



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

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 3 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 (TTY/TRS: 711) or vmondo@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, April 15, 2020 –

Closed Session – 6:00 p.m.

Regular Meeting – 7:00 p.m.

Closed Session Continued – 7:01 p.m. (Additional Time If Needed)

LOCATION

Pursuant to Executive Order Numbers N-29-20 and N-35-20 signed by Governor Gavin Newsom and guidance provided by legal counsel, a local legislative body, such as the Board of Commissioners, or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition of participation in or a quorum for a public meeting have been waived.

Public access to this meeting is available as follows:

Join Zoom Meeting:

<https://zoom.us/j/712615292?pwd=TURMeVBvc21Qa3NTbUtSRU9RUIR6dz09>



Meeting ID: 712 615 292

Password: 106371

One Tap Mobile:

+14086380968,,712615292# US (San Jose)

+16699006833,,712615292# US (San Jose)

Meeting ID: 712 615 292

Find your local number: <https://zoom.us/j/712615292>

Persons wishing to address the Board of Commissioners are asked to submit comments for the public speaking portion of the agenda as follows:

Send an email with your comment(s) to vmondo@alamedahsg.org and vcooper@alamedahsg.org prior to or during the Board of Commissioners meeting.

Call and leave a message at (510) 846-0952.

Public Participation

Anyone wishing to address the Board on agenda items or business introduced by Commissioners may speak for a maximum of three 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. Closed Session – 6:00 p.m. – Adjournment to Closed Session to Consider:
 - 3-A. Closed Session pursuant to Government Code Section 54956.8, Conference with Real Property Negotiators. Property: Assessor's Parcel Numbers 70-184-15; Authority Negotiators: Vanessa Cooper and Kathleen Mertz; Negotiating Parties: David Garfinkle Trust and Diana Garfinkle Trust, respectively; Under Negotiation: Price and Terms of Payment.
 - 3-B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8.
Property Location: 1101 Marina Village Pkwy, Alameda, CA 94501
APN: 74-1334-64
Agency Negotiation: Vanessa Cooper, Executive Director, Cynthia Alvarez, Deputy Executive Director
Negotiating Parties: Housing Authority of the City of Alameda and G&L 1x Marin Village Office Park, LP



Property Owner: G&L 1x Marin Village Office Park, LP/ [24]7.ai, Inc.
Under Negotiation: Property Negotiations of Sublease, rent and terms of payment

4. Adjournment of Closed Session
5. RECONVENE REGULAR MEETING – 7:00 p.m.
6. Announcement of Action Taken in Closed Session, if any.
7. Public Comment (Non-Agenda)
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.
- 8-A. Approve Minutes of the Board of Commissioners Meeting held March 18, 2020 and the Special Board of Commissioners Meeting held April 8, 2020 – **Page 1**
- 8-B. Accept the Monthly Overview Report for Operations/H.R./I.T. – **Page 13**
- 8-C. Accept the Monthly Overview Report for the Housing Programs Department – **Page 18**
- 8-D. Accept the Monthly Overview Report and Business Activity Assessment Report for the Alameda Rent Program – **Page 21**
- 8-E. Accept the Monthly Overview Report for Property Operations and Approve Property Transfers to JSCo – **Page 39**
- 8-F. Accept the Monthly Overview Report for Housing & Community Development – **Page 48**
- 8-G. Accept the Monthly Development Report for Rosefield Village – **Page 52**
- 8-H. Accept the Monthly Development Report for North Housing – **Page 84**
- 8-I. Authorize the Executive Director to Negotiate and Approve a Retroactive Contract Extension of One (1) Year and Five (5) Months for the Contract Between the Alameda Housing Authority to September 30, 2020 and Nunes Painting and Decoration in the Amount of a Total Not to Exceed \$500,000 – **Page 86**
- 8-J. Accept the Finance and Budget Variance Report for February 29, 2020 – **Page 89**
- 8-K. Accept a Revised Budget Process for Fiscal Year 2020-2021 – **Page 110**
- 8-L. Review and Approval of Consent to Potential Conflict of Interest Regarding Housing Authority of the City of Alameda and City of Alameda – **Page 112**
- 8-M. Receive and File an Update on the City Council Recommendations from October 15, 2019 – **Page 123**
9. AGENDA
- 9-A. Approve an Extension to the Delegation of Authority to the Executive Director, or Designee, to Exercise Emergency Powers During the Local Public Health Emergency Relating to Operations, Tenant and Employee Safety, and HUD or Other Compliance Issues, to No Later than the Next Regular Board of Commissioners Meeting after the Shelter in Place is Lifted – **Page 126**



- 9-B. Adopt the Resolution to Amend the Housing Authority's Revised Employee Policies and Procedures Handbook, Last Revised 12/21/2016, effective 1/8/2017 to Adopt Temporary Revisions to the Paid Time Off and Unpaid Time Off and Leaves of Absence Policies of the Housing Authority's Employee Policies and Procedures Handbook – **Page 129**
- 9-C. Adopt a Resolution Authorizing Submission of Funding Applications for the North Housing Project – **Page 152**
- 9-D. Approve and Provide Feedback on the Housing Authority's Policy on the Release of Tenant, Participant, Applicant, Vendor, and Landlord Personally Identifiable Information – **Page 156**
- 9-E. Approve the Executive Director or Designee to Sign and Negotiate a Lease Agreement, Including Final Terms and Payment with G&L 1x Marin Village Office Park, LP/sub lessee [24] 7.ai, Inc. APN: 74-1334-64. Approve Related Costs to Opening and Moving the Office
- 10. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
- 11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)
- 12. CONTINUATION OF CLOSED SESSION – IF NEEDED
- 13. Announcement of Action Taken in Closed Session, if any.
- 14. ADJOURNMENT

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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 (TTY/TRS: 711) or vmundo@alamedahsq.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.



DRAFT MINUTES

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA
HELD WEDNESDAY MARCH 18, 2020**

Due to temporary changes in the Brown Act, a meeting call-in number was provided to the public.

The Board of Commissioners Meeting began at 7:01 p.m. via conference call.

PLEDGE OF ALLEGIANCE

Did not take place as the Board of Commissioners Meeting took place via conference call.

1. ROLL CALL - Board of Commissioners

Present: Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob,
Commissioner Hadid, Commissioner Rickard, and Commissioner
Weinberg

Absent: Commissioner Kay

Commission Chair Kurrasch gave thanks to staff and made an announcement about the new ordinance which was passed by the Alameda City Council on March 17, 2020.

2. Public Comment (Non-Agenda)

None.

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.

Items accepted or adopted are indicated by an asterisk.

Commissioner Weinberg commented on item 3-B and asked how the COVID19 emergency order has impacted the recruitment process. Ms. Janet Basta, Director of H.R. and Operations, explained that some interviews have been postponed, and gave an update on the hiring and recruitment process.



Vice Chair Tamaoki commented on page 18 and asked for more information around the elevator issues in one of the buildings at Independence Plaza. Ms. Cynthia Alvarez, Deputy Executive Director, explained the situation, the process, and how AHA staff is working towards a resolution. Commission Chair Kurrasch commented that the Anne B. Diament property had similar issues in the past. Ms. Alvarez commented that this is the only elevator serving about 32 units, so AHA has had meetings with IP residents and residents have been given the choice to be relocated. Some residents have been housed in a hotel, and one household was moved to another unit. AHA has also provided a runner Monday – Friday from 10:00 a.m. through 2:00 p.m. to help transport items for those impacted. Tenants have also been provided a rent credit and staff can continue to provide updates.

Vice Chair Tamaoki commented on pages 24 – 25 and thanked staff for putting the list together and completing the tasks.

Vice Chair Tamaoki then referred to page 51 regarding the contract with Nan McKay and commented that there have been positive comments about Nan McKay, and asked why so much of the budget has been spent in one year when the approved funding is a 5 year contract. Vice Chair Tamaoki asked if the \$250,000 before the Board is enough to cover the remaining years. Mr. Louie So, Director of Finance, explained that Nan McKay covered the bridge between staff vacancies in the Finance Department and now the Finance Department is fully staffed. Commissioner Weinberg confirmed that this contract was for 3 years, plus two additional one-year options and confirmed the contract pricing. Ms. Vanessa Cooper, Executive Director, commented on how Nan McKay has been used, the projected lower usage level due to filled vacancies, and explained the contracting process. Mr. So added that a Nan McKay employee was physically onsite from June 2019 – October 2019 which added to cost and explained that additional work is now being performed remotely.

Commissioner Grob moved to accept the motion and Commissioner Hadid seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

- *3-A. Approve Minutes of the Board of Commissioners Meeting held February 19, 2020
- *3-B. Accept the Monthly Overview Report for Operations/H.R./I.T.
- *3-C. Accept the Monthly Overview Report for the Housing Programs Department
- *3-A. Accept the Monthly Overview Report for the Alameda Rent Program
- *3-A. Accept the Monthly Overview Report for Property Operations
- *3-F. Accept the Monthly Overview Report for Housing & Community Development
- *3-G. Accept Proposed Revisions to the Housing Authority Information Technology Policy



- *3-H. Authorize the Executive Director to Negotiate an Increase to the Contract Between the Alameda Housing Authority and Nan MacKay and Associates in the Amount of a Total Not to Exceed \$250,000
- *3-I. Accept the Finance and Budget Variance Report for January 31, 2020
- *3-J. Authorize the Executive Director to Approve a Third Amendment to the Maintenance Service Agreement Between the Alameda Housing Authority (AHA) and Nova Commercial Janitorial, Inc. (Nova) to Increase the Contract to \$450,000
- *3-K. Authorize the Executive Director to Approve a Third Amendment to the Maintenance Service Agreement Between the Alameda Housing Authority (AHA) and Bay Area Contract Carpets, Inc., to Increase the Contract to \$1,150,000
- *3-L. Accept the Monthly Update Regarding AHA Accountability
- *3-M. Accept an update on Revised Procurement Policy and Procedures for the Housing Authority of the City of Alameda

4. AGENDA

- 4-A. Public Hearing to Hear Comments on Housing Authority Annual Plan for Fiscal Year Starting July 1, 2020

Commission Chair Kurrasch opened the Public Hearing at 7:17 p.m. and seeing no further comments from the Public, the floor was opened to Commissioners.

Commissioner Grob commented that only one person of the three members of the Resident Advisory Board attended the meeting and asked if this was a common occurrence and if more information could be provided. Ms. Tonya Schuler-Cummins, Senior Management Analyst, explained that over the last couple of years, attendance has been down. The two members that were absent previously agreed to be on the panel, but then did not show up to the board, but for the RAB, a quorum is not required.

Commissioner Hadid commented on his experience as a member of the RAB and encourages all tenants to attend. He then thanked staff for their hard work.

There being no further comments, Chair Kurrasch closed the Hearing at 7:20 p.m.

- 4-B. Adopt the Annual Plan for Fiscal Year Starting July 1, 2020 and Authorize the Chair to Certify, By Resolution, that Board of Commissioners has Approved Submission of the Agency Plan to HUD

Ms. Schuler-Cummins explained the process of updating the Annual Plan and commented that the Annual Plan explains what AHA has done with the previous 5-year Plan.

Commissioner Grob moved to accept the motion and Commissioner Hadid seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:



Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

4-C. Public Hearing to Hear Comments on Housing Authority 5-Year Plan for Fiscal Years Starting July 1, 2020 through 2025

Commission Chair Kurrasch opened the Public Hearing at 7:23 p.m.

Ms. Schuler-Cummins explained that 2020 is the year for both items to come before the Board and commented that this plan was created with goals from the strategic plan of the AHA. Ms. Schuler-Cummins drew attention to page 118 where seven new goals have been added and read the goals to the Board. Ms. Schuler-Cummins explained the process and commented that a public hearing needs to take place before the plan can be adopted.

Commissioner Hadid commented that he likes the goals and that the goals have a good focus on tenants. Commissioner Hadid thanked Ms. Schuler-Cummins for her hard work.

Vice Chair Tamaoki asked about the order of the goals and Ms. Schuler-Cummins explained that there is not a priority between goal 1 and goal 7.

There being no further comments, Chair Kurrasch closed the Hearing at 7:28 p.m.

4-D. Adopt the 5-Year Plan for Fiscal Year Starting July 1, 2020 and Authorize the Chair to Certify, By Resolution, that Board of Commissioners has Approved Submission of the Agency Plan to HUD

Ms. Schuler-Cummins explained that the 5-year plan has the same requirements as the Annual plan and needs to be submitted to HUD in April 2020.

Commissioner Grob moved to accept the motion and Vice Chair Tamaoki seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

4-E. Accept the Audit Report for Fiscal Year Ending June 30, 2019 and Authorize the Executive Director to Approve and Finalize Minor Changes to the June 30, 2019 Audit Report



Mr. So presented the Financial Audit and explained that this audit was performed by the same firm as the FY 2018 audit. Mr. So introduced Mr. J. Mike Stephens, Partner with Citrin Cooperman & Company, LLP, who gave a presentation of the Fiscal Year 2019 Audit. Mr. Stephens explained the process of how the audit was conducted, commented on the engagement scope, how the Alameda Housing Authority is audited, and the various components within the Housing Authority. Mr. Stephens explained how the audit will be submitted and reviewed the audit findings.

Commissioner Hadid referred to page 234 and asked for clarification on the year. Mr. Stephens explained that this audit is for the Fiscal Year 2019. Commissioner Hadid asked about the increase and decrease shown on page 234 and asked if this change was expected or planned and Mr. Stephens commented on the asset liability and explained that at a point in time, there will be fluctuation. A dialogue then ensued regarding asset liability and operations.

Vice Chair Tamaoki referred to page 154 and asked about the transfer of ownership. Mr. Stephens explained that this is HAP payment to AHA owned properties and this is eliminated because it is, in effect, payments to AHA and not part of the separation of ownership.

Mr. Stephens then described the single audit which is the compliance side of the audit and commented that the Housing Choice Voucher Program was audited this year. Mr. Stephens explained that there was one finding which was a repeat of the previous year, and how this was due to staff turnover. Mr. Stephens explained that this is expected to be fixed in the FY 2020 audit because of consistent staffing.

Mr. Stephens explained the required communications to the Board and commented that this presentation is required under auditing standards.

Commissioner Hadid asked what the anticipated impact of the COVID 19 crisis will have on next year's audit and Mr. Stephens explained that this is all conjectural and he has been pleasantly surprised how quickly HUD extended the reporting deadline. Mr. Stephens explained potential issues which may arise and commented that it is unclear since this situation is evolving.

Mr. Stephens explained the overall process working with AHA staff and discussed the bullet points on pages 11 – 13 of his presentation and explained that this audit should be finalized in the next few day.

Commissioner Hadid moved to accept the motion and Commissioner Grob seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes:	5	Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg
Absent:	1	Commissioner Kay



- 4-F. Accept the Monthly Development Report for North Housing; Approve a \$130,000 Loan Amendment to Island City Development for Predevelopment at the North Housing Site; and Authorize Executive Director, or Designee, to Negotiate and Execute the Loan Documents

Ms. Kathleen Mertz, Director of Housing and Community Development, explained that this report is typically on Consent, but has been moved to the Agenda since specific actions are needed. Ms. Mertz explained the Loan Amendment, the reasons for the cost, and explained contingencies. Ms. Mertz also mentioned that if, for some reason, the firm changes, staff would come before the Board with the other firm that bid.

Vice Chair Tamaoki commented on the Development Plan and asked if feedback is expected in late March-early April and wanted to know more about the process. Ms. Mertz explained that under the SB35 guidelines, the City has specific timelines for review and processing of the application. City staff confirmed that this is still a priority project and City staff is working from home, so the Development Plan could potentially be approved as early as April.

Commissioner Grob commented that the legal fees were higher than expected but commented that the ability to approve the project so quickly is a benefit. Commissioner Grob asked how long this process could take if AHA was not utilizing SB35. Ms. Mertz explained that when staff was considering SB 35, it was important to get Board input and legal advice to navigate the new process, but it is unknown what the exact time savings is until the process is complete.

Commissioner Hadid asked what the original demolition cost was, and Ms. Mertz explained that the previous budget amount was approximately \$2.5 million, an amount that was extrapolated from estimates from Carmel’s costs for the first buildings that were demolished.

Commissioner Grob moved to accept the motion and Commissioner Hadid seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

- 4-G. Adopt a Resolution Authorizing Submission of Funding Applications for the North Housing Project

Ms. Mertz explained the resolution before the Board and commented that, if approved, this is a process staff will utilize going forward for funding sources. Ms.



Mertz explained that if a funding source has specific language that is needed in a resolution, staff will come back to the Board for approval.

Vice Chair Tamaoki asked when staff expects to apply for funding and Ms. Mertz explained that the Development Plan needs to be approved first, so the estimated timeline is about 6 months.

Chair Kurrasch made a procedural comment that the Resolution should read "Arthur" instead of "Art" on the signature line.

Vice Chair Tamaoki asked if staff would come back to the Board with a specific loan application and Ms. Mertz explained that this resolution would allow staff to move forward with a funding source without bringing the source back before the Board. A dialogue ensued between Vice Chair Tamaoki, Ms. Cooper, and Ms. Mertz regarding the wording in the resolution and including "Subject to Board Approval" in the resolution verbiage. Ms. Jhaila R. Brown, Attorney at Goldfarb & Lipman LLC, explained that language can be added to the resolution saying that if funds are awarded, staff will come back to the Board to notify the Commissioners before finalizing loan documents.

A dialogue ensued about how to change the motion and next steps. The consensus amongst Commissioners is to table this resolution until next month when staff will come back with alternative wording in the second and third paragraphs.

Vice Chair Tamaoki moved to continue this item until the April 15, 2020 meeting and Commissioner Grob seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion to continue this item passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

- 4-H. Accept the Monthly Development Report for Rosefield Village and Approve a \$500,000 Loan Amendment to Island City Development for Predevelopment Work at Rosefield Village and Authorize Executive Director or designee to Negotiate and Execute the Loan Documents

Ms. Mertz explained that this report is usually a consent calendar item, but due to a Loan Amendment, this memo before the Board as an Agenda Item. Ms. Mertz explained the amendment and the next steps of the project. Staff will come back to the Board for final approval and the final financing package for the Rosefield Village project.



Commissioner Grob moved to accept the motion and Commissioner Rickard seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

4-I. Report to the Board of Commissioners on the Compensation Study of Non-Exempt Positions and Adopt the Corresponding Resolution to Adopt a Revised Pay Schedule

Ms. Janet Basta, Director of HR and Operations, explained that staff is before the Board tonight for approval for a change in the Pay Schedule. AHA worked with Ralph Andersen for a third time and this will conclude the compensation study work. The same criteria was used as the previous two studies and all positions have a percentage increase, and the attached table shows the recommended changes. If the Board adopts the Pay Schedule, the majority of non-exempt staff will receive a 5% increase, although some positions will receive slightly more. The total cost for the remainder of FY 2020 is under \$28,000.

Commissioner Hadid commented that this has come before the Board in the past, and asked for clarification on what was approved before and Ms. Basta explained that the first study was for Director level positions, the second study was for exempt employees, and this study is for the non-exempt employees.

Commissioner Bachir moved to accept the motion and Commissioner Grob seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

4-J. Adopt a Resolution Making Minor Changes to the Bylaws of the Housing Authority of the City of Alameda Including an Amendment to the Time Allowed for Public Speaking from 5 Minutes to 3 Minutes Per Speaker Per Item

Ms. Cooper explained that the minor change before the Board makes AHA more in line with other agencies and Alameda City Council. Since a change was coming before the Board, staff also made additional minor edits which can be seen in the tracked changes.



Commissioner Grob moved to accept the motion and Vice Chair Tamaoki seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

- 4-K. Approve Granting Executive Director or in her absence, her Designee, Emergency Powers to Ensure Critical Decisions Regarding Operations, Tenant and Employee Safety, and HUD or other Compliance Issues, are Made in a Timely and Proactive Manner during the Local Public Health Emergency

Ms. Cooper gave an update on how the COVID19 situation has impacted AHA and explained that management is in the process of reassuring staff, tenants, and landlords that HAP will be paid, and services will be provided. AHA management has been planning for several weeks and business critical needs and staff have been identified. Protocols have been put in place, laptops have been deployed, and the office has been closed to the public while staff continue to work inside the office to make sure critical needs are met. Ms. Cooper explained that management has met with staff regularly and a memo was released to today regarding vacation and sick leave during this situation.

Commissioner Hadid commented that the president and director of HUD said that there would be funding provided and Ms. Cooper commented that there is talk about a check for Americans. Ms. Cooper commented that there should also be legislation for paid time off. Ms. Cooper explained that AHA is in the process of submitting waivers to HUD and mentioned an upcoming conference call which may provide additional information. Ms. Cooper explained the situation for tenants and landlords.

Commissioner Hadid asked about the safety of maintenance staff when called to make repairs in a sick household and Ms. Cooper commented that the County Health Department could provide direction, but AHA has steps in place and explained how the situation is to be handled.

Ms. Basta announced that the Senate passed the bill today and the President signed the bill.

Vice Chair Tamaoki asked what is meant by "Emergency Powers" and Ms. Cooper explained that "Emergency Powers" cover items that would normally be brought before the Board approval, and gave the example of a change to the HR policy which would now be able to be approved by the Executive Director. Vice Chair Tamaoki commented that he approves of the concept but would like to explore different wording. There was discussion about the possibility of tenants having COVID19 and AHA setting a plan in place.



Chair Kurrasch agrees a plan is needed and suggested expanding the April 15, 2020 deadline an additional month in case the Board is unable to meet in April. Vice Chair Tamaoki did not have an issue with this change as Emergency Powers can be discussed again. Commissioner Weinberg suggested that "Emergency Powers" be automatically extend in the event that the Board cannot meet in April.

Commissioner Hadid commented that the Board could use a video conferencing platform and the Board could meet earlier. Ms. Cooper explained that staff could explore this option and if the timing of the meeting changes, the Board meeting would be a "Special meeting."

Chair Kurrasch asked the Board if a Commissioner would like to move to approve this item with the edit that the Emergency Powers authority will be extended to the May 20, 2020 meeting if there is no April 15, 2020 meeting.

Vice Chair Tamaoki moved to accept the motion and Commissioner Hadid seconded the motion. This meeting took place via teleconference, so a roll call vote was taken; all were in favor and the motion passed unanimously:

Yes: 5 Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Rickard, and Commissioner Weinberg

Absent: 1 Commissioner Kay

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

None.

6. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Commissioner Hadid asked everyone to be healthy and safe and Chair Kurrasch reiterated the comments adding that everyone should get fresh air and hopefully the Board of Commissioners can meet in person for the April meeting.

7. ADJOURNMENT

There being no additional Closed Session or further business, Chair Kurrasch adjourned the meeting at 9:05 p.m.

Vanessa M. Cooper
Executive Director/Secretary

Arthur Kurrasch, Chair
Board of Commissioners



DRAFT MINUTES

**SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA
HELD WEDNESDAY, APRIL 8, 2020**

Due to temporary changes in the Brown Act, a meeting call-in number was provided to the public.

The Board of Commissioners Special Meeting began at 5:01 p.m. via conference call.

PLEDGE OF ALLEGIANCE

Did not take place as the Board of Commissioners Meeting took place via conference call.

1. ROLL CALL - Board of Commissioners

Present: Chair Kurrasch, Vice Chair Tamaoki, Commissioner Grob, Commissioner Hadid, Commissioner Kay, and Commissioner Weinberg

Absent: Commissioner Rickard

2. Public Comment (Non-Agenda)

None.

