, even if Carmel completes the demolition, AHA and Habitat must pay for it. Carmel has requested a payment guarantee. Subject to City approval, CDBG funds will be used to cover the cost of the Habitat demolition escrow. To fund the AHA building demolition, staff requests Board approval to pay for demolition costs. Funds will be placed in the demolition escrow account after competitive demolition bids are received. However, if Carmel does not gain access permission from the Navy, the funds will not be transferred and staff will return to the Board with an updated demolition plan. The source of funds will be cash available in the Housing Successor account (repayment from the Everett Commons pre-development loan).

Following City Council approval on 1/16/18, the next steps are as follows:
- City, Carmel and AHA finalize terms of the Infrastructure MOU
- The final map, survey and easements are prepared for legal review
- Carmel seeks formal permission from Navy to access site to demolish the six buildings
- AHA and Carmel cooperate to draft supporting documents (road and lift station maintenance agreement, demolition and corresponding funding agreement)
- Executive Director has been authorized to negotiate and execute agreements as needed to proceed
- Staff continues to work with CBG as civil engineer to assist with analysis of the infrastructure conditions and future needs of the North Housing site; pending outcome, AHA may opt to pay to increase capacity of some underground systems to accommodate future development
Honorable Chair and  
Members of the Board of Commissioners  

January 17, 2018  
Page 3 of 4

Staff is also working with the City Attorney’s office to prepare for the transfer of the land from the Navy to City and then to the Housing Authority.

Staff has thus far engaged the services of six consultants to assist with project development. Each vendor was procured in conformance with agency requirements either through a public RFP/RFQ or by piggybacking on an existing City contract. The consultants include Carlson Barbee Gibson (survey and civil engineering), Structure Ideas & Projects/Mike Andrews (project planning), Urban Design Associates (site planning), Ninyo & Moore (environmental consultant), Carle Mackie (real estate counsel), and Valbridge (appraisal services). Staff has asked the appraiser to provide an updated estimate of value for the site based on the new zoning.

Staff is working with the environmental consultant to prepare the environmental specifications that would be part of the demolition bid package. Whether or not Carmel obtains permission from the Navy and demolishes the first six buildings, AHA will use these reports to ensure that any demolition work performed by others meets all environmental standards.

FISCAL IMPACT

Funds from the CDBG program of approximately $150,000 have been approved to pay for surveys, environmental assessments and related costs. Costs paid from CDBG total to approximately $55,000 and are not included below. The Board has previously authorized a $300,000 loan to ICD be used to pay for planning, engineering and other related services.

<table>
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If the Board approves the use of up to $750,000, the actual amount transferred into escrow will not be confirmed until after competitive bids have been received. The current estimate of $250,000 per building is an outside number based on the environmental consultant’s ‘worst case’ assumption that an entire building would need to be disposed of as hazardous materials. Any funds that are placed into a demolition escrow will only be released when the demolition is complete, and the North Housing site is conveyed to AHA. Only the actual demolition costs will be paid to Carmel and any excess funds that were placed in escrow will be refunded to AHA. The MOU timeline states that the AHA and Carmel will agree to the demolition costs by April 15, 2018. The Demolition Escrow Agreement with Carmel will state that the work be completed within a specific period (no more than 12 months) or the escrow funds will be released. Staff will return to the Board in February or March with an update report that includes the bid documentation before the actual transfer of funds.

The source of funds for the demolition activity will be the Esperanza loan proceeds that have been set aside for development. All costs related to North Housing are tracked separately. Typically, the costs of demolition are not recoverable as pre-development costs through a tax credit transaction, but can be reflected as equity in the overall deal in the context of a master development agreement.
Honorable Chair and Members of the Board of Commissioners

January 17, 2018

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RECOMMENDATION

Approve the Use of up to $750,000 to pay for initial demolition costs at the North Housing site; authorize Executive Director to negotiate documents related to easements, demolition and infrastructure improvements

Respectfully submitted,

[Signature]

Vanessa M. Cooper
Executive Director

Exhibit A – City of Alameda/Carmel Draft Memorandum of Understanding Infrastructure Terms
A. GENERAL TERMS:

i. Unless expressly stated, implementation of all terms and conditions shall be completed prior to approval of final inspections and/or Certificate of Occupancy for the first housing unit.

ii. All improvements shall be consistent with the California Building Code.

iii. All new construction shall comply with State and Local Development Codes and Regulations.

iv. Carmel responsible for all permits and approvals necessary to construct the backbone infrastructure as described in this MOU, except where improvements are to be completed by others as expressly described in this MOU.

v. The parties shall work in good faith to identify easements required by public entities (i.e. EBMUD, AMP, PG&E, the City) to facilitate the construction of the infrastructure.

vi. The Alameda Housing Authority is a third party beneficiary to this MOU.

vii. This MOU becomes effective upon conveyance of the public sale parcel from Navy to Carmel.

viii. This MOU expires in 10 years from the effective date.

ix. Carmel shall provide backbone infrastructure to support the adjacent Alameda Housing Authority (AHA), Habitat for Humanity (“Habitat”), and Alameda Unified School District (AUSD) parcels, but Carmel is under no obligation to provide in-tract infrastructure utility system extensions or in-tract utility service to adjacent parcels, unless specifically required by the following terms of this MOU.

B. SINGLETON AND MOSELY ROAD EXTENSIONS

i. Carmel to construct the Mosley and Singleton Extensions consistent with Exhibit 1 (Singleton Extension) and Exhibit 2 (Mosley Extension). The roadway construction obligation shall be limited to the improvements shown in Exhibits 1 and 2, which include the travel lanes, curb, gutter, sidewalk, and streetlights. The obligation does not include any additional utility improvements beyond those required to serve the roadway described above and depicted in Exhibits 1 and 2.

ii. Carmel is not responsible for the full cost of the demolition of the buildings that must be removed to allow Carmel to construct the extensions.

a) AHA, Habitat, and Carmel shall agree to the cost of the demolition based upon a third party bid to do the demolition work.

b) AHA and Habitat shall place the agreed upon cost for demolition into an escrow account.

c) The funds in the escrow account shall be released to Carmel upon conveyance of the AHA land to AHA and the Habitat land to Habitat.

iii. In the event that 1) AHA, Habitat and Carmel are unable to agree to the amount, 2) AHA and Habitat are unable to place the funds in escrow by April 15, 2018, or 3) Carmel does not complete demolition by December 31, 2018, then Carmel shall
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provide a fixed payment of $14,000 (2017 dollars) for the Singleton Extension with Street Lights, and $14,000 (2017 dollars) for the Mosely extension and street lights. Carmel’s obligation to construct one or both roads expires, upon the City’s receipt of the fixed payment for one or both roads.

C. EXISTING ROADS
i. City to take title to Mosely and Singleton from Navy, consistent with Exhibit 5 Plat dated December 2, 2016 by CBG.
ii. City and Carmel agree to work cooperatively to draft an ordinance for City Council consideration with the following terms:
   a) Carmel to grant an easement or fee title (after a parcel split or lot line adjustment) to a corner segment of the Carmel parcel that will serve as the Singleton extension right-of-way.
   b) In exchange, City to maintain curb to curb width of existing Mosely and Singleton and grant to Carmel an easement to use and maintain private improvements on City property between sidewalk and Carmel property line, as shown in Exhibit 6.
   c) Should the City elect to extinguish the easements and widen Singleton and/or Mosely along the Carmel frontage in the future, the City agrees to cooperate with Carmel to ensure that the street widening will not result in the permanent loss of resident parking (by identifying alternative locations for resident parking or instituting a resident parking program or some other means to mitigate the loss of resident parking) along the Carmel frontage and that the widened street section will include a reasonable buffer between the existing residential structures and the street improvements.
iii. Carmel to be responsible for maintenance of all improvements (sidewalk, grass, etc.) between curb and Carmel property.
iv. Carmel to construct ADA ramps as necessary on Mosely and Singleton, consistent with Exhibit 8 ADA
v. Carmel to upgrade street lights on Moseley and Singleton as necessary based upon a photometric survey of the existing lighting to ensure compliance with American National Standards Institute/Illuminating Engineering Society Roadway Lighting RP-8-14. All fixtures to be replaced with LED fixtures. All existing poles to be assessed by a structural engineer, with pole loading calculations submitted for proof of structural integrity. Each streetlight shall meet AMP requirements and standards.
vi. Carmel to be responsible for maintenance and operations of all Street Lights on Carmel Property. Carmel to maintain all street lights on Carmel property facing Lakehurst.
vii. City to be responsible for all Street Lights on City Property.
viii. Monterey Circle, Annapolis Circle, and the portion of Lakehurst Circle that serves Carmel housing units on the west side of Lakehurst shall be private streets with public access easements. City shall have no responsibility for maintenance or condition of these streets. Property owners have right to remove or relocate streets, subject to City permits.
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D. SEWER
i. Carmel is responsible for funding and constructing all necessary improvements and upgrades to the existing sewer laterals and mains on Carmel’s property.
ii. Carmel is responsible for funding and constructing all necessary improvements and upgrades to the sanitary sewer mains downstream of its property to accommodate 435 units. This obligation includes the pump station, the main connecting the pump station to the City’s public main, City Main, and EBMUD line to support 435 units at North Housing and the Alameda Unified School District site.
iii. Carmel is responsible for all City permits and approvals to upgrade the sanitary sewer improvements listed above to accommodate 435 units. Carmel is not responsible for any in-tract improvements on adjacent parcels or to accommodate more than 435 units.
iv. Carmel will work cooperatively with City and AHA to upgrade the system improvements to accommodate more than 435 units, provided that:
   a) City on behalf of AHA determine additional costs of upgrades including costs to revise construction plans and provide the funding for those additional costs.
   b) Upgrades do not result in a delay to Carmel’s approvals or construction schedule to provide for 435 units.
v. Carmel will not upgrade any portion of system that Carmel does not need to upgrade or improve to achieve the 435 capacity objective. Any improvements to Sewer system that require easements or land from adjacent property owners shall be subject to the mutual agreement of those owners.