3. Closed Session – 5:00 p.m. – Adjournment to Closed Session to Consider:

3-A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8.

Property Location: 1101 Marina Village Pkwy, Alameda, CA 94501

APN: 74-1334-64

Agency Negotiation: Vanessa Cooper, Executive Director, Cynthia Alvarez, Deputy Executive Director

Negotiating Parties: Housing Authority of the City of Alameda and G&L 1x Marin Village Office Park, LP

Property Owner: G&L 1x Marin Village Office Park, LP/ [24]7.ai, Inc.

Under Negotiation: Property Negotiations of Sublease, rent and terms of payment

4. Adjournment of Closed Session – 6:23 p.m.

5. RECONVENE SPECIAL MEETING – 6:24 p.m.



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

Chair Kurrasch reported that the action taken by the Commission during Closed Session was to give feedback to the Executive Director, or her Designee, to review Property Negotiations as part of advanced planning to COVID19 measures, and staff will report back to the Board during the April 15, 2020 Regular Board of Commissioners meeting.

7. Public Comment (Non-Agenda)

None.

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

None.

9. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

None.

10. ADJOURNMENT

There being no additional Closed Session or further business, Chair Kurrasch adjourned the meeting at 6:25 p.m.

Vanessa M. Cooper
Executive Director/Secretary

Arthur Kurrasch, Chair
Board of Commissioners



701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Janet Basta, Director of Human Resources and Operations

Date: April 15, 2020

Re: Accept the Monthly Overview Report for Operations, H.R., and I.T

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

A summary of unfilled positions that are on the Schedule of Authorized positions is presented below. Positions are listed by department, and information about current and recent recruitments is included, including any positions on the current Schedule of Authorized Positions that Management is electing not to fill or that have been outsourced.

<u>Department</u>	<u>Position</u>	<u>Number of Vacant Positions</u>	<u>Recruitment Status</u>	<u>Other Updates</u>
Administration	Management Analyst	1 FTE	One position open due to turnover	On hold
	Communications Manager	1 FTE	Initial interviews completed, will resume in April	
	Risk Manager	1 FTE	Outside firm is conducting recruitment, in initial screening phase	
	Executive Assistant	1 FTE	Newly vacant, will engage an outside recruiter	



Finance		0 FTE		Department is fully staffed
Housing Programs	Housing Programs Supervisor	1 FTE	Video interviews being conducted	
Property Operations	Facilities Supervisor	1 FTE	Position newly vacant	Looking into options to recruit for position
	Assistant Resident Managers: IP and China Clipper	.25 FTE	Initial postings not successful; will repost more broadly in 2020	Security guard at China Clipper & Parrott Village in evenings
Housing and Community Development	Director of Housing Development	1 FTE	Outside recruiter conducting recruitment	
Rent Program	Rent Program Specialist	1 FTE	Recruitment ongoing; phone and video interviews in progress	

Summary: Total FTE's approved for FY 2020: 58.50
 Number of vacancies: 8.25
 Number of active recruitments: 6.00

Significant time was spent during the past month planning for, and addressing, legislative and operational changes that occurred as a result of the current coronavirus public health emergency. Prior to the initial Shelter in Place order issued on March 16, 2020, additional supplies, such as hand sanitizer and gloves, were ordered, and communications were provided to staff regarding social distancing and hygiene. These efforts increased following the Shelter in Place, and additional written requirements were provided to staff working in the office. Exempt staff have been working remotely, with the exception of a small group of management employees who are available for supervision. This has helped to limit the number of staff in the office on any given day, and further steps are being taken to spread out staff even further to limit contact.



The Families First Coronavirus Response Act (FFCRA) was signed into law on March 18. The law includes provisions for both additional sick leave (up to 80 hours) for specified reasons, as well as expanded Family and Medical Leave (FMLA) benefits (up to 12 weeks) to care for children whose school or childcare is closed or unavailable. Information was compiled and request forms distributed to staff before the FFCRA went into effect on April 1, 2020.

Management will be monitoring the impact of this new legislation on staffing levels; it is anticipated that a significant number of employees may be out over the upcoming months due to health care and/or childcare needs. Even before the COVID-19 crisis, the agency had a high level of absenteeism and multiple staff on long term non-COVID-19 related leaves. Managing a minimum staffing level needed to operate our essential services will be challenging in the coming weeks and months. An internal Risk Management team meets daily to plan for business continuity, including identifying essential tasks and personnel, to ensure that critical work can be completed with a reduced number of staff including, in some cases, assigning some specific employees to essential business tasks in other departments up through at least June 30, 2020. Outside consultants and/or staff from temporary agencies may be utilized as needed to address staffing deficits.

Prior to the FFCRA being enacted, AHA had taken several steps to support staff including granting an additional week of paid sick leave (available for use through June 30, 2020) and providing a day of paid administrative leave to non-exempt employees. These changes are being reported to the Board for ratification; additionally, a memo on proposed changes to the Employee Handbook for the time period April 1, 2020 through December 31, 2020 is being brought to the Board this month.

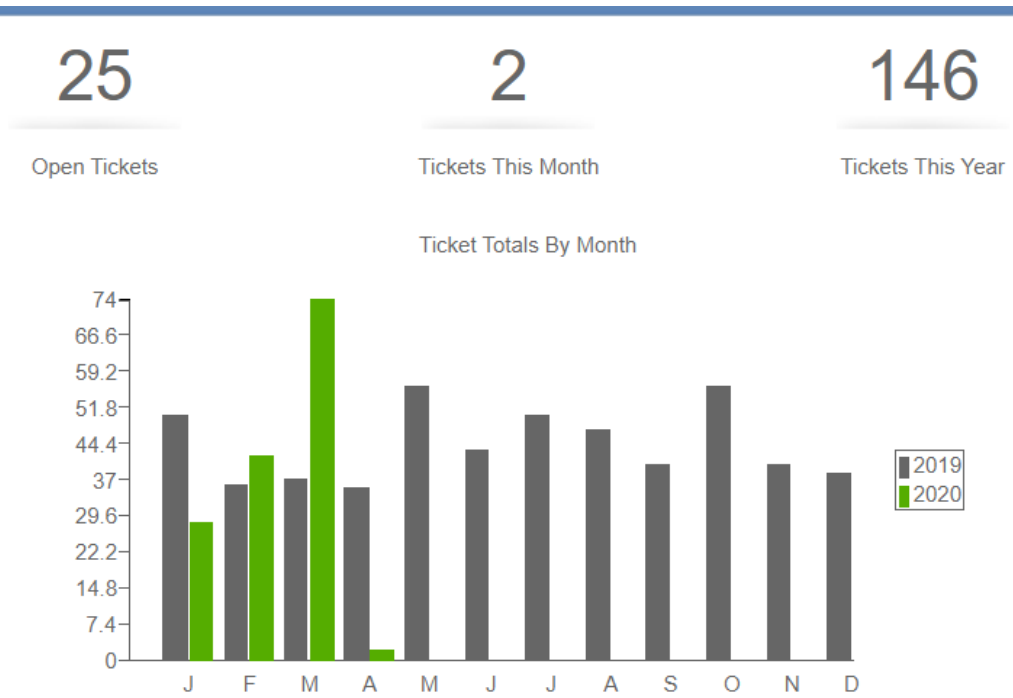
Information Technology/Administration

With the current situation, leasing meetings for Eden's Alameda Point Senior Apartments have continued, but it is anticipated that the leasing for the 25 Project Based Vouchers (PBV) will not be completed on time due to delays on the Veteran Administration's side of the referrals. The owner is anticipating construction to be completed by May and will be opening the waitlist for non-PBV units in April.

Due to the current health situation, staff of our IT provider, Techordia were pulled unexpectedly to meet a significant increase of setting up personnel working remotely, including the AHA staff. The February report, is therefore, delayed; however, Techordia and internal staff were able to provide 21 staff members with laptops to work remotely at short notice. Staff is working to provide further remote working opportunities. However remote working options require significant additional daily IT staffing and pose potential additional risks to data integrity and security.



As of 4/1/2020, there have been 146 tickets this year, which is more than twice the number of tickets year-to-date as of March 2020, and, at that time, there were 25 open tickets. Below is a chart of tickets for year 2019 versus 2020. The increase in tickets for March were for two inter-related reasons: 1) the coordination and preparation to have staff work remotely and 2) troubleshooting the needs of staff once they are working remotely. When staff work remotely, Techordia normally performs the IT support as internal staff do not have the software to capture and control computers remotely.



Over the past few years, staff has been working towards moving systems more online and remote, such as the launch of Rent Café in 2019. During March, staff finished the launch of VENDOR Café, which allows vendors to check and submit invoices online along with signing up for electronic payments. As of April 1, 2020, 14 vendors are in process with VENDOR Café.

Also launched in the month of March was an emergency messaging system. It allows recorded messages to be broadcast to selected groups by phone or e-mail. Staff has tested the system with a notification to AHA staff and will look at expanding it to be able to send messages to tenants or participants quickly.

In addition, staff are talking to vendors about methods of accepting rent by credit card, obtaining electronic signatures, evaluating online options for another wait list opening, and looking at expanding Rent Café to accept interims along with annual recertifications. These are likely to be implemented in the coming weeks. Staff is also moving forward with three modules for Yardi to allow landlords and applicants to submit documents and



updates online. These three additional modules are an annual cost increase to Yardi of about \$32,000 annually.

Due to the significant increase in hardware, software, and technical support needed to operate the essential activities of the agency in meeting its obligations to provide services to our clients, landlords, and staff, the Board can expect to see significant above budget costs for 2020.

RECOMMENDATION

Accept the Monthly Overview Report for Operations, H.R., and I.T.

Respectfully submitted,



Janet Basta
Director of Human Resources and Operations

JCB/TMSC



701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Lynette Jordan, Director of Housing Programs

Date: April 15, 2020

RE: Accept the Monthly Overview Report for the Housing Programs Department

BACKGROUND

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

Department Update

Since the March 18, 2020 Board meeting, Housing Program Department staff were out of the office for two full weeks due to the current health situation. During this time, phone and email communications were reviewed daily by staff working remotely to ensure that tenants and participants received timely responses.

As may be expected, there was significant concern among our Section 8 participants who experienced job or income losses due to COVID-19. Staff are working on downward rent adjustments, rent increases, and annuals – all of which impact the tenant's rent amount. In some cases, our tenants are seeing increases in income, especially those who work in the health care or the grocery industry. Further, as those tenants apply for and eventually receive unemployment benefits, the HPD expects to see a significant number of increases, which may exceed the new \$10,000 limit because the new unemployment benefits provide an extra \$600 per week for four months.

In terms of other activities, HQS inspections have been halted except for vacant units and staff expects to extend the issuance of vouchers to 365 days. This and possibly other changes to the Administrative Plan will be made under the Executive Directors' Emergency Powers approved on March 18, 2020 and will be brought to the May Board meeting for ratification.

To date, HUD has provided little to no regulatory relief from AHA's normal operating process. Waivers are expected to be issued on April 10, 2020 and at that time, processes will be changed where possible/necessary.



Additional staff have been transferred to the Housing Program Department from other AHA departments to help address the unexpected increase in necessary work. The ability to transfer staff has also been helpful during this time of significant staff absences.

Landlords were paid on time for the April 2020 rent payment and an effort is underway to convert a few landlords who received paper checks to ACH to allow for faster processing. Staff expect to see an increase in enquiries from landlords about participation in the Section 8 Program as it provides a guaranteed income for the landlords at a time when there may be widespread delinquencies of rent payments by tenants due to the current health crisis.

Online Recertification

The Online Recertification portal launched on September 1, 2019 to all Program participants whose recertifications' effective date was January 1, 2020, (prior rollout of online recertification was a pilot for certain properties to test the online portal). In the month of March 2020 staff completed 75 online recertifications. Of that, a total of 10 recertifications were completed through Reasonable Accommodations. This online system allows AHA participants to complete their annual recertifications online via cell phones, tablets, laptops, or home computers. Participants are also able to upload proof of income, assets, or other recertification documents directly into the portal.

Training sessions were provided by AHA staff for 8 months. Additional trainings were scheduled for the month of March and upcoming months; however, due to the COVID-19 and the Shelter in Place order issued March 16, 2020, training sessions have been cancelled until further notice.

HPD STATISTICS - See Attachment 1: Housing Programs Department Performance Report

RECOMMENDATION

Accept the Monthly Overview Report for the Housing Programs Department.

Respectfully submitted,



Lynette Jordan
Director of Housing Programs

Attachment:

1. Housing Programs Department Performance Report



Attachment 1 - Housing Programs Department Performance Report
Month of MARCH 2020

Item	January	February	March	April	May	June	July	August	September	October	November	December	YTD
HAP spent for month	\$2,653,885	\$ 2,673,013	\$2,679,088										\$ 8,005,986.00
Vouchers under lease at start of month	1487	1487	1478										n/a
Vouchers issued during the month	0	0	12										12
New units leased in private market	4	1	1										6
New units leased in affordable market	0	0	0										0
Seeking vouchers	23	30	25										78
Port outs leased	0	0	0										0
Port ins leased	2	0	0										2
Annuals completed	121	117	75										313
Interims completed	43	42	56										141
Rent Increases completed	45	28	23										96
Inspections conducted	157	45	36										238
Inspections passed first time	80	13	10										103
Hearings requested	10	4	6										20
Hearings held	1	1	0										2
End of Participaption *	3	3	1										7

* includes deaths, over income, voluntary surrender of voucher, etc.

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Greg Kats, Rent Program Director

Date: April 15, 2020

Re: Accept the Monthly Overview Report and Business Activity
Assessment Report for the Alameda Rent Program

DATA

The monthly reports for the Alameda Rent Program are available at www.alamedarentprogram.org. For outcomes of submissions reviewed, please see the full report available online.

	January	February	March
Rent increase submissions*	4	4	1
Termination of tenancy submissions	5	5	0
Buyout agreement submissions	0	1	4
Capital Improvement Plan submissions	0	0	1
Number of hearing petitions submitted	2	0	1
Number of hearings held resulting in a rent adjustment**	1	0	1
Number of staff mediations held	0	0	0

**Includes both requests for rent adjustment hearings and requests for other staff services, e.g., reviewing rent increase notices for compliance.*

***Requests for hearings may not result in a hearing being held for a number of possible reasons, including: 1) successful mediation that resolves the matter, 2) the party withdrawing their request, or 3) the parties resolving the matter between themselves.*

MONTHLY UPDATE

The online registration process for City of Alameda rental properties is still ongoing. The registration deadline has been extended to April 30, 2020 in order to accommodate delays related to the COVID-19 pandemic. Rent Program staff were offering registration workshops for owners and property managers twice a week until mid-March, when the program was closed to the public. Rent Registration Clinics will resume once the shelter in place ordinance is lifted and the AHA determines that it is once again safe to conduct public workshops. Staff continue to provide landlords with registration assistance via phone and email.

The latest registration statistics indicate the following:

- 37% of rental properties are registered, an increase of 13% over the previous month.
- 507 unit exemptions requested, an increase of 47% over the previous month.
- 51 property exemptions requested, an increase of 35% over the previous month.
- 763 rent increase errors detected based on landlord submissions, an increase of 44% over the previous month.

The Rent Program continues to address concerns from owners and property managers regarding the data collection portion of the registration process. One of the primary concerns expressed by owners has to do with the collection of tenant and rental data for non-rent controlled units. In response, the Rent Program has updated the registration criteria for partially regulated units, re-categorizing the collection of tenant data as “voluntary” for these properties. This means that owners of partially regulated units will not be required to provide tenant data as part of the registration process.

Rent Program staff continues to remotely engage in extensive community outreach to help both, tenants and landlords, better understand the amendments to the program regulations stemming from the passage of Ordinance 3250 in September 2019. Although the Rent Program has had to cancel its monthly informational workshops, staff continues to address questions and concerns from community stakeholders via phone and email. To meet the ongoing needs expressed through questions and concerns from the public, staff is in the process of developing an informational workshop video, which tenants and landlords can access remotely, given that attending public meetings is currently not an option. Staff is also working with the City Attorney's Office (CAO) on developing regulations for the new ordinance. It is expected that this will include regulations that impact the Section 8 Program. This work is currently in progress with the CAO.

The service agreement between the City of Alameda and the Alameda Rent Program expires on June 30, 2020. AHA has received written confirmation from the City Manager, presented as an attachment in the January 15, 2020 Board packet, indicating that City staff will recommend, to the City Council, a three-year



service agreement extension effective July 1, 2020, during which AHA would continue to administer the Alameda Rent Program. The new service agreement is currently in the process of being drafted and will incorporate the significant changes to the program that have been implemented over the past 6 months. Requested changes to the service agreement include the following:

- Two automatic one-year extensions to the agreement, contingent upon written approval from both the City and AHA
- A new estimated program hours matrix (as an attachment to the agreement) which will outline revised services, and associated workloads, under the new program structure
- Program budgets for FY 2020-21, FY 2021-22, FY 2022-23
- Updated reporting criteria
- A stipulation that the City of Alameda fund the unfunded CalPERS liability for Housing Authority staff assigned to the Alameda Rent Program
- Clarifying language regarding the rental unit registration and fee collection processes

The overall budget and staffing impacts for the agency are unlikely to be significant, as the Alameda Rent Program is funded through an annual program fee collected by the City. A new fee study, to determine the updated program fee for FY 2020-21, has already been initiated by the City. The revised service agreement will come to the Board for approval in the coming months.

Rent Program staff has drafted a Business Activities Assessment Report, which evaluates the program's business activities and their impact on AHA and its operations. A copy of this report has been submitted for the Board's review and approval, as part of this April 15, 2020 Board packet.

On March 17, 2020, the City of Alameda declared a local emergency due to the COVID-19 pandemic and adopted a 60-day temporary urgency ordinance (no. 3268) imposing a moratorium on evictions for failure to pay rent due to financial impacts related to COVID-19. This urgency ordinance was adopted on March 17, 2020, for notices to pay or quit served on March 1, 2020 or later.

On April 7, 2020, the City Council repealed Ordinance 3268 and replaced it with an updated ordinance (no. 3273). This new urgency ordinance retains and clarifies the general content of Ordinance no. 3268 and incorporates additional provisions addressing waivers for qualifying landlords, as well as remedies and penalties for violations of the ordinance. The new Ordinance also extends the effective period of the eviction moratorium until the City Council rescinds its Declaration of Local Emergency.



At the same meeting, the council also requested that City staff come back with recommendations regarding a “rent freeze” for the April 21,2020 City Council meeting.

Rent Program and City staff are also in the process of drafting additional implementing regulations (COVID Urgency Ordinance Regulation 20-1) which includes guidance regarding repayment of unpaid rent and examples of documentation which can be used to verify “Substantial Loss of Income” under the ordinance. Staff are addressing questions and concerns from the public regarding this legislation on a daily basis.

RECOMMENDATION

Accept the Monthly Overview Report and Business Activity Assessment Report for the Alameda Rent Program.

Respectfully submitted,



Greg Kats
Rent Program Director

Attachment:

1. Business Activity Assessment Report for the Alameda Rent Program



PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Gregory Kats, Alameda Rent Program Director

Date: April 15, 2020

Re: Alameda Rent Program Business Activity Assessment

BACKGROUND

The Alameda Rent Program (RP) was established by the Alameda City Council in 2016 to implement city-wide regulations for private market residential rental properties under Rent Ordinance No. 3148. These regulations were created in response to rising rents, low vacancy rates, and mounting cases of “no cause” evictions in Alameda and throughout the Bay Area. Under the latter ordinance, the RP provided a hearing process for rent increase-related disputes, imposed substantial limitations on “no cause” evictions, and required landlords to pay relocation fees for “no cause” and certain “no fault” terminations of tenancy. All units in which the rents were regulated by federal law or by regulatory agreements between the landlord and the government (e.g. the Housing Choice Voucher program) were exempt from Ordinance No. 3148.

Prior to the RP, the Housing Authority of the City of Alameda (AHA) staffed the now defunct Rent Review Advisory Committee (RRAC) as part of an existing service agreement to implement affordable housing programs and housing-related services on behalf of the City of Alameda (City). When the RP was created in 2016, the AHA and the City entered into an additional service agreement, making the AHA the Program Administrator for the RP. Through a competitive RFP process, the AHA was selected in 2017 to continue as the Program Administrator until June of 2020, with an option for further extension of the contract.

The AHA expanded its scope significantly, both in terms of programmatic services offered and rental units under its purview, when it became the Program Administrator for the City of Alameda’s Rent Program. With nearly 13,400 private market rental units subject to the Ordinance, the Housing Authority grew the number of units participating in AHA program six-fold from a combined total of approximately 2,000 housing vouchers and physical units administered by the agency prior to becoming the Program Administrator for the RP.

In order to evaluate the effectiveness of the RP and the AHA, in its role as Program Administrator, the AHA Board of Commissioners requested this Business Activity Assessment which addresses key programmatic elements such as funding, risk, strategic alignment and recent changes to the Ordinance.



PROGRAM OVERVIEW

The FY 2019-20 program budget (the last approved budget) is \$1,140,590 and currently supports six full-time staff. Program services currently include:

- Enforcing the regulations under the City's Rent Ordinance, including monitoring for compliance.
- Providing a petition process to review and render decisions regarding invalid rent increases and upward/downward rent adjustments.
- Ensuring terminations of tenancy are conducted according to allowable grounds and relocation assistance is provided to displaced tenants, when appropriate.
- Implementing the newly adopted Annual General Adjustment (AGA) rent cap for fully regulated rental units.
- Addressing public inquiries and providing information about the City's Rent Ordinance.
- Registering all residential rental units in the City of Alameda in a rent registry database.
- Collaborating with the community to provide outreach, which includes workshops, events, newsletters, reports, and public announcements.

LOCAL DEMOGRAPHICS AND RENTAL MARKET

- The City of Alameda's rental market remains highly competitive. As indicated in the 2018-19 Annual Rent Program Report, per data from Rent Café, the average apartment rent in Alameda was \$2,558. This is compared to a national average of \$1,430 reported during the same point in time.
- Based on the 2018 American Community Survey Five-Year Estimates:
 - 44% of renters pay at least 30% of their income towards rent
 - Median household income is \$98,150
 - The rental vacancy rate is 2.7%
- Per the 2018 fee study conducted by the City of Alameda, there are 13,389 units covered under the rent control ordinance - 86% of these units are fully regulated (subject to rent control) and 14% are partially regulated (not subject to rent control).

TIMELINE OF CHANGES TO THE RENT PROGRAM

On April 2, 2019, the Alameda City Council adopted Resolution 15517 concerning the procedures and restrictions for terminating a tenant due to withdrawal of their unit from the residential rental market (Ellis Act Policy). The City Council also approved an amendment to eliminate the sunset clause (December 31, 2019) from Ordinance 3148.

Effective July 5, 2019, terminations of tenancy for "no cause" were prohibited for all residential rental units in the City of Alameda under Ordinance 3244, the contents of which were later incorporated into Ordinance 3250.



Effective August 15, 2019, Ordinance 3246, also referred to as the Annual General Adjustment (AGA) Ordinance, stipulated that rent increases effective after September 1, 2019 cannot exceed 2.8%. The maximum rent increase for each subsequent year will be calculated based on 70% of the percentage change in the Consumer Price Index (CPI) for the 12-month period ending April of each year. This ordinance had other provisions that establish new rent regulations, including annual registration of rental units by landlords, an ability to “bank” unused rent increases (with certain limitations), and the right to petition for an upward or downward adjustment in the maximum allowable rent through a binding hearing process. Single-family homes, condominiums, and multi-family units built after 1995 are exempt from the rent increase limitations in the Ordinance, but landlords will be required to register their rental units with the program. This Ordinance was also later incorporated into Ordinance 3250.