E. STORM
i. Carmel to provide $550,000 to City for construction of flap gate or duck bill and costs to clean out existing storm drain system of sediments serving North Housing property. City shall maintain records for the cost of the improvements and provide a refund if actual costs of improvements are less than Carmel payment.
ii. If the City establishes a Community Facilities District (CFD) to fund area-wide storm drain improvements, Carmel agrees to support CFD formation, including voting to join the District and paying its fair share assessment based on its property acreage.

F. WATER
i. Carmel to fund and construct new water mains (providing domestic and fire) to support 435 units at North Housing and AUSD site generally consistent with Exhibit 10 Water System, subject to EBMUD approval.
ii. Subject to EBMUD approval, Carmel to provide fire suppression water flow to AHA/Habitat parcel hydrants until such time that AHA/Habitat removes buildings. Carmel not required to provide temporary water service for the vacant units on the AHA or Habitat parcels.
iii. If EBMUD requires extension of new mains across AHA property, then Carmel shall seek the mutual agreement of AHA for the alignment. The parties agree that the
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preferred alignment is the one that is most physically possible and approved by EBMUD. The alignment decision is to be made when EBMUD requests a definitive selection and a selection shall not delay engineering, approval or construction. The order of preferred alignments is as follows with the top priority first:

a) Along the Singleton Avenue alignment from Main Street to Bette Avenue, provided buildings have been removed.

b) Along the Mosely Avenue extension from Mosely to Better Avenue, provided the buildings and all necessary improvements have been removed.

c) Adjacent to the north site of the Mosely Avenue extension alignment, within the boundaries of the City’s detention facility.

d) Along the existing Singleton and Moseley loop, following Lakehurst.

e) If buildings have not been removed on Singleton alignment, then extension may follow another alignment, subject to EBMUD and AHA approval.

G. ELECTRICAL SERVICE

i. Carmel to provide new backbone electrical distribution consistent with AMPs requirements to support connection of up to 435 total units. Carmel shall not be required to extend in-tract infrastructure to the adjacent AHA or Self Help parcels. (See Exhibit 11, Joint Trench Alignment).

ii. If AMP requirements require crossing AHA or City parcels, Carmel agrees to work with AHA or City to seek mutually acceptable alignment/easements across AHA or City parcel.

EXHIBITS: (To be attached to draft MOU)

1. Singleton Extension
2. Mosely Extension
3. Singleton Cost Estimate
5. Plat dated December 2, 2016 by CBG for Singleton and Mosely Conveyance
6. Proposed Easement Area in favor of Carmel
7. Proposed Singleton Extension and AHA Parcel Lot Line Adjustment
8. ADA
9. Area wide Storm System Upgrade
10. Water System Infrastructure
11. Conceptual Joint Trench Alignment