At its September 3, 2019 meeting, the City Council adopted rent regulations in the form of Urgency Ordinance 3249, effective immediately, and a non-urgency ordinance (Ordinance 3250 or “the Ordinance”), effective 30 days after the second reading of the Ordinance. Below is a summary of the amendments approved by the City Council:

- Numerous definitions added to the ordinance and clarification provided on which units are exempt from the ordinance.
- The length of time an owner must reside in the unit following a termination for owner move in was increased from one year to three years.
- The calculation for permanent relocation payments was changed to tie the formula to fair market rents.
- The option to trade extra time in the unit for a reduction in relocation payments was eliminated.
- Buyout agreements are now regulated and provide tenants with a 30 day “right to rescind.”
- The Rent Review Advisory Committee (RRAC) has been effectively replaced by a petition-based process adjudicated by professional hearing officers. No hearing process exists for Costa Hawkins exempt units.
- Eviction protections were extended to Section 8 voucher holders. Relocation payments for termination of tenancy will now be required for a number of permitted no cause terminations, which have been greatly limited to reasons such as owner move in or removal of the unit from the rental market.
- A relocation payment is required when a rent increase is more than 10% and the tenant decides to vacate rather than pay the increase. A relocation payment is also required when a rent increase for a Section 8 unit results in the tenant’s portion of the rent increasing over 10% and the tenant decides to vacate the unit rather than pay the increase.
- A relocation payment is required when a tenant vacates a rental unit in compliance with a governmental agency’s order to vacate or due to health or safety conditions for which the tenant is not at fault.
- All Alameda residential rental units, including Section 8 units, will be required to register with the Rent Program.
- For the Fiscal Year 2020-21 program fee, landlords will be allowed to pass through 50% of the Rent Program fee without it being included in the calculation of a rent increase. The AHA has requested that this pass through not apply to Section 8 units.



- The City Council also adopted a fair housing ordinance that would prohibit discrimination, including for source of income (such as Section 8), age, disability, and family status, and would also prohibit tenant harassment and lockouts.

Rent Program staff continues to engage in extensive community outreach to help the public, both tenants and landlords, better understand the new amendments to the program regulations stemming from the passage of Ordinance 3250 in September 2019. Rent Program staff has been hosting ongoing monthly informational workshops to provide updates regarding changes to the termination of tenancy and rent increase processes. During the COVID-19 pandemic, staff has temporarily suspended these in-person workshops, but the program is in the process of developing an informational workshop video to be posted on the RP website. Staff is also working with the City Attorney's Office (CAO) on developing regulations for the new ordinance. It is expected that this will include regulations that impact the Section 8 Program. This work is currently in progress with the CAO.

On October 8, 2019, Governor Newsom signed Assembly Bill 1482. This legislation will mandate statewide rent control and termination of tenancy regulations for certain types of units. The Rent Program has been responding to inquiries from the public regarding these new rent control measures and how they intersect with our local rent control regulations, since this law became effective on January 1, 2020.

At their October 15, 2019 City Council meeting, the Rent Program presented its FY 2018-2019 Annual Report and the City Council voted on whether to adopt Resolution 15602, establishing revised permanent and temporary relocation payment schedules.

The online registration process for Alameda rental properties began in early 2020. In late January, the Rent Program distributed introductory letters, via mail and email, providing owners/property managers with a unique APN and PIN combination to access the online system. This mailer also included a comprehensive System User Guide and contact information for Rent Program staff, in case the user requires personalized assistance with the registration process. Rent Program staff has been offering registration workshops for owners and property managers twice a week, since the roll out of the registration initiative. These workshops are offered to provide information about, and assist with, the rental unit registration process. Staff has also been scheduling one-on-one appointments with owners and property managers, upon request, to assist them with the registration process. These in-person workshops and appointments have also been temporarily suspended during the COVID-19 pandemic, but staff continues to provide assistance to owners and property managers via phone and email.

The service agreement between the City of Alameda and the Rent Program expires on June 30, 2020. AHA has received written confirmation from the City Manager indicating that City staff will recommend, to the City Council, a three-year service agreement extension effective July 1, 2020, during which AHA would continue to administer the Alameda Rent Program. The new service agreement is currently in the process of being drafted and will incorporate the significant changes to the program that have been implemented over the past year. However, the overall budget and staffing impacts for the agency are unlikely to be significant. The revised agreement will come to the Board of Commissioners for approval in the coming months.



These changes may lead to a substantial increase in the volume of submissions to the program, especially in terms of submissions related to the rent registry, and may result in an increased workload for RP staff. The RP will work closely with the City to evaluate and address any additional costs related to staffing.

STRATEGIC ALIGNMENT

According to the 2018 American Community Survey Five-Year Estimates, 44% of all Alameda renters (nearly 6,000 households), spend more than 30% of their income on rent. While the RP does not verify the income of tenants, the latter statistic indicates the high probability that one in two households receiving services through the program may be facing affordability issues. This demonstrates that the RP's service provision model is in line with the mission of the AHA; which is to provide quality, affordable and safe housing in the City of Alameda.

The RP also builds on AHA's goal of strengthening community inclusiveness and diversity in housing by monitoring compliance with and enforcement of regulations aimed at stabilizing the rental market. In the last three fiscal years, FY 2016-17 through FY 2018-19, the program provided mediation and hearing opportunities for 772 households that received a rent increase notice. The program also processed 288 rent increase submissions during FY 2018-19, with 71 (25%) of these submissions being withdrawn and 125 (43%) of these submissions being successfully resolved via agreement between the two parties, prior to the scheduled RRAC hearing. During the same fiscal year, the program received 84 termination of tenancy submissions, 17 (20%) of which were later withdrawn.

Another key aspect of the RP's efforts to stabilize the local rental market is the education of both tenants and landlords regarding their respective rights and responsibilities under Ordinance No. 3250. In FY 2018-19 the RP offered 38 informational workshops and fair housing seminars attended by 101 tenants and landlords. During the same period the program's website logged a monthly average of 1,500 visitors. Overall, the program logged 8,297 total public contacts with the public through phone calls, emails, in-person appointments, and outreach presentations.

The AHA has continued to maintain its role as a neutral party amongst local stakeholders, maintaining a positive working relationship with Alameda tenants, landlords, and realtors. This balanced approach is critical to successfully preserving the agency's dual role managing the federally-funded HCV program while alternately acting as a mediator and broker between tenants and landlords in the private rental market. This requires the agency to manage relationships with almost 500 private market landlords, housing approximately 1200 HCV voucher-holders in the City of Alameda, while navigating rent increases and terminations of tenancy for 13,389 private market units covered under the Ordinance. In order to preserve an equilibrium among its various community stakeholders, the RP strives to consistently provide an equitable service model to all individuals in the community. This can be observed during the all-inclusive educational workshops hosted by RP staff, as well as the mediation hearings administered by the program. Both the mediation hearings and the workshops are designed to bring tenants and landlords into the same room to facilitate discussion and a collaborative approach to resolving disputes.



RISK ASSESSMENT

Rent control is a highly political issue and it has been the subject of several city-wide petitions, as well as being heavily featured on the 2016 and 2018 ballots. Additionally, the program is often the focal point of newspaper editorials, blog posts, and City Council discussions. With the political visibility of the program, there is increased risk of the AHA receiving heightened scrutiny during campaign and election cycles. The agency addresses these issues by providing thorough on-boarding and ongoing training for program staff. This training includes topics such as program adherence to the Sunshine Ordinance and the Brown Act, as well as best practices designed to promote and sustain an unbiased forum for program services.

As the Program Administrator of the City's Rent Ordinance, the RP also partners with the City Attorney's Office for legal interpretation and guidance regarding the regulations set forth in the Ordinance. The AHA operates under a service agreement which requires the City to defend, indemnify, and hold the AHA harmless if litigation is filed concerning the validity of the Ordinance.

These political and legal considerations can be complex and time-consuming. Due to their high-profile nature, these issues could prove to be a distraction from the AHA's core functions. In order to mitigate these issues, stemming largely from public perception, the AHA separates itself from the punitive citation issuance process, as all administrative enforcement of program violations is managed by the City Attorney's Office. Moreover, all fees charged by the Rent Program are collected through the City's Finance Department rather than directly by the AHA, thus allowing the agency to distance itself from the fee collection process. While this has been effective in terms of mitigating some of the negative public perception towards the program, it has also resulted in an increased need for coordination with, and some degree of reliance on, City staff.

As with many social service and housing programs, the Ordinance sets forth requirements that tenants and landlords alike often find unfair or inequitable, but for different reasons. While the AHA does not have the authority to change these regulations, occasionally, members of the public may respond negatively to the AHA, based on its role as the administrator of the Ordinance. The level of tension resulting from these occasional, but sometimes highly confrontational, interactions with dissatisfied tenants, owners, and landlords can be disconcerting for agency staff. The RP addresses this issue in a variety of ways:

- Providing outreach and disseminating information to members of the public.
- Referring parties with concerns regarding the Ordinance to the appropriate policy-makers.
- Training staff to de-escalate potentially confrontational situations.
- Offering mediation services to parties involved in disagreements, although the demand for mediation services has significantly decreased since the hard rent cap was instituted and this service will be discontinued as part of the revised scope of services in the new service agreement.
- Providing additional resources to program participants, such as referrals to legal or fair housing-related services.



One tool which has been particularly effective in minimizing and buffering negative interactions between program participants and staff has been the robust and accessible program website and rent registry database. For a program relying primarily on self-reporting to verify compliance, providing stakeholders with a convenient and remote forum through which to access information and submit inquiries is integral to both program implementation and community outreach efforts.

Another strategy the agency has used to minimize the potential for confrontational situations is locating the Rent Program offsite, away from the AHA main office. While this separate location has some advantages as far as preserving program security and confidentiality, and also separating the RP from the AHA in terms of public perception, it can serve to form a disconnect between the out-stationed RP staff and the agency as a whole. It can also make managerial coverage challenging. The lease for the RP office has recently been extended for 12 months, until September 30th, 2020, with the monthly rent increasing 17% from \$4,992 to \$5,830.

In considering the impacts of the RP's offsite location, the AHA has addressed this issue on a variety of levels. Program management coordinates with the agency's HR Department to ensure that staff are included in appropriate agency trainings, meetings, and team building activities. RP staff are also regularly briefed regarding agency-wide issues via team meetings, emails from HR, and other management-level personnel. There are also ongoing discussions between RP management and AHA regarding the possibility of creating seating for RS staff at the agency's main office or another shared space with other staff, if space exists for such a move in the future.

In terms of staffing, the available data suggests that the aforementioned issues do have an impact on personnel, as there has been some staff turnover in the past. This turnover has particularly impacted the program at the Director level (although this situation has stabilized with the recruitment of the current Program Director, who joined the agency in May of 2018) with 5 FTEs leaving since the inception of the program. This has been somewhat mitigated by the elimination of the Ordinance's sunset provision, which mandated that the program end at the close of December 2019, unless the City Council took action to retain all, or some, of its provisions. As stated in the earlier Timeline of Changes to the Rent Program section of this report, the sunset clause was eliminated by the City Council in April of 2019. AHA also expects that the impending renewal of the existing service agreement with the City of Alameda would serve to improve staff retention and recruitment efforts.

Other key challenges include technological capacity, as well as the program's legislative and operational fluidity. Over time, it has become increasingly difficult to manage the data for the ever-growing Rent Program caseload. The Rent Program has addressed this through the issuance of an RFP for Database Services on July 23, 2018. The RFP panel, consisting of Rent Program staff, City Finance Department staff, City IT staff, and Housing Authority IT staff. This panel conducted interviews, attended software demos, and spoke with vendor references. The recommended vendor, chosen through the evaluation panel process, was 3Di Inc., whose proposal offered the aforementioned services at a cost of \$35,000 for the initial database implementation, \$19,200 in annual subscription fees for the first three years of the contract and \$28,200 in annual



subscription fees for the remainder of the contract. The cost of these database services is fully covered by the City of Alameda.

Once fully completed, the rent registry database will provide an online system for the public to pay the annual Rent Program fee, increased reporting functionality and customer relations management services. The contract term for database services established December 31, 2019, as the completion date, which was met for most program features, with the exception of the fee payment portal, which will be completed by the end of FY 2019-20. The AHA would have the option to extend the engagement for up to four additional years, one year at a time, until no later than December 31, 2023.

In terms of programmatic changes, the ever-evolving political dialogue regarding the issue of rent control in Alameda has resulted in numerous amendments and revisions to the Ordinance, which makes it difficult to create finalized and comprehensive policies and procedures for the program. While the program makes every effort to maintain current and updated policies and procedures, they tend to change quite frequently, due to legislative amendments, and this lack of finality can be challenging for staff. In order to “stay ahead” of this issue, RP staff maintain constant contact and coordination with City staff in order to predict, assess, and make recommendations to the policy-makers; while revising and adapting programmatic procedures in order to facilitate the smooth operational implementation of these legislative adjustments.

In a truly “big picture” sense, one of the main risks of administering the Rent Program, under the auspices of the Alameda Housing Authority, is the potential for “mission creep,” as this program, for all its significant contributions to the local community, is a departure from the agency’s core activities at a time when AHA has been largely understaffed. Furthermore, as the RP is a fully City-funded program, the agency’s Board has little influence over the policy direction of the Rent Program.

However, when assessing the overall operational impact of AHA’s association with the Rent Program (especially in light of its sometimes challenging relationship with local owners, realtors, and property managers) it is notable that, notwithstanding the potentially negative impacts to AHA’s relationship with these entities, stemming from the assorted risks described herein, the agency’s HCV program has not seen a decline in landlord participation nor has its association with the program noticeably impacted the AHA’s ability to attract and retain landlord participation.

Several issues related to program administration remain unresolved at this point, including enforcement of fines levied by the City Attorney’s Office and coordination with the City’s Code Enforcement Department. Furthermore, there is an unresolved issue relating to the “pass through” of annual program fees to private market Section 8 units, which is not feasible given the limitations imposed by federal regulations on both tenant and HAP payments.

The COVID-19 crisis has already led to significant changes in the Alameda rental market and the role of the Rent Program continues to evolve as a result. Staff will monitor and assess these shifts in the market and adapt the program accordingly.



In terms of its “strengths,” the RP has developed a solid foundation in a number of programmatic areas, including:

- Extensive knowledge of the local housing market.
- A high standard of customer service.
- A varied and responsive service model that fits the needs of local stakeholders.
- Comprehensive data management.
- Accessible reporting of program data.

FUNDING

The program is funded by an annual fee, charged to landlords for each rental unit, and collected by the City’s Finance Department. Fiscally speaking, the funding structure of the RP is fair to the AHA, not only from a risk mitigation perspective, but also in terms of establishing linkages with local partners. Since the program is funded by the City on a reimbursement basis and requires ongoing collaboration with City staff, the funding structure of the RP has ultimately served to strengthen the relationship between the AHA and the City. This bolstered partnership has, among many other advantages, increased the AHA’s access to the City’s data and improved the agency’s partnership with the City’s IT staff.

Currently, program “actuals” are significantly below budgeted amounts, primarily due to unfilled staffing vacancies which have also resulted in under-spending related to administrative and outreach line items. However, workload projections indicate that at least one additional FTE may be needed to effectively administer the RP under the new program structure.

Another issue to consider, in terms of the lasting financial viability of the program, is the appropriate allocation of costs related to long-term CalPERS liability for RP staff, who are technically administering a City program. At this time, the City is only covering the basic “pay as you go” portion of costs for these staff, but not the unfunded long-term liabilities related to pensions and benefits. This discussion is currently happening as part of the program’s negotiations with the City regarding extension of the current service agreement or adoption of a new contract, with the goal of shifting some, if not all, CalPERS related expenses for RP staff to the City of Alameda.

Aside from CalPERS liability, another issue to discuss in regards to program funding is the appropriate allocation of “indirect” expenses for Executive and HR time, spent by AHA personnel, to support the RP. Another related issue is the accurate allocation of agency-wide costs (such as fiscal audits or staff training) so that the portion of these costs related specifically to the RP is submitted to the City for reimbursement, per our staffing services agreement.

KEY DATA

The following key data points, gleaned from the RP’s FY 2018-19 Annual Report, should also be considered when assessing the agency’s potential risk profile moving forward:

- 288 rent increases were submitted.



- Eighty-four terminations of tenancy were submitted.
- Twenty-seven RRAC Meetings were held, with sixty-eight total cases reviewed.
- 165 units were monitored for compliance.
- Only one decision rendered by the now defunct RRAC was appealed to a Hearing Officer, who upheld the RRAC's decision.
- In FY 2017-2018 and FY 2018-2019, five landlords were referred to City Attorney's Office for administrative enforcement when they failed to cure violations after program staff provided repeated opportunities to remedy the violations. Thus far in FY 2019-2020, three additional violations have been referred to the CAO for administrative enforcement. These eight cases are still pending with the CAO as of the date this report was drafted.
- Nineteen Public Records Act requests were submitted to the program.
- Two CIP plans were approved

CONCLUSIONS

The Rent Program has had significant positive impacts on the broader Alameda rental market (see Exhibit A), in alignment with the AHA's stated mission and goals. The AHA has not seen significant negative impacts from the agency's role in administering the Rent Program and minimal financial burden has been placed on the agency as a result of its association with the RP.

The Board of Commissioners is requested to provide feedback on the Business Activity Assessment Report for the Rent Program, either at this meeting or a future meeting. By the May Board of Commissioners meeting, staff expect to have a draft service agreement for the Alameda Rent Program for the next 3 to 5 years, so the Board may decide to delay providing their feedback until that meeting.

Respectfully submitted,



Greg Kats
Alameda Rent Program Director

Addendums:

Exhibit A: Program Outcomes for FY 2018-19

Exhibit B: Program Goals for FY 2020-21

Exhibit C: Executive Summary



Exhibit A: Program Outcomes for FY 2018-19

Rent Increases:

288 rent increase notices submitted, resulting in the following outcomes:

- 220 (76%) were not reviewed at a RRAC meeting
 - 125 reached agreement prior to a RRAC meeting
 - 71 were withdrawn
 - 24 cases were not heard because the tenants did not attend RRAC meeting
- 68 (24%) were reviewed at the RRAC meeting
 - 38 binding decisions were issued
 - 11 advisory decisions were issued
 - 19 agreements reached at RRAC

Terminations of Tenancy:

- 84 “no fault” terminations of tenancy were submitted
 - 39 were “no cause” terminations (which are no longer allowed under the new “Just Cause” legislation)
 - 26 owner move-ins
 - One withdrawal from the rental market
 - One termination due to an approved Capital Improvement Plan. 17 terminations were withdrawn

Outreach:

- Served 8,297 individuals by providing information and addressing questions through phone, mail, e-mail, and by appointment
- Provided educational workshops to 101 attendees
- Presented at community events and distributed e-newsletters
- Published program information in multiple local magazines and newspapers, including several foreign language publications.



Exhibit B: Program Goals for FY 2020-21

- Successfully complete development and implementation of the entire Rent Registry database to improve reporting functions and administrative efficiency
- Register all residential rental units in the City of Alameda
- Collect annual program fees for all rental units in the City of Alameda
- Finalize revised administrative and compliance procedures for the new program structure
- Send Maximum Allowable Rent (MAR) letters to all fully regulated units
- Expand outreach, community collaboration and website improvements
- Develop additional data collection methods to track and measure fluctuations in the rental market
- Adapt to legislative changes impacting the RP
- Successfully onboard new staff
- Add additional staff, if required, due to increases in staff workload
- Achieve and maintain full staffing levels
- Resolve pending citations
- Continue to expand and enhance monitoring efforts



Exhibit C: Executive Summary

The Rent Program (RP) was established by the Alameda City Council in 2016 to implement city-wide regulations for private market residential rental properties under Rent Ordinance No. 3148 (the Ordinance). This legislation was created in response to rising rents, low vacancy rates and mounting cases of “no cause” evictions in Alameda and throughout the Bay Area. The FY 2019-20 program budget is \$1,140,590 and currently supports six full-time staff. In September 2019, the City of Alameda strengthened the existing regulations with the implementation of Ordinance No. 3250, which greatly enhanced the rent control and eviction prevention provisions of the prior Ordinance. This new legislation resulted in the following significant changes to the Alameda Rent Program:

- The length of time an owner must reside in the unit following a termination for owner move in was increased from one year to three years.
- The calculation for permanent relocation payments was changed to tie the formula to fair market rents.
- A relocation payment is required when a rent increase is more than 10% and the tenant decides to vacate rather than pay the increase. A relocation payment is also required when a rent increase for a Section 8 unit results in the tenant’s portion of the rent increasing over 10% and the tenant decides to vacate the unit rather than pay the increase.
- A relocation payment is required when a tenant vacates a rental unit in compliance with a governmental agency’s order to vacate or due to health or safety conditions for which the tenant is not at fault.
- Buyout agreements are now regulated and provide tenants with a 30 day “right to rescind.”
- The Rent Review Advisory Committee (RRAC) has been effectively replaced by a petition-based process adjudicated by professional hearing officers. No hearing process exists for Costa Hawkins exempt units.
- Eviction protections were extended to Section 8 voucher holders. Relocation payments for termination of tenancy will now be required for a number of permitted no cause terminations, which have been greatly limited to reasons such as Owner Move In or removal of the unit from the rental market.
- All Alameda rental units, including Section 8 units, will be required to register with the Rent Program.
- For the fiscal year 2020-21 program fee, landlords will be allowed to pass through 50% of the rent program fee without it being included in the calculation of a rent increase. The AHA has requested that this pass through not apply to Section 8 units.

Program services now include:

- Enforcing the AGA rent cap and addressing invalid rent increases.
- Ensuring that terminations of tenancy are conducted based on allowable grounds.
- Monitoring relocation assistance payments to ensure that landlords pay displaced tenants the correct amount in a timely manner.
- Administering a petition process for upward and downward rent adjustments.



- Conducting program monitoring to ensure compliance with regulations.
- Registering all rental units in the City of Alameda in the Rent Registry database
- Addressing public inquiries and providing information about the City's Rent Ordinance.
- Collaborating with the community to provide outreach, which includes workshops, events, newsletters, reports and public announcements.

In terms of strategic alignment with the AHA's core activities, the RP's service provision model is in line with the mission of the AHA; which is to provide quality, affordable, and safe housing in the City of Alameda. Available data indicates that RP participants likely represent a similar economic demographic to the AHA's clients, and that the RP is successfully addressing issues that jeopardize the stability of the local rental market, through a combination of outreach, community education and program monitoring. In particular, the RP strives to align itself with the AHA's core functions by working collaboratively with all community stakeholders to address rent increases and terminations of tenancy from the perspective of a neutral party.

Among the RP's most significant challenges are the program's political visibility, the negative perception of the program among some community stakeholders and the offsite location of the RP, which can lead to staff feeling disconnected from the greater AHA.

At this time, program funding is adequate to cover the needs of the RP, due primarily to cost savings from understaffing during the prior fiscal year. The most noteworthy funding challenges for the program include determining whether the current staffing model is appropriate for the new program structure and whether additional staffing is needed due to increased workload, obtaining reimbursement from the City for long-term CalPERS liability, as well as the proper allocation of "indirect" and agency-wide costs. The RP will work closely with the City to evaluate and address any additional costs related to staffing and to develop a process for addressing long-term CalPERS liability, as well as an appropriate cost allocation methodology.

In conclusion, the Alameda Rent Program has had significant positive impacts on the broader Alameda rental market (see Exhibit A), in alignment with the AHA's stated mission and goals, and minimal financial burden has been placed on the agency as a result of its association with the RP.





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Cynthia Alvarez, Deputy Executive Director

Date: April 15, 2020

Re: Accept the Monthly Overview Report for Property Operations and Approve Property Transfer to JSCo

BACKGROUND

This memo provides a high-level overview of the Property Operations Department's activities for the month of March 2020.

DISCUSSION

The attached table (Attachment 1) summarizes property performance of all sites AHA owned and managed, affiliate owned, and managed by The John Stewart Company (JSCo).

VACANCY

The attached table (Attachment 1) reflects seventy (70) vacancies out of six hundred and twenty-nine (629) units for all properties including: AHA owned and managed; affiliate owned; and third party managed by The John Stewart Company (JSCo), as of the end of March. Of these 50 are off-line for rehab or demolition – 46 at Rosefield, and 4 at the scattered sites. Progress is taking place in filling the remaining 20 vacancies. Where units are under rehab, as in the case of Sherman Street, they are considered temporarily offline.

Of these 20 units, 10 are turned and ready for occupancy in April with continued work with existing vacancies and newly vacated units. The increase in the number of vacancies is a result of AHA not moving any prospective tenants for two weeks in March due to COVID-19 and the Shelter in Place order. In addition, due to the elevator being out of service in one building at Independence Plaza (IP), staff started to hold units vacant to transfer impacted tenants who wished to move to another building within IP. Staff is now, once again, diligently working on continuing to secure additional move-ins to take place throughout April 2020.

Lease up coordination between AHA Property Management, JSCo, and AHA Housing Programs reinitiated in April with the goal to fill vacancies as expeditiously as possible. Applicants from waitlists have been either outreached or are in process for applicable



vacant units. To the extent possible, three and five applicants are processed for all vacancies, respectively. Vacancies that do not have a waitlist are posted on the AHA website and applications are available through the security guard seated outside the AHA office.

RENT COLLECTIONS

The attached table (Attachment 1) provides the collection rate for all AHA owned and managed, affiliate owned, and managed by The John Stewart Company (JSCo).

An explanation for properties with a collection rate below 98% or above 100% is provided below. As discussed in February's Property Operations monthly overview report, Independence Plaza's rental income was under-budget by approximately \$62,000 per month. The monthly budgeted amount should have been \$172,000. This would then normalize the variance to account for the nine (9) vacant units at the property with an income loss of \$11,772. These budgeting issues will be corrected in the upcoming budget for FY 2020-2021.

The Scattered Sites' 79.8% collection rate is a result of the offline units. There are four (4) units currently offline due to extensive repairs, which is an estimated income loss of \$7,654 each month. Three of the units are expected to be complete and ready for occupancy by April 30, 2020.

Parrot Village and Parrot Garden's 97.5% collection rate is a result of one (1) outstanding tenant rent, which is an estimated income loss of \$3,346 and as well as the timing of rent increases projected for future months.

Littlejohn Commons' 96.6% collection rate is a result of one (1) vacant unit, which is an estimated income loss of \$1,988 in the month of February. This unit has been leased up in April.

Rosefield Village's 19.3% collection rate is the result of forty-six (46) vacant units out of a total fifty-three (53). These units are permanently offline due to the upcoming reconstruction and rehabilitation of the property.

Staff are reaching out to tenants to ensure they can anticipate likelihood of rent payment for the month of April. Initial collections appear to show that approximately 82% of rent was paid for April by April 8th with the largest variance coming from Parrot Village and Esperanza, our two larger multi-family properties.

RENT INCREASES

Rent increases for 2020 continue to be issued as permitted. The increase should not affect the tenant's rent portion unless the household is residing in an unassisted unit (which often is a unit with no PBV or HCV subsidy tied to it, or is a result of being over income and losing assistance) or are over housed (i.e. have an extra bedroom outside of their approved voucher size). All households who are over housed and have a tenant



based voucher, have, or will be, offered an opportunity to move to the correct sized unit when available, provided they are in good standing with AHA. The rent increase notices are provided sixty (60) days prior to the effective date of the increase.

Rent increase notices for Project Based Voucher (PBV) tenants at Esperanza went out at the end of January with an effective date of April 1, 2020.

ADDITIONAL UPDATES

The Shelter in Place order mandated revisions to three aspects of property operations. One is to prioritize emergency work orders for our tenants. In order to mitigate concerns related to COVID-19, preparation leading to HQS is not taking place at this time for occupied units. Work orders continue to be entered into the system and priorities are assigned based on close review, including communication with tenants to ascertain the work requested.

Tenants living through the AHA managed portfolio are being contacted by staff on a weekly basis during the Shelter in Place order. Staff is making these wellness calls to connect with tenants and provide a way to obtain their feedback.

As previously discussed, as AHA's senior tenants continue to age in place, there are growing challenges to their ability to live independently and are further impacted as assisted living is rarely available to them due to the high costs associated with assisted living. During the current period, staff have identified one (1) household who has been out of their unit due to being at the hospital or a rehabilitation center for more than thirty (30) days. Under the Section 8 Program, the tenant can be out of their unit for a maximum 180 days, without losing their Section 8 voucher. Further, a tenant is out of a PBV unit and loses the voucher, then AHA permanently loses the years remaining on the PBV contract for that unit. As a result, it may be necessary to terminate the tenant's tenancy for that particular unit. As part of commitment and standard operating procedure, tenants will be provided with legal aid information and will be able to complete a Reasonable Accommodation form if needed. Staff and social workers will work with these households and their families to ascertain whether they can reasonably be expected to return to their unit within the 180-day window.

Hoarding also continues as an ongoing challenge among some AHA tenants. We continue to work with these households and refer them to LifeSTEPS. Pest control concerns have become more of an issue in recent months and there are linkages with hoarding. Oftentimes what we see is a tenant whose cluttering may have increased significantly over a short period of time, but then can't be adequately managed. This then can result in creating a source for pests. Staff works with these tenants through various avenues, including lease violations, referrals to LifeSTEPS, and verbal counseling. However, when all other avenues have been exhausted, staff engage with an AHA attorney to assist in getting cooperation from these tenants. A great amount of resources and staff time are taken when one household adversely impacts the greater community. It is an area that continues to underscore the higher level of care some



tenants require in order to mitigate impact on neighbors and ensure a tenant's well-being.

SOCIAL SERVICES

Staff has been in discussions with LifeSTEPS and with the Food Bank to discuss the impact of the Covid-19 health situation upon AHA tenants and participants. AHA tenants will be increasing their access to the Food Bank during the Shelter in Place as schools have closed and some tenants are impacted with a change in their income levels. AHA has provided ten thousand dollars (\$10,000) to the Food Bank to facilitate this increase in the households served. AHA has also set aside an additional ten thousand dollars (\$15,000) to LifeSTEPS towards rental assistance. The chart below outlines the number of hours and services provided by LifeSTEPS for the month of March for all AHA owned and managed, affiliate owned, and managed by The John Stewart Company (JSCo) sites.

Service	Participants	Hours
Individual Case Management	345	195
Education Classes	220	30
Community Building Enrichment Activities	101	33
Additional Services & Education	263	31

It is anticipated that LifeSTEPS will be providing assistance remotely to tenants and will also be calling households regularly and connecting households with financial service agencies, as needed.

Alameda Family Services continued to provide services at Esperanza for families, seniors, and the homeless and postponed these services in adherence to the Shelter in Place order. Towards the middle of March, there was consideration to start delivering these services with less face to face interaction. Similarly, after school services provided by the Boys & Girls Club of Alameda, were ceased upon the Shelter in Place order. In partnership with AHA, the Alameda Food Bank provides services twice a month to both Anne B. Diament and Independence Plaza. The Alameda Food Bank provides food distribution for Esperanza once a month. At the end of March, it was further decided that the Alameda Food Bank staff would also add food distribution at Parrot Village They also started providing food distribution to Parrot Village and Parrot Gardens. The impact of Shelter in Place and social distancing will require additional changes to how food reaches tenants throughout AHA's portfolio.

MAINTENANCE

Staff are currently working on turning vacant units. In order to adhere to social distancing recommendations, staff are only entering occupied units when an emergency or urgent request requires staff to go into a unit and make repairs. Protocols have been established to mitigate face to face interactions with tenants and staff. Preventative interior unit inspections and HQS in occupied units have been postponed.



The attached table (Attachment 1) shows the work orders completed for March.

CAPITAL PROJECTS

The attached table (Attachment 2) summarizes Housing Authority budgeted Fiscal Year 2019-2020 capital projects currently underway.

As presented in the March report, in mid-February, the sole elevator serving building 711 at Independence Plaza was put offline due to needed repairs. Upon closer consultation and, on the advice of experts, staff has engaged with structural engineers to ensure the elevator can be brought back online as soon as possible. However, due to the scope of the work anticipated, staff expects the elevator to be offline for twelve (12) weeks, or longer. Building 711 houses 44 units. Of these, 36 are on the second through fourth floors. Staff has engaged with tenants and is holding vacant units to allow for the transfer of tenants who need an elevator. Two households have been permanently relocated within Independence Plaza. Staff has reached out to elevator vendors in order to obtain three bids. Due to the complexity of the job, however, and the ongoing Shelter in Place order, staff has been unable to obtain three bids and are exploring sole sourcing this project to the only vendor who has provided a scope and proposal. Staff is also working with a consultant to ensure the proposal is adequate in both, pricing and scope.

In January 2020, the Board of Commissioners authorized the Executive Director to negotiate and enter into a third party property management services contract between the Housing Authority and the John Stewart Company (JSCo). This month's memo includes a request to authorize the Housing Authority to include China Clipper Plaza in the third party property management services contract starting from July 1, 2020. In January the Board approved a not to exceed amount of \$1,400,000 with three years plus two additional one-year terms. The addition of China Clipper to that services contract will increase the amount by \$97,500 for a total of \$1,497,500 with three years plus two additional one-year terms. AHA is requesting an increase to \$1,497,000 of the contract for third party property management services. A revised extension will be brought to the Board in May.

FINANCIAL IMPACT

The Board should expect to see increased vendor contracts in the property budgets as AHA addresses the social services needs of tenants and due to the relocation and capital costs of the elevator issue. There will be no financial impact to the current Fiscal Year for the addition of China Clipper Plaza being added to third party management as the contract is not expected to begin until Fiscal Year 2020-2021.

RECOMMENDATION

Accept the Monthly Overview Report for Property Operations and Approve Property Transfer to JSCo.



Honorable Chair and
Members of the Board of Commissioners

Respectfully submitted,



Cynthia Alvarez
Deputy Executive Director

VMC/all

ATTACHMENT:

1. Property Performance for the month of March
2. FY 2019-2020 Capital Projects Update



ATTACHMENT 1

Month of March 2020

Property Name	Owned By	Managed By	Total Units	Senior or Family	Manager Units	Budgeted Gross Potential Rent	Tenant Rent Collected	Subsidy Collected	Total Rent Collected	% Collected
Independence Plaza	AHA	AHA	186	Senior	1	\$ 110,279.00	\$ 131,938.00	\$ 24,651.00	\$ 156,589.00	142.0%
Anne B Diament	AHHC	AHA	65	Senior	1	\$ 94,972.00	\$ 24,308.63	\$ 67,796.48	\$ 92,105.11	97.0%
Esperanza	AHA	AHA	120	Family	1	\$ 330,004.00	\$ 76,692.00	\$ 253,358.00	\$ 330,050.00	100.0%
China Clipper	AHHC	AHA	26	Family	1	\$ 44,629.00	\$ 13,409.00	\$ 25,227.00	\$ 38,636.00	86.6%
Scattered Sites	AHA	AHA	34	Family	0	\$ 48,080.00	\$ 10,480.00	\$ 27,549.00	\$ 38,029.00	79.1%
Parrot Village and Gardens	AHA	AHA	58	Family	1	\$ 159,162.00	\$ 32,979.00	\$ 123,357.00	\$ 156,336.00	98.2%
Littlejohn Commons	ICD	JSCO	31	Senior	1	\$ 51,246.00	\$ 14,434.00	\$ 36,866.00	\$ 51,300.00	100.1%
Everett Commons	ICD	JSCO	20	Family	1	\$ 44,297.00	\$ 10,306.00	\$ 31,818.00	\$ 42,124.00	95.1%
Rosefield Village	AHA	JSCO	53	Family	1	\$ 95,405.00	\$ 4,567.00	\$ 11,458.00	\$ 16,025.00	16.8%
Eagle Village	AHA	JSCO	36	Family	1	\$ 91,972.00	\$ 24,287.00	\$ 67,976.00	\$ 92,263.00	100.3%
TOTAL			629		9	\$ 1,070,046.00	\$ 343,400.63	\$ 670,056.48	\$ 1,013,457.11	94.7%

Property Name	Owned By	Vacant Units at Month End	Vacancy Rate %	Units Offline for Rehab	Vacancy Rate Excluding Offline Units	Move-ins Scheduled in Next Month	Anticipated Move outs Next Month	Maintenance Requests Completed	Evictions Pending with Legal
Independence Plaza	AHA	9	4.9%	0	4.9%	1	2	100	
Anne B Diament	AHHC	3	4.7%	0	4.7%	2	1	16	
Esperanza	AHA	4	3.4%	0	3.4%	3	0	38	
China Clipper	AHHC	3	12.0%	0	12.0%	0	0	5	
Scattered Sites	AHA	4	11.8%	4	0.0%	0	0	6	
Parrot Village and Gardens	AHA	0	0.0%	0	0.0%	0	0	27	
Littlejohn Commons	ICD	1	3.3%	0	3.3%	1	0	3	
Everett Commons	ICD	0	0.0%	0	0.0%	0	0	5	
Rosefield Village	AHA	46	88.5%	46	0.0%	0	0	9	
Eagle Village	AHA	0	0.0%	0	0.0%	0	0	26	
		70	11.1%	50	3.2%	7	3	235	3

Attachment 1

FY 2019-20 Capital Projects Update (Scheduled)

Property	Project	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	Original Substantial Completion	Expected or Actual Substantial Completion	Status
Independence Plaza	ADA Doors	160,000	0	68,000	8/2/2019	11/15/2019	COMPLETE
Independence Plaza	Sprinkler Inspectons/Repairs	14,995	0	14,995	10/15/2019	10/15/2019	COMPLETE
Anne B Diamond & Independence Plaza	Balcony Assessment	200,000	0	200,000	11/1/2019	12/15/2019	Inspections COMPLETE, reports forthcoming
Sherman Street	Roofing	145,000	0	145,000	10/18/2019	10/18/2019	COMPLETE
Sheman Street	Plumbing	25,000	0	80,000	11/1/2019	6/30/2020	Base scope work COMPLETE, staff currently coordinating finish repairs
Esperanza	Site Work (Lender Required)	100,000	-	86,500	1/31/2020	4/31/2020	Estimates secured. Staff reviewing proposals & negotiating costs
Lincoln House	Fire Damage	101,000	-	236,500	11/26/2019	4/15/2020	Vendor selected, staff currently facilitating agreement
Haight Avenue	Renovation Project (Pending Acquisition)	500,000	-	500,000	-	-	No update, project pending acquisition
Rosefield Village	Redevelopment Project	7,000,000	-	7,000,000	2020	2020	See HCD Report
North Housing	Demo/New Construction	3,000,000	-	3,000,000	2024	2024	See HCD Report

FY 2019-20 Capital Projects Update (Unscheduled)

Property	Project	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	Original Substantial Completion	Expected or Actual Substantial Completion	Status
AHA Office	Roof Leaks	-	-	-	-	1/22/2020	COMPLETE
AHA Office	Fire Safety Maintenance`	-	-	-	-	1/15/2020	COMPLETE
China Clipper	Fire Safety Maintenance`	-	-	-	-	4/15/2020	Repair items COMPLETE, staff currently coordinating with Fire Department on emergency access
Esperanza	Day Care Roof Leak	-	-	-	-	1/17/2020	COMPLETE
Esperanza	Moisture Inspection (Multiple Units)	-	-	-	-	1/16/2020	COMPLETE
Independence Plaza	Warranty Repairs	-	-	-	-	2/14/2020	COMPLETE
Independence Plaza	Temporary Balcony Shoring	-	-	-	-	6/1/2020	Vendor selected, staff currently compiling agreement
Independence Plaza	Communication Device Installation	-	-	-	-	TBD	Staff currently soliting bids
Independence Plaza	Elevator Repairs	-	-	-	-	TBD	Scope secured; staff currently securing estimates and developing schedule
Independence Plaza	Emergency Tree Removal	-	-	-	-	2/9/2020	COMPLETE
Mullberry	Water Loss	-	-	-	-	3/5/2020	COMPLETE
Parrot	Emergency Roof Repairs	-	-	-	-	2/14/2020	COMPLETE
Sherman	Roof Laundry Leak	-	-	-	-	2/7/2020	COMPLETE

FY 2018-19 Capital Projects Update

Property	Project	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	Original Substantial Completion	Expected or Actual Substantial Completion	Status
Anne B Diamond & Independence Plaza	Balcony Assessment	200,000	0	200,000	11/1/2019	11/1/2019	COMPLETE- Moved to 2019/20 CIP schedule - see above
Independence Plaza	ADA Upgrade Project	3,500,000	35	2,875,152	8/2/2019	7/3/2019	Base project COMPLETE. ADA doors rolled into 2019/20 CIP schedule - see above
Sheman Street	Roofing, Paving & Drainage	200,000	0	200,000	10/18/2019	10/18/2019	COMPLETE - Roofing bids secured, construction moved to 2019/20 CIP schedule - see above



PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Kathleen Mertz, Director of Housing and Community Development

Date: April 15, 2020

Re: Accept the Monthly Overview Report for Housing & Community Development

BACKGROUND

This memo provides an overview of the Housing and Community Development departmental activities for the prior two months.

DISCUSSION

Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME)

On March 26, 2020, staff presented recommendations for public services funding applicants to the Social Service Human Relations Board. The Board approved staff recommendations. Then, on Friday, March 27, 2020, the House of Representatives passed the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). President Trump signed the measure Friday evening. The \$2.2 trillion aid package is the largest in history and provides relief to individuals suffering from the economic impacts of COVID-19 and provides funds to state, local governments, businesses and other entities to help prepare for and respond to COVID-19. The CARES Act will use the CDBG formula and process to distribute these much-needed funds. In addition, through the CARES Act, HUD has been authorized to loosen some of the constraints for CDBG allocations for FY 2019-20 and FY 2020-21, including:

- Extending the deadline for submission of FY20 Con Plan/Action Plans
- Suspending the 15% cap on public services
- Authorizing a 5-day public comment period
- Eliminating in-person public hearings, allowing grantees to hold virtual hearings
- Allowing HUD to further waive program requirements (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment).

Per the CARES Act, HUD must announce CDBG funding allocations within days, but no later than April 26, 2020.

HUD has approved the County's request for extension. The FY 2020-25 Consolidated Plan and Annual Action Plan is now due on July 3, 2020. Staff is preparing to present



Honorable Chair and
Members of the Board of Commissioners

April 15, 2020

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recommendations for both the entitlement as well as funding from the CARES Act at the June 16, 2020 City Council meeting.

Inclusionary Housing and Below Market Rate (BMR) Programs

Staff has requested that Hello Housing draft an announcement for BMR homeowners to inform them of the moratorium on foreclosures and to provide information about housing counseling agencies for those households who are experiencing financial distress.

Island City Development

The Housing Authority previously made two predevelopment loans to Island City Development (ICD) on behalf of two development projects: North Housing and Rosefield. The loan balance and project details are discussed in the attached project specific reports. ICD is holding a meeting on April 16, 2020. The agenda is attached for reference.

Affordable Housing Project Pipeline

Rosefield Village – A separate report on the project is attached.

North Housing – A separate report on the project is attached.

Feasibility Studies – The feasibility studies of two potential projects that were discussed in closed session are on hold.

Staff continues to evaluate potential real estate development and acquisition opportunities throughout Alameda as they become available.

Asset Management

Independence Plaza was successfully transferred to Alameda Affordable Housing Corporation (AAHC) on March 13, 2020. Staff are finalizing the initial Welfare Exemption application for the property. Staff submitted the Requisition for the Successor Agency to the Community Improvement Commission for the bi-annual payment for period 2019-2020 along with the Reconciliation for the prior year, 2018-2019. Staff continues to compete lender and investor reporting along with reviewing the financials for the LIHTC properties. Staff finalized the insurance renewals for the organization.

Most HCD staff have been assigned additional business essential tasks during this crisis, such as procurement, answering tenant calls, and processing paperwork. The Director has resigned effective April 24, 2020 and most staff will report to the Executive Director until a new director is recruited.

RECOMMENDATION

Accept the Monthly Overview Report for Housing & Community Development.

Respectfully submitted,



Kathleen Mertz

Director of Housing and Community Development

Attachment: ICD Agenda 4-16-2020





AGENDA

ISLAND CITY DEVELOPMENT
Special Meeting
April 16, 2020 at 2:00 PM

NOTICE

Pursuant to the Island City Development Bylaws Section 5.13, any Board meeting may be held by telephone conference. Additionally, Executive Order Numbers N-29-20 and N-35-20 signed by Governor Gavin Newsom and guidance provided by legal counsel, a local legislative body, such as the Board of Commissioners, or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition of participation in or a quorum for a public meeting have been waived.

Public access to this meeting is available as follows:

Call In: 888-204-5987
Pin Code: 819 1578

There is no cost to participate in the call except your usual phone charges. For the public, if you choose to call in, please place your phone on mute to listen in.

Persons wishing to address the Board of Directors are asked to submit comments for the public speaking portion of the agenda as follows:

Send an email with your comment(s) to kmertz@alamedashsg.org and vcooper@alamedahsg.org prior to or during the Board of Directors meeting.

-
1. CALL TO ORDER & ROLL CALL
 2. PUBLIC COMMENT (Non-Agenda)
 3. CONSENT CALENDAR (**Action**)
 - a. Approve Minutes of the Special Meeting of the Board of Directors held March 23, 2020, **Page 1**
 - b. Receive and File the December 31, 2019 Audited Financial Statements for the Following Limited Partnerships: Stargell Commons LP, Sherman and Buena Vista LP and Everett and Eagle L.P., **Page** __



4. NEW BUSINESS

- a. Adopt a Resolution Authorizing Submission of Funding Applications for the North Housing Project **Page ___ (Action)**

5. NON-AGENDA (Public Comment)

6. WRITTEN COMMUNICATIONS

7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF

8. ADJOURNMENT

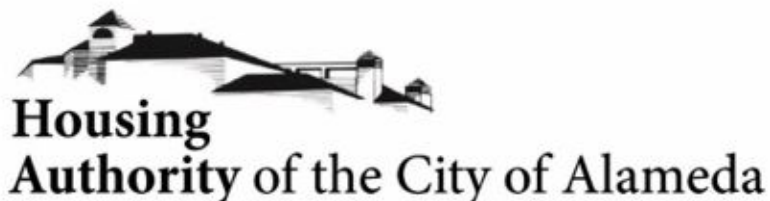
NOTES:

- If you need special assistance to participate in the meetings of the Island City Development Board of Directors, please contact Stacey Wilson at (510) 747-4307 (TTY/TRS: 711) or swilson@alamedahsq.org. Notification 48 hours prior to the meeting will enable the Island City Development Board of Directors 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 Directors 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 Island City Development'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 Island City Development accommodate these individuals.

IF YOU WISH TO ADDRESS THE BOARD:

- Anyone wishing to address the Board on agenda items or business introduced by Board members may speak for a maximum of three (3) minutes per agenda item when the subject is before the Board. Please file a speaker's slip with the Board President. Upon recognition by the President, approach the rostrum and state your name.
- Lengthy testimony should be submitted in writing and only a summary of pertinent points presented verbally.
- Applause and demonstrations are prohibited during Board meetings.





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To: Honorable Chair and Members of the Board of Commissioners
 From: Tony Weng, Senior Project Manager
 Date: April 15, 2020
 Re: Accept the Monthly Development Report for Rosefield Village

BACKGROUND

The Housing and Community Development Department provides monthly reports on projects under construction where either AHA or Island City Development (ICD) is acting as developer and provides performance guarantees.

The Rosefield Village project includes new construction of 78 units and renovation of 14 units, totaling 92 units located on the 700 block of Buena Vista Ave. ICD is the developer. The overall project scope includes both, rehabilitation of existing structures and construction of a new building in the middle of the site. In addition to the 78 units, the new central building includes onsite laundry, property management offices, social service coordination offices, a community room, and central courtyard with play structures. Twelve existing units, in five buildings, on the east and west sides of the new building will be renovated, and one house will be converted into a duplex. Please see previous monthly Board reports for project details prior to this month's update.

DISCUSSION

AHA continues to work with Paragon Partners to find alternate permanent housing for remaining residents. The final tenant awaiting a permanent move has accepted a unit transfer to another AHA property and is expected to move in April. An update on the relocation status through March 31, 2020 is below:

Total Units	Vacant Units	Moves Completed	Currently Occupied	Remaining Units to Permanently Relocate	Remaining Units to Temporarily Relocate
53	46	28	7	1	5 + 1 manager

Staff, together with the Review Panel, have reviewed and ranked all the responses to the Debt and Equity RFP. The highest-ranking equity proposal from Enterprise Housing



Honorable Chair and
Members of the Board of Commissioners

April 15, 2020

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Credit Investment (Enterprise) with Bank of America as the construction lender and Greystone Servicing Company (Greystone) as the permanent lender was selected for the Rosefield Village development. Enterprise will make a total equity investment of \$25,992,587 based on \$1.0136 per dollar of federal tax credits and \$0.85 per dollar of state tax credits. The executed Letter of Interest from Enterprise and Term Sheets from Bank of America and Greystone are included as an attachment to this monthly report. Staff is working with the financing team on due diligence for a July construction start and loan closing. The final financing package will come back to the Board for approval once due diligence is complete.

Staff and the design team are working closing with Alameda Municipal Power (AMP) to resolve some sequencing issues with maintaining temporary power to the 700 Block of Eagle and Buena Vista Avenues during construction. The AMP network is connected to Eagle Village across the street from Rosefield Village, but the core transformer is located on the Rosefield site and needs to be demolished. The joint trench design is currently being updated to maintain continuity of power to both properties and will be resubmitted to AMP for review and approval.

FINANCIAL IMPACT

The Board has previously authorized a \$2.5 Million loan to Island City Development for pre-development expenses.

The chart below summarizes expenses through March 2020.

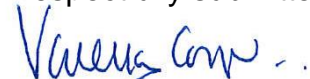
Rosefield Village

Pre-development Loan from AHA	\$	2,500,000
Usage through February 2020	\$	2,213,056
Balance	\$	286,944

RECOMMENDATION

Accept the Monthly Development Report for Rosefield Village.

Respectfully submitted,



Tony Weng
Senior Project Manager

Attachment:

1. Financing Term Sheets





March 27, 2020

Ms. Vanessa Cooper
 Executive Director
 Housing Authority of the City of Alameda
 701 Atlantic Ave
 Alameda, CA 94501

Dear Ms. Cooper:

Thank you for considering our proposal! This letter outlines the terms and conditions under which Enterprise Housing Credit Investments (“Enterprise”) as representative for one or more equity funds will make an equity investment in Rosefield Village (the "Project") located in Alameda, California.

A. The Project

- Involves the new construction 78 units in 1 building, and acquisition of 13 units to be rehabilitated into 14 units in 6 buildings, for a total of 92 units in 7 buildings.
- Includes 23 rental units subsidized by project-based rental subsidy
- Is projected to qualify for the following tax credit percentages which will be locked as of closing
 - 3.12% for acquisition
 - 3.12% for construction
- The applicable fraction will be 97.80%.
- Is projected to qualify for:
 - \$2,338,830 of annual Federal Low-Income Housing Tax Credits (the "Federal Housing Credit")
 - \$2,691,000 of Certificated State Low-Income Housing Tax Credits (the "State Housing Credit")

B. Project Ownership, Fees, Cash Flow and Capital Proceeds Allocations

- Owned by a partnership named Constitution and Eagle LP (the “Partnership”)
- Sponsored by Island City Development and Housing Authority of the City of Alameda (the “Sponsor”)
- The general partner will be a non-profit subsidiary of the Sponsor (the “General Partner”), which will be a single purpose entity with a 0.01% partnership interest
- The Enterprise equity fund will be the limited partner (the "Limited Partner") with a 99.99% partnership interest

ENTERPRISE HOUSING CREDIT INVESTMENTS, LLC.

70 Corporate Center ■ 11000 Broken Land Parkway ■ Suite 700 ■ Columbia, MD 21044 ■ 410.964.0552 ■ www.EnterpriseCommunity.org

Alternative ownership structures are possible, but may require adjustments of cash-flow fees and the allocations of the economic benefits for each partner as compared to the following proposal:

- Development Fee – the developer will earn a fee in the amount of \$5,615,000, payable as follows:
 - \$2,000,000 is projected to be paid out of equity as detailed in Section C below
 - \$2,115,000 is projected to be paid from sources other than limited partner equity on terms approved by the Limited Partner
 - The remainder of the capitalized fee is projected to be deferred and paid from cash flow at the interest rate showing in the projections. The General Partner will be obligated to pay any unpaid fee by the end of the compliance period
- Investor Services Fee - the Limited Partner will receive an investor services fee of \$7,500 inflating 3% per year paid in accordance with Section E. Unpaid investor services fee will accrue without interest and be paid as a priority from subsequent cash flow or proceeds from refinancing or sale
- Partnership Administration Fee - the General Partner will receive a partnership administration fee of up to \$25,000 (subject to agreement that the scheduled amount will not threaten the acquisition credit and any amount above \$7,000 as finally determined will be added to the projections and that the special operating expense allocation to the General Partner may be increased), inflating at 3% per year paid in accordance with Section E. Unpaid partnership administration fee will accrue without interest to be paid from subsequent cash flow or proceeds from refinancing or sale
- Credits and operating profits and losses - will be allocated 0.01% to the General Partner with the remainder to the Limited Partner and 10% special allocation of operating expenses to the General Partner with and GP DRO limited to the GP's negative capital account, if any, as of the end of the credit period..
- Cash Flow Split – cash flow will be distributed 49% to the General Partner (accompanied by a special allocation of an equal amount of income) with the remainder to the Limited Partner
- Refinance or Sale Proceeds Split – proceeds will be distributed 49% to the General Partner with the remainder to the Limited Partner

C. Pricing of Credits and Schedule of Capital Contribution Payments

The Limited Partner proposes making an investment of \$\$25,992,587 based upon:

- \$1.0136 per dollar of Federal Housing Credit (“Federal Housing Credit Price”)
- \$0.85 per dollar of State Housing Credit Certificate (“State Housing Credit Price”)

We assume the Limited Partner will be admitted to the Partnership on July 15, 2020. If prior to closing there are material changes in the underwriting or timing assumptions or Enterprise's cost or availability of capital, or if the planned closing date is delayed, the Limited Partner may adjust the investment.

Capital contributions ("Payments") will be due upon meeting the conditions and delivery of the items outlined below with approval by the Limited Partner for each requirement. All Payments are contingent upon meeting the conditions of prior Payments, and receipt of reporting items (see Section I below) and representations and warranties to insure the Project's viability. Additional conditions may be imposed during underwriting and will be reflected in the final partnership agreement (the "Partnership Agreement"). The State Housing Credit Certificates will be bought at Stabilization which is concurrent with the 4th Capital Contribution.

First Payment Admission, up to the amount projected but limited to the amount needed to cover immediate costs.

Second Payment On the latest to occur of July 1, 2021 and:

- a) Loan documents for loans closed on or before the admission date
- b) Owner's title insurance policy
- c) Draw request (including a draw schedule showing balanced sources and uses and AIA forms G702 and G703)
- d) Support for all soft costs
- e) General contractor lien waivers
- f) Achievement of 50% construction completion

Third Payment On the latest to occur of June 14, 2022 and:

- a) Temporary certificates of occupancy for 100% of the units (for renovated buildings, initial building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- b) Construction completion which requires that the Limited Partner and its consultant accept the architect certification that construction is complete in accordance with the relevant project documents, excepting punch list items that do not impede occupancy on a full rent paying basis provided that funds are escrowed to complete them
- c) Radon testing for each building and evidence of mitigation, if required
- d) Lead free inspection certificate (for buildings built before 1978) or acceptable Operations and Maintenance Plan.
- e) Title report evidencing there are no recorded mechanics liens that have not been released or bonded against

- f) Draft as-built plans approved by the architect
- g) Draft Sponsor prepared cost certification documenting the Project's eligible basis, balanced sources and uses, calculation of annual credit, and evidence of the 50% test (for 4% deals)
- h) Current source and use schedule for the Project confirming sufficient funds will be available to achieve loan conversion ("Loan Conversion") which consists of:
 - i. Conversion of all Loans to permanent status
 - ii. Closing and funding of all permanent Loans in accordance with the terms shown on the Projections
 - iii. Repayment of all construction loans
 - iv. Approval of all loan documents
- i) Required insurance
- j) Partnership's 168(k)(7) election to opt out of bonus depreciation
- k) satisfactory evidence of the Partnership's valid and timely election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code;
- l) Evidence that application has been properly filed for special property tax exemption
- m) Operating or rental subsidy agreements

Fourth Payment

On the latest to occur of January 1, 2023 and:

- a) Permanent certificates of occupancy for 100% of the units (for renovated buildings, final building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- b) Final mechanic's lien release and final AIA forms G702 and G703
- c) Final as-built ALTA survey (for projects involving new construction or changes to the footprint of a building due to renovation)
- d)
- e) Final accountant certified cost certification documenting the Project's eligible basis, balanced sources and uses, calculation of annual credit, and evidence of the 50% test (for 4% deals)
- f) 98% tax credit qualified occupancy including receipt and approval of initial tenant documentation
- g) Credit projection
- h) Approval of property tax exemption
- i) Stabilization Date, which is the date that is the later of:
 - i. Construction completion

ii. The date the Project has satisfied the Required Debt Service Coverage Ratio (the “Coverage Ratio”) of 1.15 for a period of three (3) consecutive calendar months evidenced as a single time period, with revenues calculated on a cash basis and expenses on an accrual basis. Rental and operating subsidy payments receivable may be included in rental income (up to the projected subsidy income) provided such amounts are not more than sixty (60) days in arrears. Revenue shall not include non-recurring revenue nor tenant-based voucher income exceeding maximum Housing Credit rents. Throughout this period, the underwritten physical occupancy of the residential units is achieved and revenue equals or exceeds projected Effective Gross Income. Project expenses (including required reserve funding) will be the greater of:

1. actual expenses; OR
2. the lesser of
 - A. the expenses shown on the projections
 - B. the current approved budget

Note that the Coverage Ratio may be adjusted upward during underwriting to maintain appropriate minimum Coverage Ratio during the initial compliance period.

j) Loan Conversion, which may be simultaneous with equity funding per this Payment

Fifth Payment On the latest to occur of April 1, 2023 and:

- a) Recorded extended use agreement
- b) Draft IRS Form(s) 8609 before submission to IRS and fully executed IRS Form(s) 8609 filed with IRS
- c) Tax return for the first Housing Credit year

Sixth Payment On the latest to occur of January 1, 2028

These Payments will fund uses according to the following:

Remove state equity from Stabilization Pmt; total equity - covered in GP Capital/Sponsor Loan for Certs						Allocation of LP Capital Contributions				
Choose "Percentage ("P") or Amount ("A") method						Project Costs	Developer Fee and Overhead	Legal	Lease Up Reserve	Operating Reserve
Payment	Project Milestone	Date	Amount	Percent	Cumulative					
						23,166,097	2,000,000	45,000	0	781,490
1	Admission	07/15/20	2,447,786	9.42%	9.42%	1,952,786	450,000	45,000		
2	During Construction 50% Complete	07/01/21	200,000	0.77%	10.19%		200,000			
3	Completion	07/01/22	300,000	1.15%	11.34%		300,000			
4	Stabilization / Conversion	01/01/23	22,363,311	86.04%	97.38%	21,213,311	950,000			200,000
5	Tax Returns / 8609s	04/01/23	100,000	0.39%	97.76%		100,000			
6	Other Reserves	01/01/28	581,490	2.24%	100.00%					581,490

D. Adjusters

The maximum aggregate upward adjuster is 5% of the projected total capital contribution. An upward adjuster will reimburse development advances or reduce deferred development fee or partner loans or receivables with any remaining balance distributable as Refinance or Sale Proceeds in accordance with section E below. If the unpaid Payments are less than any downward adjustment, the General Partner will make a cash contribution or loan in the amount of the deficiency on an after-tax basis to be distributed to the Limited Partner. The specific adjustments follow:

1. Total Credit Adjuster:

If there is a reduction of total credits of any type reflected in either the draft cost certification, the final cost certification, or 8609(s), as compared to projections, then the next Payment will be reduced. The amount of the downward adjuster will be the respective credit price multiplied by the reduction of the relevant credits.

If there is an increase of total credits of any type as compared to projections then the aggregate capital contribution will be increased as of the Payment for which 8609s are received. The amount of the upward adjuster will be the respective credit price multiplied by the increase of the relevant credits.

2. Timing Adjuster:

If there is a reduction in equity according to the following paragraphs, it will be implemented as of the Payment dependent upon the Stabilization Date. Any additional equity funded under this section D.2 will be payable as part of the Payment requiring receipt of the relevant tax return showing the faster delivery, by year.

If the Project delivers (using the actual basis methodology) less than \$1,066,489 Federal Housing Credits for calendar year 2022, the Limited Partner's capital contributions will be reduced by \$0.39 per dollar of credit differential. If the project delivers Federal Housing Credits in excess of the projected amount(s) for the first and second year of the credit period, the total capital contribution will be increased by \$0.39 per dollar of the credit differential. If the increase in first year Federal Housing Credits results in any loss of Federal Housing Credits due to the 2/3 rule, the increase will be reduced by both the permanent loss of Federal Housing Credits and present value of the rescheduled credit delivery.

After the total state credit adjuster above in D.1. is applied, if the Project delivers State Housing Credits on a schedule different from the project schedule (on a prorated basis), then the adjuster will be calculated as follows: First, for each year that state credits are taken or were projected, the difference between the actual credits and the projected credits will be calculated. Then, the NPV of these differences will be calculated using the project IRR as the discount rate. The equity will be adjusted either upward or downward based on this total NPV of these differences. The projected credit delivery is based on the following projections:

TAX CREDIT SCHEDULE		Term	Rate	Allocations	2022	2023
Federal Acquisition Tax Credits (4%)		10	3.19%	127,915	79,648	127,915
Federal Constr/Rehab Credits (9% or 4%)		10	3.19%	2,257,710	1,405,784	2,257,710
Fed Historic Tax Credits		5	20.00%	0	0	0
State Low Income Tax Credits	CA	2	0.00%	2,691,000	2,423,792	267,208

3. Recapture Adjuster

If the actual Federal Credits allocated to the Limited Partner on the Federal tax return are less than projected (after adjustments per D.1 and D.2 above), or there is recapture of Federal Credits, then the Limited Partner's capital will be reduced by \$1.00 for every dollar reduction in the amount of Federal Credits plus any interest and penalties imposed by the IRS.

If it is determined that a recapture adjuster will be applicable in subsequent years, the full adjuster for the future years will be made at the time of the initial determination. If the unpaid capital contributions are less than this adjustment, the General Partner will make a cash contribution in the amount of the deficiency on an after-tax basis. This contribution will be distributed to the Limited Partner.

4. Depreciation Adjuster

Failure to make various General Partner or Sponsor tax and Project depreciation elections as called for in the projections and the Partnership Agreement will result in a reduction in capital contributions to reflect the reduction in benefits. If unpaid capital contributions are less than such adjustment, the General Partner will be required to make a cash contribution up to the amount of such reduction in tax benefits on an after-tax basis. This contribution will be distributed to the Limited Partner.

5. Excluded Credit Adjustment Amount

There will be no adjuster for any reduction or recapture of Credits if such reduction or recapture is due solely to (i) an act or omission attributable to gross negligence or intentional misconduct of the Limited Partner in violation of the Partnership Agreement; (ii) the transfer by the Limited Partner of all or a portion of its interest in the Partnership; or (iii) any change in the Code that occurs after the effective date of the Partnership Agreement, with which the General Partner is unable to comply despite the exercise of good faith and reasonable efforts.

E. Application of Cash Flow and Refinance or Sale Proceeds

1. Cash Flow

Cash remaining after funding operating expenses, reserve deposits, and required debt service will be applied according to the following priorities:

- a) to the Limited Partner for:
 - i. unpaid credit deficiency
 - ii. taxes owed on taxable income allocated to the Limited Partner
 - iii. unpaid Investor Services Fees
- b) to replenish the operating reserve to required level
- c) to the property manager for the cash flow portion of property management fee (if related manager)
- d) to the developer to pay off remaining deferred Development Fee
- e) to the General Partner

- i. to reimburse operating deficit contributions
 - ii. to reimburse cost overrun contributions (at the Limited Partner's sole discretion after tax analysis)
 - iii. for Partnership Administration Fee (if applicable)
- f) Contingent loan payments with limits for each loan scheduled in the projections and in accordance with the loan documents
- g) A percentage to the General Partner accompanied by a special allocation of income of such amount and the remainder to the Limited Partner per Section B above

2. Refinance or Sale Proceeds

The proceeds of a refinance or sale of the Partnership property, net of paying off outstanding debt, will be distributed according to the following priorities:

- a) to the Limited Partner for
 - i. unpaid credit deficiency
 - ii. taxes owed resulting from the sale or refinancing
 - iii. unpaid Investor Services Fees
- b) to the developer for unpaid Development Fee
- c) to the General Partner for:
 - i. reimbursement of operating deficit contributions and credit adjuster advances
 - ii. reimbursement of cost overrun contributions (at the Limited Partner's sole discretion after tax analysis)
 - iii. Partnership Administration Fee (if applicable)
- d) Distributions to the General Partner and the remainder to the Limited Partner according to Refinance or Sale Proceeds Split

F. Disposition of the Limited Partner's Interest

The Limited Partner will have an absolute right to withdraw from the Partnership after the credit period. Beginning after the credit period the Limited Partner may require the General Partner or its designee to purchase the Limited Partner's entire interest in the Partnership for one thousand dollars (\$1,000.00) provided the General Partner provides adequate protection against the possibility of tax credit recapture through the end of the compliance period.

While we cannot commit now to an early exit, we will consider a request to exit the LP after the credit period. Here, the deal is structured to make a ROFR eminently feasible to meet the sponsor's affordable housing goals.

The General Partner will have the following purchase options which will terminate 18 months after each respective trigger date:

1. Purchase of the Limited Partner's Interest

The General Partner will have the option to purchase the Limited Partner's interest at the end of the initial compliance period for a price (“Buyout Price”) equal to the greater of (a) the appraised value of the Limited Partner’s interest, or (b) any taxes payable by the Limited Partner attributable to the sale of its interest.

2. Purchase of the Project

After the initial compliance period, the General Partner will have the option to purchase the Project plus all cash assets for a price equal to the greater of (a) the appraised value of the Project, or (b) the total amount of any taxes payable by the Limited Partner due to the sale plus debt on the Project.

3. Right of First Refusal

The Sponsor, or another qualified 501(c)(3) corporation approved by Enterprise, will have a right of first refusal to purchase the real estate of the Partnership for a price equal to the sum of: (i) taxes payable by the Limited Partner due to the sale, and (ii) outstanding debt secured by the real estate.

G. General Partner Obligations

All obligations of the General Partner, including but not limited to the following, will be guaranteed by Sponsor (the “Guarantor”), jointly and severally. The General Partner and Guarantor must demonstrate to Enterprise, in its sole and absolute discretion, their ability to provide meaningful guarantees.

1. Guarantees

- a) Achieve lien-free construction completion, cover all cost overruns during construction, ensure payment of all development costs (including any demolition, relocation, environmental remediation and infrastructure construction necessary for the completion of the Project), and convert to permanent financing at the amounts and terms shown in the projections. Advances under this guarantee will not be reimbursed. Funding under this guarantee may be in the form of a cash-flow contingent loan at the Limited Partner’s sole discretion after tax analysis.
- b) Advance funds needed to cover operating deficits until the later of the Stabilization Date or Loan Conversion.
- c) After the later of the Stabilization Date or Loan Conversion, advance funds needed to cover operating deficits up to 6 months of operating expenses, reserve contributions, and debt service currently scheduled to be \$781,000. The duration of this guarantee is at least 3 consecutive audited years (including the calendar year of Stabilization or Loan Conversion) following the later of Loan Conversion or Stabilization Date. This guarantee will continue until such time as:
 - i. the operating reserve is funded as per Projections
 - ii. the Project has achieved the Coverage Ratio for the final year of the guarantee period. This ratio may be adjusted during underwriting to maintain a minimum Coverage Ratio during the initial compliance period

- iii. the project-based rental or operating subsidy and/or service subsidy is in full force and effect per the projections.
- d) Contribute capital to fund:
 - i. adjusters as described in Section D above;
 - ii. reserve accounts not funded due to capital contribution adjustments; and
 - iii. unpaid Development Fee at the end of the compliance period.
- e) Repurchase the Limited Partner's interest if:
 - (A) At any time before the Project has operated at Break-even for a period of three (3) consecutive calendar months, any Loan is in default, after the expiration of any applicable notice and cure period, or an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project;

OR

- (B) If the Partnership fails to:
 - i. For 4% projects, qualify for Federal Housing Credits for failing the 50% test as required in Code Section 42(h)(4)
 - ii. Achieve the minimum set-aside test for the Project
 - iii. Achieve at least 75% of the projected Federal Housing Credit
 - iv. Operate at break-even for 3 consecutive months within 18 months of the Completion Date
 - v. Achieve Loan Conversion
 - vi. Maintain any loan commitment which is not replaced by a comparable commitment acceptable to the Limited Partner
 - vii. Receive 8609s by September 1 of the year after the first year of the credit period for the last building placed in service;

OR

- (C) Upon an Event of Bankruptcy with respect to the General Partner or the Guarantor prior to the Completion Date.

The repurchase price will be 100% of capital contributions made to date plus interest at the Prime Rate plus 2%, plus the costs and expenses incurred (including reasonable attorneys' fees incurred to enforce these provisions) less the credits allocated and cash flow distributed (not fees paid for Investor Services) to the Limited Partner not subject to recapture.

- f) Indemnify the Partnership and the Limited Partner for any income tax liability on an after-tax basis or costs to remove liens realized by the Partnership or the Limited Partner in any taxable year attributable to any taxable grant not approved by the Limited Partner or to any deemed sale of State Credits. This indemnification is a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.

- g) Indemnify the Partnership and the Limited Partner from any loss incurred due to the General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement, actions or environmental violations. This indemnification is a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.

2. Reserve Requirements

- a) The operating reserve (the "Operating Reserve") will be funded in the total amount of at least 6 months of operating expenses, reserve contributions, and debt service and is currently scheduled to be \$781,490. After the Project has achieved the Stabilization Date and Loan Conversion, the General Partner will be permitted to use the Operating Reserve prior to making Operating Deficit Contributions to the extent the Operating Reserve has been funded as of the date of the deficit.

Upon termination and winding up of the Partnership, subject to the provisions of the Limited Partnership Agreement, the balance in the Operating Reserve shall be used to pay any tax (including exit and transfer taxes) imposed on the Partnership, the Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or for other uses approved by the Limited Partner. Paying off Sponsor Notes is an eligible use of these funds. The Fund will provide for the state mandated language around the release of operating reserves. We anticipate providing language that will allow release of the operating reserves to the waterfall to the extent allowed by the State during the final quarter of the initial compliance period based on certain performance benchmarks.

With respect to the Operating Reserve scheduled to be funded from capital subsequent to the operating deficit guarantee period, the Limited Partner shall not unreasonably withhold funding of the reserves on or prior to the scheduled date in an amount necessary to fund operating deficits, provided that:

- i. The Limited Partner would approve release of these amounts from the funded Operating Reserve under the terms of the Partnership Agreement, and
 - ii. Funding early will not otherwise adversely affect the Limited Partner. If loss of credits or recapture costs are anticipated, then the Limited Partner may withhold funding of the Operating Reserve to effectively fund the adjuster. If the IRR to the investor would drop due to early funding of the Operating Reserve, then at the request of the Limited Partner, the General Partner shall undertake reasonable steps to maintain the projected IRR.
- b) The lease-up reserve ("Lease-Up Reserve") must be budgeted in the amount needed to cover the projected deficits prior to the Stabilization Date.
- c) The replacement reserve (the "Replacement Reserve") will be funded from operations in the amount of \$500 per unit per year, increasing 0% annually. For rehabilitation projects, the physical needs over time analysis may indicate that a higher annual contribution is required.

H. Opinion of Counsel & Syndication Costs

The Limited Partner's attorneys will prepare the Partnership Agreement, review due diligence, and prepare the tax opinion. The Partnership will pay the Limited Partner's attorney fees, estimated to be \$45,000 but could be greater in the event of an extended closing schedule or extraordinary deal complexities.

The Limited Partner will require a satisfactory opinion of Partnership's counsel on certain corporate and other matters including formation of the Partnership, limited liability of the Limited Partner, no conflict between the Partnership Agreement and other binding contracts, no litigation, etc. The General Partner and the Partnership's counsel will prepare all other necessary documents, collect due diligence, legal opinions, and perform other work necessary to complete the transaction.

The Partnership will pay the costs of construction plan review and inspections as commissioned by the Limited Partner.

I. Reporting

The Partnership will deliver to the Limited Partner:

- a) Construction progress reports
- b) monthly lease-up report within 15 days after each month
- c) quarterly unaudited financial statements not later than 15 days after the end of each period
- d) annual draft audited financial statements and draft tax returns not later than 45 days after the end of each year and final audited financial statements and final tax returns not later than 60 days after the end of each year. The audit and tax return must be prepared by a certified public accountant approved by Enterprise. Late delivery of annual audited financial statements or tax returns obligates the General Partner to pay to the Limited Partner the sum of \$50 dollars per day for the first 30 days such audit or tax return is late, and \$100 per day thereafter

J. Additional Requirements

In addition to the conditions set forth above, any investment by the Limited Partner is contingent upon availability of capital at the time of closing and upon review and approval by Enterprise's Investment Committee, in its sole and absolute discretion, of all of the following:

- An award of tax exempt bond authority from the relevant agency, a bond inducement resolution issued, and evidence that the project qualifies for Federal Housing Credits in the amount of the Federal Housing Credit Allocation because 50% or more of the project is financed with tax exempt bonds subject to the volume cap, as provided in Section 42(h)(4)(B) of the Code
- Market demand, Rent, and Operating Expenses
- Management Agent and Management Plan
- Phase I Environmental Assessment including radon, lead paint and asbestos reports, as applicable

- Commitments and documents from all other sources of financing
- Legal or other opinions
- Any other items material to the underwriting of the Project
- Partnership Agreement
- Investor approval

Enterprise may waive any of the conditions to closing set forth in this letter. The waiver of any condition does not constitute a waiver of any remaining conditions.

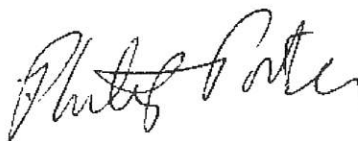
The Sponsor acknowledges that this letter of interest is proprietary and confidential and may not be shared with competing investors or any other developer. Upon execution of this letter, Enterprise will commence its underwriting and due diligence review and will have its outside counsel commence the preparation of the transaction documents. The Sponsor agrees that Enterprise will have an exclusive right to syndicate the credits for this Project which will terminate if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date. Enterprise reserves the right to terminate this letter if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date.

Letter of Interest 3 for Rosefield Village

March 27, 2020

This letter of interest will expire if the counter-signed copy is not received by Enterprise by the 11th day after the date of this letter. Please remit one fully executed copy right away. We look forward to working with you!

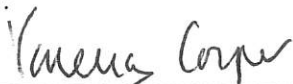
Sincerely,
ENTERPRISE HOUSING CREDIT
INVESTMENTS



Philip Porter, Vice President

Agreed and accepted:

By:



Title:



PROJECT ASSUMPTIONS

The terms and conditions are based on the following assumptions, which may be adjusted prior to closing:

1. Market rents as established by the Enterprise market analyst are at least 10% above the scheduled unsubsidized rents and at least equal to the rental subsidy contract rents.
2. Total vacancy loss (physical vacancy plus loss to lease and bad debt) rate of 5%.
3. Annual operating expenses of \$8,992 per unit net of Replacement Reserves and Investor Services Fee and including County and Bond Issuer Fees.
4. Should the Project not break even, the Property Management Fee paid to parties related to the General Partner or Guarantor will be deferred and collected from Cash Flow. We acknowledge the PM fee to a 3rd party is \$55 pupm and that any extra budget in the pro-forma will be reallocated to other expense line items. Sponsor shall have the flexibility to adjust Sponsor loan and GP contributions, subject to underwriting, program, tax and other reasonable investor requirements.
5. Enterprise assumes that during underwriting, the GP capital (including for land and developer fee) can be structured and/or seasoned such that legal and acquisition credit risks are mitigated to the satisfaction of the investor.
6. The 2 unrestricted “Non-TCAC” units will be operated at 80% AMI maximum income and rents upon turnover.
7. Enterprise assumes that the rate for the permanent mortgage will be locked at closing using a fixed-rate construction-permanent product or a forward commitment which encompasses the projected construction, leasing, and stabilization period with a cushion. Swaps are not acceptable. Debt service covenants which would put the project into default as long as payments are being made are generally unacceptable.
8. The project will have project-based operating, service, or rental subsidy in the form of 23 Section 8 on 7 studios, 5 1BR, 7 2BR, and 4 3BR units for 20 years. In the event the rental or operating or service subsidies are not in full force and effect as per the projections, we assume the property could achieve \$1,466,159 base year gross rent potential due to adjusted use and rent restrictions. The following adjustments to use and rent restrictions and operating expenses which need to be supported during underwriting follow:
 - Reduce property management fee to lesser of 5% of Effective Gross Income or \$50/unit/month
 - Voucher units float to 50% AMI and income averaging and regulatory requirements are still met.
9. The Project contractor will provide a 15% letter of credit or 100% payment and performance bond. Retainage will be 10% through completion unless limited by state law.
10. Construction will begin by July 15, 2020 and will be complete by May 15, 2022. Liquidated damages for delayed delivery will be built into the General Contract according to the following minimum standards:

- Contracts up to \$5MM: \$500 per day
- Contracts over \$5MM up to \$10MM: \$1,000 per day
- Contracts over \$10MM up to \$15MM: \$1,500 per day
- Contracts over \$15MM: \$2,000 per day

11. For projects in Uniform Building Code zones 3 or 4, a seismic survey will be required. Enterprise will not invest in projects with a Scenario Expected Loss ratio (SEL) above 40% post completion. Until such time as the SEL is below 20%, then earthquake insurance sufficient to cover replacement with a deductible of no more than 5% of insured value will be required.

12. Depreciation according to the following base election schedule, but with special allocations as specified in the projections (including depreciating soft costs pro-rata according to the useful lives of the hard costs):

Depreciation Assumptions

Is FP GP a For-Profit Subsidiary of a Non-Profit?

Will a 168 (h) (6) Election be made?

Is there a Commercial Depreciation Override?

Will there be a Building by Building Override?

Will there be Soft Cost Allocation?

Depreciable Life of Building

Depreciable Life of Furniture, Fixtures, Equipment

Depreciable Life of Site Work

Will there be Bonus Depreciation?

The financing and tax structure will be approved by our tax attorney.

No	
No	
No	
No	
No	
30.0	Years
5	Years
15	Years
No	

Project Loan Information:

Important:
Enter Loans in Lien Priority at Sale
Lender Name

Financing Source
Loan Amount:
Interest Rate:
Mortgage Insurance Premium
Fixed or Variable
Term (Years):
Amortization
Loan Type
Loan Repayment Type
Loan First Payment Date:
No. of Months in First Year:
Monthly Payment
Annual Payment:
MIP Payment (1st Year):

Non-Recourse Loan?
Related Party Loan?
New or Assumed Seller Debt?
Loan Restrictions
HUD Deal/Conversion: Required
*Below with Enterprise Real Estate Capital, LLC

CASH FLOW CONTINGENT LOAN OPTIONS (DO NOT COMPLETE CELLS BELOW FOR LOANS THAT ARE "MUST-PAY")

Percent of Cash Flow Available:
Interest Rate Paid (if different)
Interest-Only or P&I
Compound Interest-See Eff. Int. Calc. for Simple Int.
Fixed Payment:
Accrued Interest During Construction:
Comments:

Loan Maturity Due Date

Notes:	LOAN 1	LOAN 2	LOAN 3	LOAN 4	LOAN 5	LOAN 6	LOAN 7	LOAN 8	LOAN 9	LOAN 10
30,918,001	Mortgage	County A1	CDBG LP Assumption	City HOME Loan	DDF	Sponsor takeback Land & Bldg	Sponsor Loan (School District \$)		Sponsor Loan (State Certs)	AHA Sponsor Loan (Gap)
0.04	Bank/Convention	Other	Other	Govt-Local Other	Other	Other	Other	Other	Other	Other
1.15	13,405,000	8,093,414	618,569	391,680	1,500,000	16,591,431	6,660,000	0	2,287,350	1,295,251
1.33	3.75%	1.79%	1.48%	1.79%	0.00%	1.44%	0.00%		0.00%	0.00%
0.169	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
	16	55	55	55	15	55	55	55	55	55
	35	55	55	55	15	55	55	55	55	55
	Conventional Must pay	Contingent	Contingent	Contingent	Deferred Develop. Fee	Contingent	Contingent	Contingent	Contingent	Contingent
	Fully Amortizing	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting	Cash Flow Conting
	1/1/2023	1/1/2023	1/1/2023	1/1/2023	5/15/2022	7/15/2020	1/1/2023	7/15/2020	1/1/2023	7/15/2020
	12	12	12	12	8	6	12	6	12	6
	57,361	0	0	0	0	0	0	0	0	0
	688,328	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	Non-Recourse	Non-Recourse	Non-Recourse	Non-Recourse	Recourse	Recourse	Recourse	Recourse	Recourse	Recourse
	Non-Related Party	Non-Related Party	Non-Related Party	Non-Related Party	Related Party	Related Party	Related Party	Related Party	Related Party	Related Party
	100.00%	10.00%	10.00%	10.00%	100.00%	50.00%	50.00%	0.00%	50.00%	20.00%
	3.75%	1.79%	1.48%	1.79%	0.00%	1.44%	0.00%	0.00%	0.00%	0.00%
	P&I	P&I	P&I	P&I	P&I	P&I	P&I	P&I	P&I	P&I
	Compound	Compound	Compound	Compound	Compound	Compound	Compound	Compound	Compound	Compound
		357,035	22,562	17,279						
	12/31/2038	12/31/2077	12/31/2077	12/31/2077	5/14/2037	7/15/2075	12/31/2077		12/31/2077	7/15/2075

Construction Loan Information

	Bonds/Construction		Construction	Construction
	Loan #1 <input checked="" type="checkbox"/>		Loan #2 <input type="checkbox"/>	Loan #3 <input type="checkbox"/>
Lender Name:	Excess CL Bond	11,839	BAML Construction Loan	CDBG LP Assumption
Loan Amount:	50% TEST:	58.86%	43,577,500	618,569
Interest Rate:			4.20%	1.48%
Rate is based on: (Libor + X bps, etc.)				
Term (Months)			26	
Construction Loan Payoff Date (per draw schedule)				
Maturity Date (per loan documents)				
Allowable Extensions (in months)				
			Construction	Construction
			Loan #4	Loan #5
Lender Name:			County A1	City HOME Loan
Loan Amount:			8,093,414	391,680
Interest Rate:			1.79%	1.79%
Term				
At Close	23,443,696	21,490,910	(7,614,435)	
During Construction	46,784,621	3,207,121	2.37	
	70,228,317			

QUARTERLY CAPITALIZATION OF INTEREST			
CONSTRUCTION INTEREST VERIFICATION			
	Loan #1	Loan #2	Loan #3
Months of Construction	24	22	24
Construction % Carry	40.5%	100.0%	100.0%
Months of Interest Carry	6	8	6
Interest During Construction	1,484,275	0	18,310
Interest During Carry	850,118	0	4,252
Total Interest	2,334,394	0	22,562
	Loan #4	Loan #5	Loan #6
Months of Construction	24	24	22
Construction % Carry	100.0%	100.0%	40.0%
Months of Interest Carry	6	6	8
Interest During Construction	289,744	14,022	0
Interest During Carry	67,290	3,257	0
Total Interest	357,035	17,279	0
	TOTALS		
Interest During Construction	1,806,351		
Interest During Carry	924,918		
Total Interest	2,731,269		

Other Sources	Financing Source	Amount
Deferred Interest During Construction	Govt-Local Other	396,875
GP Equity for Certificated Credits	Other	0
GP Equity for Land Value	Other	
GP Equity	Other	2,115,000



March 27, 2020

Vanessa Cooper
Island City Development
701 Atlantic Avenue
Alameda, California 94501

Re: Rosefield Village located in Alameda, CA (the "Project")

Dear Ms. Cooper:

This letter will serve as a preliminary outline of the terms under which Bank of America (the "Bank") would consider offering construction 4% tax-exempt or taxable financing. **This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a commitment, but is a framework upon which a request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the request under the Bank's internal approval process. The Bank may decline to approve the request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the request.**

The proposed terms and conditions are as follows:

- Borrower:** Constitution and Eagle LP
- Guarantors:** 100% guarantee of completion, performance and repayment to be provided by The Housing Authority of the City of Alameda (the "Guarantor"). Standard Bank guaranties required prior to the Conversion Date.
- Purpose:** To enable Borrower to acquire, construct, equip and rehabilitate a 92-unit apartment complex known as Rosefield Village in Alameda, California (the "Property").
- Project Construction/
Rehabilitation Scope:** The construction and/or rehabilitation of the Project must be acceptable to Bank.
- Program:** Construction financing through Bank's 4% Tax Exempt Facility program ("4TEF") or Taxable Loan program, a proprietary, direct-funded, tax-exempt or taxable loan/bond product. The Bank will purchase or fund tax-exempt debt (the "Facility") issued through the California Municipal Finance Authority ("Issuer") or another acceptable governmental entity ("Governmental Entity").
- Taxability:** **Depending on the structure of the financing (including certain tax aspects of the transaction), the Facility may be taxable to the Bank which will be factored into the applicable Interest Rate set forth below.**

Term Sheet
 Rosefield Village
 March 27, 2020
 Page 2

Facility

Amount:

Information obtained by the Bank is currently insufficient to establish a Facility amount. Based on our general underwriting parameters for what we believe to be similar transactions, the Bank will fund or purchase a Facility that would be the lesser of:

- 1) 40,927,500;
- 2) 55% LTC, as determined by Bank in its sole and absolute discretion);
or
- 3) An amount not to exceed 92% of the Adjusted Loan-to-Value. For purposes hereof, "Adjusted Loan-to-Value" means the sum of:
 - a. The appraised value of the land and improvements calculated on a "restricted rent" income approach basis, as determined by Bank in its sole and absolute discretion; plus
 - b. The value of the tax credits, as determined by Bank in its sole and absolute discretion. This Term Sheet contemplates that Bank of America, N.A. will be the tax credit investor for the Project. Any change from this will require further modification from the loan terms provided herein.

Term:

The Facility will be interest-only and bear interest equal to the Interest Rate (as defined below) for a term equal to 32 months after the closing date (the "Conversion Date"), in order to allow for construction and lease-up. The Conversion Date may be extended for 6 additional months upon satisfaction of the following conditions: (a) No less than 60 but no more than 120 day written notice of intention to exercise the extension option; (b) No event of default having occurred or potential default occurring; (c) Performance hurdles have been met, including but not limited to, lien-free construction completion and lease up hurdles; (d) The loan is in balance, including sufficient interest reserve; (e) Project must demonstrate the ability to be able to convert/payoff the Facility within the 6-month extension period; (f) All co-construction loans mature or are extended concurrent or past the Bank's extension date; (g) All takeout commitments expire or are extended concurrent or past the Bank's extension date; (h) All investor commitments include terms or are modified to be consistent with the extension of the Bank's loan; (i) No material adverse change in the financial condition of the Project, Borrower, and Guarantor; (j) payment of an extension fee of 0.25% of the maximum Facility amount and all legal fees associated said extension.; and (k) Rate adjustment or fee payment, as appropriate, to cover the cost of the extension, if any.

Funding:

The Facility can be structured as fully-funded at closing or draw-down over the construction period as approved by the Bank.

Interest Rate:

The Facility will bear an annual rate of LIBOR Daily Floating Rate + 2.20% through the Conversion Date (as extended). If the LIBOR Daily Floating Rate shall be less than 1.00%, such rate will be deemed 1.00%.

"LIBOR Daily Floating Rate" means, for any day, a fluctuating rate of interest per annum equal to the London Interbank Offered Rate as

administered by ICE Benchmark Administration (or any other person that takes over the administration of such rate) for U.S. Dollars for a period of one (1) month (“LIBOR”) as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Bank from time to time), at approximately 11:00 a.m., London time, two (2) London Banking Days prior to such day, for U.S. Dollar deposits with a term of one (1) month commencing that day; provided that if the LIBOR Daily Floating Rate shall be less than zero, such rate shall be deemed zero. If the LIBOR Daily Floating Rate becomes unavailable, indeterminable or illegal, or fails to reflect Bank’s costs, the interest rate will be the Base Rate plus 60 bps per annum. “Base Rate” means, on any day, a fluctuating rate per annum equal to the higher of: (i) the Federal Funds Rate for that day plus ½ of 1%, and (ii) the rate of interest in effect for such day as publicly announced from time to time by Bank as its “Prime Rate.” The LIBOR Daily Floating Rate will be further defined in the Facility documents.

If Bank determines, or Borrower notifies Bank that: (a) adequate and reasonable means do not exist for ascertaining LIBOR and such circumstances are unlikely to be temporary, or (b) the administrator of LIBOR or a governmental authority having jurisdiction over Bank has made a public statement identifying a specific date after which LIBOR shall no longer be made available, or used for determining the interest rate of loans provided that, at the time of such statement, there is no successor administrator that is satisfactory to Bank, that will continue to provide LIBOR after such specific date, or (c) bilateral portfolio commercial real property loans are being executed or amended to incorporate or adopt a new benchmark interest rate to replace LIBOR, then Bank and Borrower may enter into an amendment to replace LIBOR (a “LIBOR Amendment”) with (x) one or more SOFR-Based Rates or (y) another alternate benchmark rate, giving due consideration to any evolving or then existing convention, and, in each case, including any mathematical or other adjustments, (any such proposed rate, a “LIBOR Successor Rate”) to such benchmark giving due consideration to any evolving or then existing convention. In no event shall the LIBOR Successor Rate be less than zero.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to the loan agreement.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source) and, in each case, that has been selected or recommended by the Relevant Governmental Body.

“SOFR-Based Rate” means SOFR or Term SOFR.

“Term SOFR” means the forward-looking term rate for any period that is approximately one month in duration (as determined by Bank) and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by Bank from time to time in its reasonable discretion.

- Other Fees:** Borrower will pay all costs of origination or issuance of the Facility, including, without limitation, any upfront and/or ongoing fees of the Issuer and bond counsel, and all other fees related to the transaction including but not limited to those of the Fiscal Agent or Trustee and the Issuer’s financial advisor, if any. These fees are not included in the above stated rates.
- Financing Fees:** 0.45% origination fee on the maximum Facility amount shall be due and payable to Bank on closing date.
- Hard Cost Contingency:** Facility budget shall have a minimum of 10% hard cost contingency.
- Section 8 Contract:** Section 8 contract, if any, shall be acceptable to Bank, including, but not limited to, a term of at least 20 years.
- LIHTC Equity:** Bank of America will need to approve the tax credit investor and pay-in schedule. For the purposed of this Term Sheet, it is assumed that Bank of America will be the tax credit investor.
- Permanent Loan:** Third-party permanent loan/take-out sources must be acceptable to Bank, provided that the Bank will underwrite to the lesser of (i) the third party permanent loan amount, (ii) a loan supportable by a 35-year amortization and 1.15x debt service coverage ratio, or (iii) a lesser amount acceptable to Bank and Investor.
- Security:** A first priority (i) mortgage and security interest in the Project; (ii) security interest in all personal property used in conjunction with the construction, operation and maintenance of the Project; (iii) assignment of all leases and rents; (iv) assignment of all construction, architect, and engineering contracts; (v) assignment of all permits, licenses and agreements; (vi) assignment of interests in the Borrower; (vii) pledge of reserve accounts; (viii) collateral assignment of the existing HAP contract, if any.
- Environmental:** Environmental indemnity to be obtained in form and substance approved by the Bank.
- Escrows:** Following the completion of construction and rehabilitation, Borrower will be required to make monthly deposits to the Bank for taxes and insurance. These deposits will be reviewed annually to determine their adequacy and are subject to adjustment.

**Indemnification
 and Expenses:**

Borrower will pay all costs incurred in connection with the proposed facility, including but not limited to reasonable legal fees of Bank's counsel, title/insurance fees, mortgage recording fees, and Bank's reasonable appraisal, engineering, insurance review fees, environmental, front end costs and document review/inspections, and physical needs assessment (for existing projects only). In the event that the proposed facility does not close, the undersigned will pay all such costs. Borrower and the undersigned acknowledge that Bank may receive a benefit, including, without limitation, a discount, credit or other accommodation, from such counsel based on the fees such counsel may receive on account of their relationship with Bank including, without limitation, fees paid in connection with the facility. Payment by Borrower of these expenses will not be contingent upon closing of the facility.

Borrower, or, in the event that the proposed facility does not close, the undersigned, will indemnify and hold harmless Bank and its affiliates and their respective partners, directors, officers, employees, agents and advisors from and against all losses, claims, damages, liabilities and expenses arising out of or relating to the facility, any other aspect of the contemplated transactions, Borrower's use of facility proceeds or the commitments, including, but not limited to, reasonable attorneys' fees (including the allocated cost of internal counsel) and settlement costs and any claim for loan brokerage fees or similar payments.

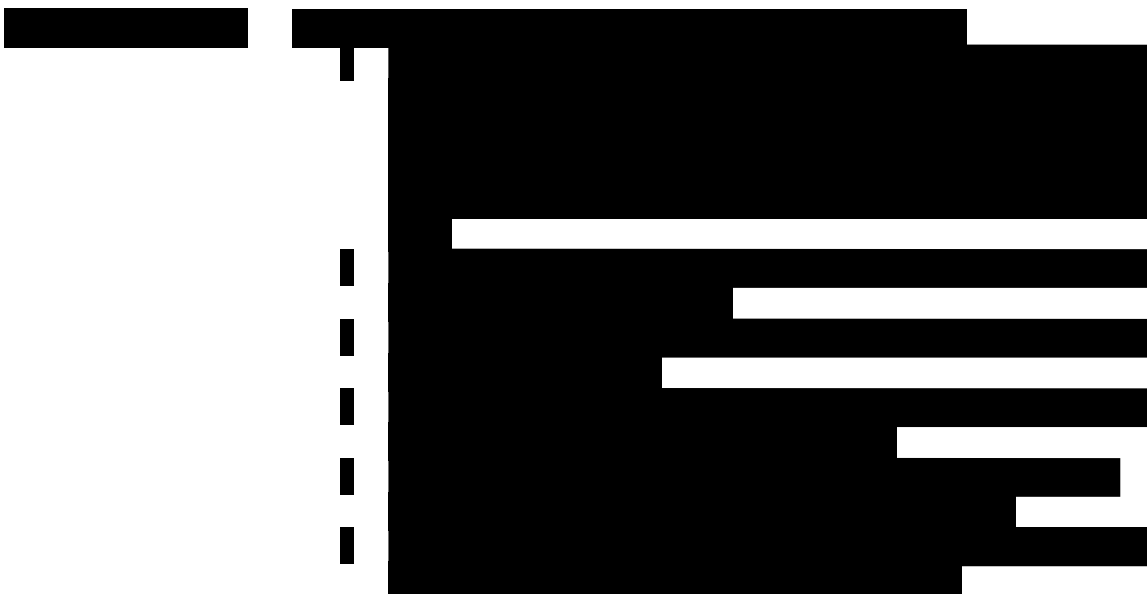
**Assignment &
 Participations:**

Bank of America reserves the right to syndicate, assign or grant participations or other interests in all or part of the facility, subject to customary, market-standard approval rights. No lender will be permitted to make assignments in respect of the Facility, except to certain specified categories of entities pursuant to customary, market-standard provisions. Specific provisions regarding assignment and participation will be included in the facility documentation.

Other Requirements: Conditions to closing will include (all of the items to be delivered to be in form and substance satisfactory to Bank), but shall not be limited to:

- receipt of all due diligence materials necessary and relevant to identifying Borrower's identity and background information, as deemed necessary by Bank;
- completion of all due diligence, including reputational due diligence, with respect to Borrower, Guarantors and their respective subsidiaries and each Property in scope and determination satisfactory to Bank, including but not limited to, documentation and other information requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act and the Beneficial Owner Regulation;

- any Borrower that qualifies as a “legal entity customer” under the Beneficial Ownership Regulation shall deliver a Beneficial Ownership Certification in relation to such Borrower to Bank;
- receipt of an appraisal for the Property;
- receipt of a Phase I Environmental Site Assessment for the Property;
- receipt of standard flood hazard determination forms for the Property;
- receipt of physical needs assessment for the Property;
- review and acceptance by Bank (and any third party consultant, if any, selected by Bank) of all insurance policies for Borrower and the Property, including, but not limited to, such evidence of flood insurance coverage (including contents coverage, as applicable) as Bank shall require;
- receipt of a plan and cost review report and a property condition report for the Property; (includes adequate contingency, interest carry/operating deficit reserve, condition of markets/submarkets, revenue/expenses pro-formas, etc.);
- receipt of proposed standard form of lease;
- receipt of evidence that the current and anticipated use of the Property and that all existing and proposed improvements thereto comply with applicable zoning ordinances, regulations and restrictive covenants;
- review and acceptance of plans and specifications for construction of the Property;
- receipt of a Project budget;
- receipt of the Permanent Loan Commitment and Tri-Party Agreement with the Permanent Lender (as such terms are to be defined in the Facility documentation);
- receipt of a title insurance policy insuring Bank’s first mortgage position on each Property, together with such co-insurance and/or reinsurance as Bank may require, together with UCC, litigation and other searches against Borrower, Guarantor and such other parties as Bank shall require, and such lien waivers from existing contractors as Bank or the title company shall require;
- receipt of acceptable surveys for each Property;
- financial review of Borrower, Guarantor, and general contractor;
- receipt of management agreement and subordination;
- receipt of proof of tax credit award, equity investor and pay-in schedule, information regarding real estate taxes (including proof of any tax-exempt status if applicable);
- receipt of satisfactory legal opinions, financial statements, certificates, documents and other instruments as are customary or otherwise appropriate for transactions of this type; and
- receipt of such other documents, instruments, agreements or information as reasonably requested by Bank.



CashPro Credit: If the facility is eligible, Borrower agrees to utilize CashPro Credit, a complimentary service provided by Bank. CashPro Credit provides quick and flexible access to credit balances and invoices. Services include:

- View real-time credit line/loan information;
- Ability to search for an invoice and review details;
- Download up to 180 days of transaction history for obligations;
- Initiate payment, advance and non-financial transactions for eligible loans; and
- Upload financial statements and covenant compliance reporting.

Confidentiality: This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

Credit Verification: Each legal entity and individual signing this term sheet hereby authorizes Bank to order credit reports, court searches, verification of deposits, and verification of mortgages on Borrower and Borrower’s owners or principals, including any to-be-formed entity or entities. Each individual signing below further authorizes Bank to check any credit references, verify his/her employment and obtain credit reports from credit reporting agencies of Bank’s choice in connection with the Facility.¹

Material Adverse Change: Bank of America’s obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit

¹ Individual sponsors and guarantors should sign this term sheet in order to authorize Bank to order credit reports. This is a regulatory requirement under some states’ laws.

rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

Assumptions made: The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

All interest rates and other pricing terms are quoted based on the assumption that the Facility will not be classified as HVCRE (High Volatility Commercial Real Estate Exposure) pursuant to Basel III Regulations. The quoted interest rates and other pricing terms are potentially subject to change if the Facility is anticipated to be classified as HVCRE pursuant to Basel III Regulations.

Any Facility, as contemplated by this Term Sheet, will be subject to applicable flood insurance regulations at all times during the life of such Facility. Compliance with flood insurance regulations will be tested prior to making, increasing, renewing or extending any such Facility.

Bank of America and BofA Securities, Inc. ("BofA Securities") hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act") and recent regulations implemented by the US Treasury's Financial Crimes Enforcement Network ("FinCEN") under 31 C.F.R. § 1010.230 (the "Beneficial Ownership Regulation"), each of them is required to obtain, verify and record information that identifies you, which information includes, but is not limited to, your name and address, a Beneficial Ownership Certification, and other information that will allow Bank of America and BofA Securities to identify you in accordance with the PATRIOT Act and the Beneficial Ownership Regulation prior to closing the Facility. You shall, promptly following a request by Bank of America or BofA Securities, provide all documentation and other information that such party requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation. "Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this Term Sheet, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with your own legal,

Term Sheet
 Rosefield Village
 March 27, 2020
 Page 9

accounting, tax, financial and other advisors, as you deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to you pursuant to and in reliance upon the “bank exemption” provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

The undersigned represents and warrants that it has not engaged any broker with respect to the Facility other than _____.

If these items are consistent with your financing requirements, please acknowledge below and return this letter to the signer below within five (5) business days along with a check in the amount of \$50,000 to be used toward Bank of America’s legal fees and other related out-of-pocket costs incurred in connection with our formal underwriting and approval process. Borrower understands that possible additional funds will be necessary to pay for costs. Conversely, any excess funds will be refunded to Borrower. Bank of America will then be able to proceed with a full review and analysis of your financing request and attempt to obtain internal approval on the basis of the foregoing terms and conditions as quickly as possible. Of course, the foregoing should not be construed in any way as a commitment for financing, as any such commitment or undertaking can only be in writing after internal loan approval has been obtained.

Any loan commitment must be written and state that it is a commitment and any other oral or written communications will not constitute a loan commitment. Any loan commitment will not be binding upon Bank of America or Borrower unless executed by both parties.

This Term Sheet will expire at 5:00 p.m. (Pacific Daylight Time) on April 3, 2020 unless prior to that time Borrower executes this Term Sheet and returns same to Bank of America. Following acceptance, this Term Sheet will expire without notice at 5:00 p.m. (Pacific Daylight Time) on April 3, 2020. In no event will any expiration or termination of this Term Sheet relieve Borrower or any other person from any obligation to pay fees, costs and expenses as described herein, all such obligations expressly surviving any such expiration or termination.

If you have any questions or comments, please do not hesitate to give me a call at (415) -961-1218.

Sincerely,
 BANK OF AMERICA, N.A.

By: 

Name: Bobvala Tengen

Title: Vice President

Date: **March 27, 2020**

Term Sheet
Rosefield Village
March 27, 2020
Page 10

Acknowledged and Agreed:

Vanessa Cooper

By: Vanessa Cooper

Name: Vanessa Cooper

Title: Executive Director

Date: 3/27/20

To: Matthew Paoni
Bank of America Merrill Lynch

From: PJ McDevitt
Greystone Servicing Company LLC

Date: March 27, 2020

Re: *Rosefield Village – Alameda, CA*

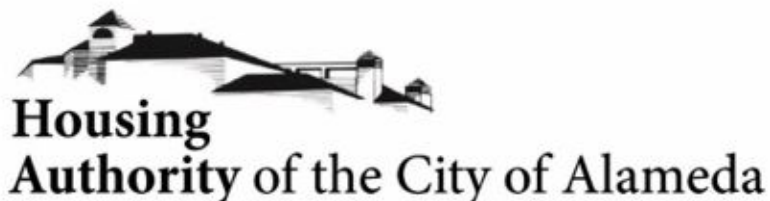
GREYSTONE SERVICING
COMPANY LLC
1100 ABERNATHY ROAD NE,
BLDG 500 SUITE 900
ATLANTA, GA 30328
PHONE: 770-392-9788
FAX: 770-392-9789

Greystone Servicing Company LLC (“Greystone”) is pleased to submit the following loan proposal in regard to the referenced project. The basic terms are described below and the proposal is based on the information provided to Greystone to date. It is subject to our standard underwriting and due diligence guidelines. This Greystone quote is effective for up to five (5) business days from the above referenced date.

<i>Loan Type:</i>	Freddie Mac TAH - 36 month Direct Purchase of a Tax Exempt Loan Forward
<i>Term / Amortization:</i>	17 year term / 35 year amortization
<i>Estimated Loan Amount:</i>	\$13,958,000
<i>Currently Estimated Interest Rate:</i>	Currently 288 basis points over the ten year treasury or 3.63% . Priced on a 30 / 360 rate basis. <i>*Indicative rate subject to the market's daily changes. The rate quoted does not include any ongoing Trustee and Issuer Fees (if applicable)</i>
<i>Maximum Loan-to-Value:</i>	90% LTV
<i>Minimum DSCR:</i>	1.15x
<i>Prepayment Terms:</i>	10 year lockout, followed by Yield Maintenance until 6 months prior to maturity. The loan is pre-payable at 1%, six months before maturity. The loan is open at par for the last 90 days.
<i>Recourse/Non-Recourse:</i>	Non-Recourse
<i>Application / Due Diligence / Conversion Fee:</i>	\$2,500 application fee to cover internal costs (non-refundable) \$15,000 due diligence fee to cover costs associated with the engagement of the following: appraisal, engineering and environmental reports. Reports may be shared with the construction lender, which will reduce this deposit requirement at Greystone's discretion. \$2,500 conversion fee to cover administration and conversion underwriting costs due at Conversion.
<i>Freddie Mac Application Fee*:</i>	Greater of \$3,000 or 0.10% of the Loan Amount due at application. <i>*The Freddie Mac Application fee is deemed fully earned and non-refundable upon the earliest of; a) 30 days from application acceptance or b) Greystone's submission of the full underwriting package to Freddie Mac.</i>

<i>Origination Fee:</i>	1.00% of the Loan Amount
<i>Freddie Forward Commitment Fee:</i>	15 basis points per year (or partial year, prorated)
<i>Forward Monitoring Fee:</i>	\$250/month fee over the term of the forward period payable at Conversion.
<i>Lender Legal:</i>	Borrower shall pay for all of Greystone's legal fees, which shall be paid by the Borrower at Permanent Loan Closing. Applicant shall pay to Greystone a deposit in the amount of \$2,500, which will be applied at closing against lender legal bills.
<i>Forward Commitment Deposit:</i>	2%, payable at loan commitment This deposit can be made in either cash or Letter of Credit and is fully refundable at permanent loan conversion
<i>Extension:</i>	First 6-month extension 50 basis points. Additional extensions are subject to Freddie Mac approval.
<i>Assumability:</i>	1% Assumption Fee
<i>Special Considerations:</i>	<ul style="list-style-type: none"> • Pricing, loan terms and conditions are subject to Freddie Mac pre-screen approval and final underwriting. • At conversion a valid permanent certificate of occupancy or its equivalent in effect for the mortgaged property is required. • At conversion Greystone will require monthly escrows for taxes and insurance. Greystone will require a replacement reserve escrow estimated at \$250 per unit per year, subject to the engineer's conclusions. • Loan quote based on a Net Operating Income of no less than \$810,689. • Satisfactory review of all Key Principals resumes, financial statements (liquidity and net worth), and schedule of real estate owned. • Loan subject to acceptable property condition. • Property and Affordability restrictions/contracts must be acceptable to Greystone through the term of the Loan. • Loan quote assumes 97.8% LIHTC; 91 units restricted at 20-80% AMI including 49% at or below 50% AMI; with one manager unit. • Loan quote assumes a Project Based Section 8 Voucher Contract covering 23 units (25%) with a term that exceeds the loan term and in place at closing. • Loan amount subject to rents being at or below market rents. • Loan assumes no tenant based Section 8 voucher rents above maximum tax credit rents or market rents. • Loan assumes all subordinate debt is "soft", fully conforming with agency guidelines, and limited to 100% of net cash flow after debt service subject to Freddie Mac prescreen approval.

	<ul style="list-style-type: none">• Loan quote assumes a Freddie Mac compliant tax exemption.• Loan quote assumes a Freddie Mac compliant subordinated Ground Lease.• The original principal amount of the permanent loan (the "Permanent Loan Amount"), shall be the lesser of (i) the Proposed Loan Amount specified above, (ii) the principal amount determined at Rate Lock calculated utilizing the Underwriting NOI, to maintain the Minimum DSC at the Note Rate, or (iii) the principal amount determined by multiplying the Underwriting Value by the Maximum LTV.• The "Underwriting NOI" shall mean the stabilized net operating income of the Project and the "Underwriting Value" shall mean the value of the project, in each case following completion of construction and lease-up and as determined by Greystone in its sole and absolute discretion.• Prior to funding the Permanent Loan, the property must: a) have a loan to value no greater than the required LTV based on the first mortgage; b) achieve the required debt service coverage for three (3) consecutive months; c) have an occupancy not less than 90% for three (3) consecutive months.• Within 30 days of funding of the Permanent Loan, the Borrower must submit the placed-in-service package to initiate generation of the Form 8609.
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PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Danielle Thoe, Management Analyst
 Date: April 15, 2020
 Re: Accept the Monthly Development Report for North Housing

BACKGROUND

The North Housing Project is the redevelopment of approximately 12 acres of land at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. The Housing Authority is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. On February 21, 2016, the Board authorized acceptance of the Quit Claim deed for conveyance of the property to the Housing Authority. On June 5, 2018, City Council approved the resolution for transfer of the North Housing site to the Housing Authority. North Housing successfully transferred to Housing Authority ownership on May 30, 2019. The Board approved the Agency's Vision for the North Housing site at its August 2019 meeting.

Please see previous monthly board reports for project details prior to this month's update. Documentation of the master planning process may be found at www.northhousing.org.

DISCUSSION

Progress at North Housing continues with some slowdown given the current public health situation and the Shelter in Place order. Specific impacts are noted below.

Staff submitted the Development Plan and Tentative Map to the City on February 24, 2020. Staff will meet with City Staff via conference call the week of April 6th to review comments. Planning staff have suggested it will go to the Planning Board in May rather than in April.

Work with the Partners at APC and Building Futures remains on hold. Both organizations serve some of the community's most vulnerable members and are currently focusing on supporting these communities and will work on North Housing and review the MOU at a later time. Staff remain ready to move forward with these conversations once the Partners are ready.



Honorable Chair and
Members of the Board of Commissioners

April 15, 2020
Page 2 of 2

Security service at the site continues uninterrupted. The security company does not anticipate service disruptions at this time but will notify staff if this changes.

In March 2020 the Board approved an additional \$130,000 in pre-development funds to Island Community Development (ICD) for the North Housing project. Subsequently, the ICD Board accepted this loan at its March 2020 meeting. This brings the total predevelopment loan to the project to \$3,830,000.

The final Environmental Assessment is not approved by HUD so contracting with Carmel Partners is not finalized. However, once approved, Carmel does not anticipate meaningful delay in getting the demolition work started because affordable housing is deemed essential services under the current Shelter In Place order. Carmel does anticipate on-site work to proceed more slowly than under regular circumstances as responsible implementation of social distancing requires moving around the job site with extra caution and utilizing additional hygiene measures. Additionally, Carmel anticipates a stop to road construction on Singleton and Mosley as they are unsure if the street connections and the infrastructure beneath them are deemed critical infrastructure work by the City.

FINANCIAL IMPACT


At the March board meeting the board approved a \$130,000 increase in the North Housing loan to ICD. In total, the Board authorized a predevelopment loan of \$3,830,000 for costs associated with master planning, carrying costs, demolition, and pre-development work for the first 90 units of permanent supportive housing. \$700,000 of the predevelopment loan has been disbursed to ICD and the balance is being held in AHA’s reserve account. Carrying costs are being charged to an AHA operating account. The chart below summarizes expenses through March 2020.

<u>North Housing</u>	
Pre-development Loan from AHA	\$ 3,830,000
12 Acre Site Pre-Development	\$ 479,183
First Building Pre-Development	\$ 9,710
Balance	<u>\$ 3,341,107</u>
North Housing Carrying Costs	\$ 247,279

RECOMMENDATION

Accept the Monthly Development Report for North Housing.

Respectfully submitted,


Danielle Thoe
Management Analyst



701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Cynthia Alvarez, Deputy Executive Director

Date: April 15, 2020

Re: Authorize the Executive Director to Negotiate and Approve a Retroactive Contract Extension of One (1) Year and Five (5) Months for the Contract Between the Alameda Housing Authority to September 30, 2020 and Nunes Painting and Decoration in the Amount of a Total Not to Exceed \$500,000

BACKGROUND

Contracts in excess of \$250,000 are to be approved to the Board of Commissioners. Since the maximum contract period under our procurement procedures is five (5) years. Additionally, procurement efforts are underway to rebid any expiring or overdue contracting needs.

DISCUSSION

The original Request for Proposal (RFP) for cycle painting was done in August of 2015 and AHA received five (5) bids at that time. Nunes Painting and Decorating was selected after going through the bid scoring process. The scope of work included painting of occupied residential and vacant units and includes all transportation labor, materials, tools, and other equipment, services and supervision required to complete all interior unit painting work.

The amount of the initial contract entered into on October 1, 2015 was \$65,000 for one (1) year. In May 2017, the contract was extended which was approved by the Board on April 19, 2017 for three (3) additional years, extending the contract through October 31, 2019, with one year being retroactive to October 1, 2016. The new Not To Exceed amount was \$350,000 for four (4) years.

This contract was not renewed or extended in October 2019 at expiration and the four (4) year limit. As of March 31, 2020, \$423,825 has been spent on this contract.

In order to keep business operations running smoothly for the purpose of continued cycle painting and vacant unit turn over, this contract is being brought to the Board for an increase of the Not to Exceed (NTE) amount to \$500,000 and to retroactively extend the contract to to September 30, 2020.



AHA is requesting a ten (10) month extension retroactive to November 1, 2019 and terminating on September 30, 2020.

FINANCIAL IMPACT

The individual property budgets are currently supporting this cost and can support the increase and extension.

RECOMMENDATION

Authorize the Executive Director to negotiate and approve a retroactive contract extension of ten (10) months for the contract between the Alameda Housing Authority to September 30, 2020 and Nunes Painting and Decoration in the amount of a Total Not to Exceed \$500,000.

Respectfully submitted,



Cynthia Alvarez
Deputy Executive Director

Attachments:

1. Contract Amendment 2



AMENDMENT NUMBER 3 TO AGREEMENT

This Amendment of a Maintenance Services Agreement by and between the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, public body, corporate and politic (hereinafter "AHA") and Nunes Painting and Decoration (Sole Proprietor) whose address is 1754 Knox Street, Castro Valley CA 94546 (hereinafter "Contractor"), made with reference to the following:

RECITALS

A. On October 1, 2015, a Maintenance Service Agreement was entered into by and between AHA and Contractor.

B. The Original Maintenance Service Agreement limited the Compensation to Consultant to not exceed sixty five thousand dollars (\$65,000) for one (1) year.

C. The original expiration date of the contract was September 30, 2016.

D. In May 1, 2017, an amendment was processed to incorporate three (3) additional years of service. One year being retroactive to October 1, 2016. The new expiration date of the contract was October 31, 2019.

E. The amendment also increased the compensation to not exceed three hundred thousand dollars (\$350,000) for the four (4) year term.

All conditions of the Consultant Agreement will remain the same except as amended below.

1. Housing Authority and Contractor agree the termination date of Amendment Number 2 should be September 30, 2020.
2. Housing Authority and Contractor agree that this amendment is retroactive to November 1, 2019.
3. The not to exceed amount for the entire Agreement shall be increased by one hundred fifty thousand dollars (\$150,000) to be amended to five hundred thousand dollars (\$500,000).

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Consultant Agreement to be executed on the day and year first above written.

Nunes Painting and Decoration

Housing Authority of the City of Alameda

Gregory Nunes
Owner

Vanessa M. Cooper
Executive Director

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Louie So, Director of Finance

Date: April 15, 2020

Re: Accept the Finance and Budget Variance Report for February 28, 2020

BACKGROUND

This high-level, Budget Variance Report covers preliminary unaudited financial operating results compared to the 2019-20 budget for the period and month ending February 28, 2020, prior to the California shelter-in-place order due to COVID-19. Although the year-end financial data is on an accrual basis, the month-to-month financials are on a hybrid accrual and cash basis. The numbers presented are subject to change based on the adjustments from the final audited financial statement report.

On June 19, 2019, the Board of Commissioners approved a one-year operating budget for all programs covering the fiscal year July 1, 2019 through June 30, 2020.

The financial reports include four properties which were transferred to AHA's affiliate, Alameda Affordable Housing Corporation (AAHC) in 2018. These properties are Anne B. Diament, China Clipper Plaza, Stanford House, and Lincoln-Willow Apartments. Independence Plaza was transferred from AHA to AAHC in March 2020. The AAHC financial statements will also be presented for approval in a separate annual AAHC Board meeting. All members of the Board of Commissioners also serve as the Board of Directors of AAHC.

DISCUSSION

Overview

Year-to-date variances are as follows: total revenue is under budget by \$481,407 (1.52%), operating expenses are below budget by \$1,250,423 (4.14%), and net income (before depreciation) is higher than budget by \$769,017. Rosefield and Eagle Village income and expenses are incorporated in these financial exhibits on a monthly basis. A third party (The John Stewart Company) manages these properties, and income and occupancy figures are provided in the Monthly Overview report for Property Operations.



Operations Budget - Revenue

Year-to-date - Rental income (Total Tenant Revenue) of \$8,029,778 is predominantly made up of Housing Assistance Payments (HAP) received for AHA units, the tax increment subsidy for Independence Plaza, and tenant rents received. This is under budget by \$558,922 or 6.51%. The second half of the fiscal year tax increment payments of approximately \$578,000 from the City of Alameda (Account 7030060) for Independence Plaza is still pending receipt, and, thereby, shows as zero for the month of January and February 2020.

The total of Tenant rental income and the Tax Increment Payment is under budget by \$132,785. HAP received for AHA properties is lower than budget by \$323,655 (6.17%), while vacancy is above budget by \$113,693. Although HAP received for AHA properties has not achieved budgeted amounts for FY 2020 year-to-date (\$323,655 below budget), the amounts received are on par with the rolling 12-month actuals, with the exception of Rosefield.

Lower rental income is expected due to held vacancies at Independence Plaza from ADA rehab work and relocation-related activities and, due to rent concessions provided to tenants in one building where the elevator is currently out of service. Going forward, there is expected to be lower than projected rent paid during the current health crisis due to job losses. Staff will continue to monitor income closely.

Rosefield Village is a significant reason for the loss of income. Lower than budget rental income is anticipated for the year due to tenant relocations and vacancies due to the planned rehabilitation of the property starting summer 2020. At this time, vacancies are almost at 100%. The budget estimated 50% occupancy. YTD actual vacancy loss at this property is \$113,693 lower than budget. The chart below reflects actual and budget vacancy comparison for fiscal YTD for Rosefield.

Rosefield Village	19-Jul	19-Aug	19-Sep	19-Oct	19-Nov	19-Dec	20-Jan	20-Feb	Total year to date
Actual Vacancies	43,845	46,601	56,831	60,915	60,915	67,095	77,032	80,730	493,964
Budgeted Vacancies	24,965	24,963	24,963	24,963	24,963	24,963	24,963	24,963	199,706

Occupancy at Independence Plaza is improving though ongoing vacancies continue to occur due, mostly to illness or the passing away of the tenant. At the end of February, there were seven vacancies. The expectation is that there will be five vacancies by the end of April 2020, provided households can be processed and the coronavirus Shelter In Place does not impact their inclination to move in.

Total Other Income is on par with budget. Expenses requiring City of Alameda reimbursement is pending AHA staff member's review for both Housing & Community Development and the Rent Program for the month of February 2020. Additionally, \$647,240 in Recognized Obligation Payment Schedule (ROPS) has been recognized as income on the financial statements and pending receipt from



Honorable Chair and
Members of the Board of Commissioners

April 15, 2020
Page 3 of 7

the Alameda Unified School District as it relates to the Rosefield Village redevelopment which was not originally budgeted for in FY 2020. The chart below reflects City of Alameda MOU reimbursements received to date.

Billings	FY 19-20 Budget	Budget - Monthly Basis	19-Jul	19-Aug	19-Sep	19-Oct	19-Nov	19-Nov	20-Jan	20-Feb	Total year to date
Housing & Community Development	1,024,812	85,401	35,836	41,006	40,469	43,095	55,344	141,731	37,353	-	394,834
Rent Program	1,110,000	92,500	62,222	75,060	71,202	73,188	90,233	106,245	62,091	-	540,241

Administrative Fee income from HUD is slightly lower than the year-to-date budget by \$34,601 (2.94%). The factors that affect how much Administrative Fee AHA receives are the proration percentage and the number of units leased. HUD provided an increase of 4% in the proration factor from 76% to 80% that accounts for this higher number. For the past several years, Administrative Fees from HUD have not fully funded the Housing Programs Department, and the Section 8 Program has been subsidized by income from AHA properties. Although the recent CARES Act will provide two additional months of Administrative Fee, this is not expected to cover the additional costs incurred due to the current health crisis.

Expenses

Net profit from operations (before depreciation) is \$2,241,911 for the period year-to-date (higher than budget by \$769,017).

Total operating expenses are lower than the year-to-date budget by \$1,250,423 (4.01%). This is mainly due to lower salary and benefit expenses, which are under budget due to vacant positions (see monthly overview report for Operations, H.R. and I.T.).

Total Utilities are lower than budget by \$75,234, which is attributed to a classification of sewer charges to "9160131 Tax & Government Fees" as City of Alameda charges for actuals of \$113,957. When accounting for that adjustment, Total Utilities are on higher than budget.

HCD, Finance, and Property Operations staff meet periodically to review the financial statements to monitor actuals versus budget amounts.

AHA has outsourced two properties, the aforementioned Eagle Village and Rosefield projects to The John Stewart Company and the AHA maintenance team performs more of the maintenance work in AHA's managed properties rather than using vendors. Additional properties will transfer to John Stewart Company's property management by June 30, 2020.



Housing Assistance Payments (HAP) Pass-through

The Housing Assistance Payments (HAP) pass-through includes all the Housing Choice Voucher/Section 8, Shelter Plus, and Bessie Coleman (SRO) programs. Year-to-date HAP revenue is \$70,712 (0.34%) higher than budget.

Shelter Plus Care revenue is paid in arrears by the Alameda County Housing and the Community Development Department. The total amount outstanding is \$107k for prior months' activity.

Staff continues to make progress on \$253,303 in accounts receivable for Port-In billings from other public housing authorities. This amount is subject to change due to Port-Outs. Port-In billing collections was not budgeted in the FY 2019 budget process.

Staff started issuing regular vouchers in 2019, as well as Family Unification Program (FUP) vouchers. Although lease up has been slow due to the tight housing market, it is expected some additional families may be able to lease once the Shelter in Place is lifted because the voucher provides landlords with a guaranteed income stream. HAP payments to property owners are slightly higher than budget by \$609,429 (3.03%). Staff is working closely with HUD to monitor HAP revenue and expenditure, as well as the federal budget process to ensure sufficient cash flow for the program.

Statement of Net Position

The Housing Authority has adequate cash resources for operations. As of February 28, 2020, AHA, AAHC and its affiliates have \$7.6 Million in cash, and \$19.8 Million held in LAIF and CAMP investments.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

COVID-19 Mission Critical Tasks:

Due to California's Shelter in Place order and the effects of COVID-19 situation, the finance management team has been prioritizing the following mission critical tasks:

- (1) Review new regulatory and tax pronouncements stemming from COVID-19 and how they may apply to AHA, AAHC and its affiliates.
- (2) Advance on a short term basis \$1 million from Esperanza to the General Fund to ensure the agency has sufficient funds on hand to cover a reduction in tenant rents (for those who cannot pay rent due to job loss, or do not feel comfortable leaving their apartment to pay rent) and an increase in expenses. The \$1 million transfer has been appropriately recorded in the accounting system, and the General Fund will repay Esperanza when AHA is back to normal operations.



- (3) Ensure Housing Assistance Payments are paid to landlords and AHA owned properties timely and to transfer landlords receiving a paper check to ACH for swifter payment.
- (4) Ensure payroll to our employees are paid timely and with no interruption.
- (5) Adapting to the Yardi VendorCafé to allow vendors the ability to submit invoices electronically through a web portal, and allowing AHA the ability to pay via electronic funds transfer.
- (6) Ensure the accounting is recorded appropriately for the aforementioned transfer of Independence Plaza from AHA to AAHC in March 2020.

Staffing

The finance management team continues to work on mission critical tasks. Nan McKay and Associates continues to provide consulting services including HUD's monthly Voucher Management System (VMS) report and the annual unaudited Financial Data Schedule (FDS) by August 2020.

Audit and Tax

AHA

AHA's single audit and final FY 2019 FDS was submitted to HUD's Real Estate Assessment Center in March 2020.

On June 19, 2019, the Board of Commissioners authorized the Executive Director to negotiate and award a one-year contract for auditing services for the Year Ending June 30, 2019 to Citrin Cooperman and Company for an Amount Not to Exceed \$45,000 and to Allow the Executive Director to Negotiate and Award Future Extensions of Time and Money Not to Exceed \$200,000 or Five Fiscal Years, starting with the Audit of the 2018-19 Fiscal Year. The FY 2019 audit was performed at a satisfactory level by Citrin Cooperman and Company LLP and the Executive Director will extend the contract with the attached contract extension.

The not to exceed amount on the extension will be increased from \$45,000 to \$65,000 for FY 2019 and FY 2020 audits as Citrin Cooperman and Company inputted and streamlined the final FDS submission process during the FY 2019 audit process. However the overall 5 year contract amount of \$200,000 will not be changed at this time. In prior years, the final FDS submission process was performed by Nan McKay and Associates. Therefore, there is no net increase of costs. Going forward, Nan McKay and Associates will continue to perform the unaudited FDS submission (target date of end of August 2020) and Citrin Cooperman and Company will perform the audited FDS submission (target date of March 2021).



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AAHC

Although AHA is exempt from filing a federal tax return, AAHC is required to file a tax return (IRS Form 990 and its California equivalent). A tax return extension was filed in November 2019. The final extended tax returns are due to the Internal Revenue Service and California Franchise Tax Board by May 2020. Citrin Cooperman has been engaged to complete these tax returns.

Island City Development

AHA is working with Holthouse, Carlin & Van Tright LLP for audit work of Island City Development and the two low-income housing tax credit project (LIHTC) partnerships (Sherman & Buena Vista, L.P. and Everett & Eagle, L.P., the "LPs"). The draft audited financial statements and tax returns were submitted to the LIHTC investors for their review. The audited financial statements for the LPs were finalized in March 2020, while the tax returns will be filed by the extended deadline of September 15, 2020. The LPs are still awaiting for the California Tax Credit Allocation Committee to issue IRS Form 8609 (Low-Income Housing Credit Allocation and Certification), which is a requirement if the LP is presenting LIHTC on the tax returns.

Additionally, various LLC affiliates have tax filing requirements throughout the year, including the tax extension deadline of March 15, 2020. These LLC affiliates have minimal activity.

Unfunded Pension Liabilities

Further discussions on the Unfunded Pension liabilities will be brought to the Board of Commissioners Meeting in Q2 2020.

Budget

An abbreviated budget process is proposed for the fiscal year July 1, 2020 through June 30, 2021. Please see the memorandum "Accept a Revised Budget Process for Fiscal Year 2020-2021" for staff's recommendations.

Additionally, updates to certain revised property budgets will be presented (Rosefield and Eagle Village) to the Board of Commissioners for approval in the upcoming months.

Banking Activities

Island City Development will open a separate CAMP (California Asset Management Program) account in the month of April 2020. Furthermore, AHA's credit card's credit limit has been increased in the short term to \$100,000.



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RECOMMENDATION

Accept the Finance and Budget Variance Report for July 1, 2019 through February 28, 2020.

Respectfully submitted,



Louie So, CPA
Director of Finance

Attachments:

1. Balance Sheet – Period July 2019 – February 29, 2020
2. Budget Comparison – Revenue & Expense
3. AHA Revenue & Expense (Actual versus Budget)
4. Citrin Cooperman and Company Consultant Services Agreement Extension



Balance Sheet (With Period Change)

Feb-20

Book = Accrual

		Balance
		Current Period
1000000	ASSETS	
1100000	CURRENT ASSETS	
1101000	CASH	
1110010	Cash - Unrestricted	4,654,758.53
1110012	Cash - Reserve for Building	78,450.83
1110013	Cash - Reserve for 3rd Party Managed Buildings	1,121,108.18
1110014	Cash - Reserve for Equipment	2,152.00
1110018	Cash - Operating Checking with 3rd Party	846,499.09
1110019	Petty Cash with 3rd Party	200.00
1110020	Cash - Petty cash	500.00
1110021	Cash - Benefit Account	81,183.34
1110030	Cash - FSS	114,886.03
1110040	Cash - Replacement Reserve Bldg	126,415.00
1130030	Cash - Restricted Sec Dep	76,775.00
1140000	Cash - Tenant Security Deposits	500,240.25
1140050	Cash - Tenant Security Deposits with 3rd Party	40,238.00
1199000	TOTAL CASH	<u>7,643,406.25</u>
1200000	ACCOUNTS RECEIVABLE	
1240010	Accounts Receivable - Government	1,655,436.27
1240050	HAP Rent Receivable	56,032.49
1240070	Accounts Receivable- HUD	0.01
1250010	Accounts Receivable - Other	676,629.68
1250050	Accounts Receivable - 3rd Party Management	18,115.33
1255000	Subsidy Suspense Receivable	-28,160.84
1260000	Accounts Receivable - Tenant	390,449.91
1260050	Accounts Receivable - Tenant Rent with 3rd Party	24,152.87
1261000	Allowance for Doubtful Accounts -Dwelling Rent	-61,830.05
1280000	Fraud Recovery	36,869.40
1281000	Allowance for Doubtful Accounts - Fraud	-36,144.20
1290000	Accrued Interest Receivable	26,955.00
1299000	TOTAL ACCOUNTS RECEIVABLE	<u>2,758,505.87</u>
1300000	INVESTMENTS AND OTHER CURRENT NOTES	
1310000	Investments(LAIF)- Unrestricted	9,610,096.02
1320010	Investments - Other	200.00
1320020	Investments(LAIF) (Restricted) - FSS Escrow	-327.20
1320030	Investments(LAIF)- Building Reserve	1,144,140.13
1320040	Investments(LAIF) - Equipment Reserve	281,416.02
1320201	Investment Reserved for IP-LAIF	427,804.64
1350010	Investment(LAIF)-Restricted (Jack Capon Villa Trust)	1,379.90
1350020	Investment-OPEB (Restricted)	1,241,498.53
1350023	PFM-Accured Interest	-130.02
1350031	Investments - CAMP	8,339,090.61
1350100	Mortgage Receivable	26,184,320.63
1350103	Mortgage Receivable-Jack Capon L. P.	120,683.45

1350105	Loan Receivable-Security Deposit Loan	92,569.00
1350106	Loan Receivable - ICD	15,329,430.00
1350107	Loan Receivable-RCD/Stargell/Tri Pointe	2,000,000.00
1350109	Loan Receivable - Section 8	1,790,000.00
1360000	TOTAL INVESTEMENTS AND OTHER CURRENT NOTES	<u>66,562,301.73</u>
1400000	PREPAID EXPENSES	
1420010	Prepaid Insurance - Property	9,136.40
1420020	Prepaid Insurance - Liability	6,266.25
1420030	Prepaid Insurance - Auto	684.13
1420040	Prepaid Insurance - Worker Comp	14,089.61
1420050	Prepaid - Other	58,744.21
1420051	Prepaid Rent	14,400.00
1420070	Escrow Deposits - Property	74,869.44
1420075	Escrow Dep. PNC Hedge Res.	71,970.07
1430000	Inventories	3,293.64
1430010	Replacement Reserve-NorthMarq Loan	559,592.06
1430020	Reserve for Replacement NorthMarq	529,495.64
1440099	TOTAL PREPAID EXPENSES	<u>1,342,541.45</u>
1440105	INTERPROGRAM	
1440110	Interprogram (Due From)	209,189.78
1440111	Interprogram Due From Sherman St FACSA	12,725.19
1440112	Interprogram Due From Lincoln St FACSA	7,093.49
1440210	Interprogram Due From Esperanza	687.81
1440411	Interprogram Due from Detached Home	-0.02
1440451	Interprogram Due From 2437 Eagle Ave - 4532	19,735.40
1440452	Interprogram Due From Stargell Commons	8,156.24
1440453	Interprogram Due From Island City Development - 4530	203.94
1440601	Interprogram Due From ABD	-22,495.73
1440602	Interprogram Due From Rosefield Village - 4537	218.80
1440603	Interprogram Due From Parrot Gardens	15.11
1440604	Interprogram Due From Stanford House	4.67
1440605	Interprogram Due From Lincoln/Willow	15.12
1440606	Interprogram Due From Senior Condos	18.23
1440607	Interprogram Due From China Clipper	407.65
1440608	Interprogram Due From Regent Street Land	1,530.11
1440609	Interprogram Due From Santa Clara Land	60.19
1440610	Interprogram Due From Eagle Village	264.80
1440613	Interprogram Due From Shinsei Gardens	2,580.11
1440710	Interprogram Due From Section 8 Vouchers	435,589.63
1440810	Interprogram Due From Independence Plaza	610.59
1440899	TOTAL INTERPROGRAM	<u>676,611.11</u>
1500000	TOTAL CURRENT ASSETS	<u>78,983,236.39</u>
1590000	LONG TERM ASSETS	
1600000	FIXED ASSETS	
1609999	LAND AND BUILDINGS	
1610000	Land	58,219,778.63
1620030	Buildings	31,599,052.95
1620031	Buildings Improvements	2,146,759.76
1629000	TOTAL LAND AND BUILDINGS	<u>91,965,591.34</u>

1630040	Furniture and Equipment - Dwelling	355,074.81
1630041	Furniture and Equipment - Other	116,685.50
1650000	Leasehold Improvements	14,403,941.09
1660030	Accumulated Deprecation	-29,427,381.92
1660060	Accumulated Depreciation - 3rd Party	-532.61
1699000	TOTAL FIXED ASSETS	<u>77,413,378.21</u>
1800000	DEFERRED OUTFLOW	
1800200	Deferred Outflow of Resources	<u>2,509,532.01</u>
1890000	TOTAL DEFERRED OUTFLOW	<u>2,509,532.01</u>
1900000	CONSTRUCTION IN PROGRESS	
1900100	CIP - On Site Improvement	-381.10
1900210	CIP - Architectural & Engineering Fees	2,895.00
1900230	CIP - Professional Services (Other)	17,208.00
1900290	CIP - Organization - Legal	6,077.50
1900410	CIP - Environmental Testing & Reports	13,800.00
1900420	CIP - Permit & Fees (plan'g,build'g,public work,school dist)	4,085.80
1900430	CIP - Utilities Fees	607.60
1919999	TOTAL CONSTRUCTION IN PROGRESS	<u>44,292.80</u>
1929999	TOTAL LONG TERM ASSETS	<u>79,967,203.02</u>
1999999	TOTAL ASSETS	<u>158,950,439.41</u>
3000000	LIABILITIES AND EQUITY	
3005000	LIABILITIES	
3100000	CURRENT LIABILITIES	
3100500	ACCOUNTS PAYABLE	
3120010	Accounts Payable<= 90 Days	133,629.47
3120011	Accounts Payable -CALPERS (employee portion)	271.04
3120012	Accounts Payable-Health Insurance (employee portion)	24.13
3120014	Accounts Payable-Garnishment (employee portion)	-128.50
3120015	Accounts Payable-Vision Insurance (employee portion)	448.50
3120016	Accounts Payable-Life Insurance (employee portion)	-149.11
3120018	Accounts Payable-PARS retirement (employee portion)	133.76
3120019	Accounts Payable-Flexible Spending Account(employee portion)	2,972.45
3120021	Employees Cobra	104.80
3120022	Accounts Payable-PERS 1959 Surv(Employee Portion)	40.92
3120023	Accounts Payable-FSA Transit Plan	441.19
3120024	Accounts Payable FSS	89,030.31
3120026	Accounts Payable FSS Interest	-31.27
3120029	Accounts Payable - 3rd Party Management Company	23,036.11
3120030	Accrued Wage/Payroll Taxes Payable	1,101.95
3120040	Accrued Compensated Absences - Current Portion	138,784.87
3120045	Accrued Vacation Payable - 3rd Party Management	6,469.73
3120070	Accrued Payables	44,879.46
3120075	Accrued Accounts Payable - 3rd Party Management	118,602.32
3330100	Tenants- Rents Payable	<u>9,900.00</u>
3339000	TOTAL ACCOUNT PAYABLE	<u>569,562.13</u>
3400000	SECURITY DEPOSITS HELD	
3410010	Tenant Security Deposits	455,152.42
3410015	Tenant Security Deposits - held with 3rd Party Management	40,788.00
3410020	Tenant Security Deposits - Pets	1,375.00

3410030	Tenant Security Deposits - Gate Opener	50.00
3410040	Tenant Security Deposits - Satellite Dish/Antenna	1,600.00
3410060	Tenant Security Deposits - Pooled Interest	63,760.13
3410999	Security Deposit Refund	9,188.73
3419000	TOTAL SECURITY DEPOSITS HELD	<u>571,914.28</u>
3419900	OTHER LIABILITIES	
3420000	Prepay Tenant Rent	94,409.17
3421000	Prepay Tenant Rent - 3rd Party Management	2,120.68
3425000	Unearned Revenue	561,397.00
3426000	Prepaid Ground Lease Rent	3,410,000.00
3430000	Current Portion of Long Term Debt - Capital Projects	160,477.43
3449000	TOTAL OTHER LIABILITIES	<u>4,228,404.28</u>
3470000	INTERPROGRAM	
3470050	Interprogram (Due to)	183,516.45
3470110	Interprogram Due To General Fund	488,219.12
3470601	Interprogram Due To Anne B Diament Plaza	19,786.00
3471000	Due To/Due From Suspense Account	61,069.96
3480000	TOTAL INTERPROGRAM	<u>752,591.53</u>
3499000	TOTAL CURRENT LIABILITIES	<u>6,122,472.22</u>
3500000	NON-CURRENT LIABILITIES	
3510100	Mortgage Loan Payable	36,062,106.46
3510130	Interest Payable - City of Alameda Loan	1,056,067.84
3510140	Home Fund Loan #1	217,924.70
3510150	Housing Community Dev. Loan	916,399.98
3510157	Loan Payable - Esperanza	1,790,000.00
3510158	Loan Payable - CDBG	575,000.00
3510160	Home Fund Loan #2	282,700.00
3540000	Accrued Compensated Absences - Noncurrent	104,966.97
3570000	OPEB Liability	15,285.00
3580000	Pension Liability	2,127,040.01
3599000	TOTAL NON-CURRENT LIABILITIES	<u>43,147,490.96</u>
3999000	TOTAL LIABILITIES	<u>49,269,963.18</u>
4000000	Equity/Net Assets	
4000001	EQUITY	
4000100	DEFERRED INFLOW	
4001000	Deferred Inflow of Resources	2,507,318.98
4900000	TOTAL DEFERRED INFLOW	<u>2,507,318.98</u>
4999999	CONTRIBUTED CAPITAL	
5010000	Net Investment in Capital Assets	8,938,655.40
5080060	Donations	36,197,725.00
5090000	Unrestricted	39,494,140.26
5120000	Unrestricted	21,938,354.06
5120010	Net Restricted Assets	604,282.53
5950000	TOTAL CONTRIBUTED CAPITAL	<u>107,173,157.25</u>
5999900	TOTAL EQUITY	<u>109,680,476.23</u>
6000000	TOTAL LIABILITIES AND EQUITY	<u>158,950,439.41</u>

Budget Comparison (with PTD)

Period = Jul 2019-Feb 2020

Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
6999990 INCOME								
7000000 REVENUE								
7020000 TENANT REVENUE								
7030000 Tenant Rental Revenue	401,288	285,831	115,457	40.39	3,051,973	2,591,027	460,946	17.79
7030030 Maintenance Charges	2,631	-	2,631	N/A	5,596	-	5,596	N/A
7030040 Late Charges	625	-	625	N/A	4,620	-	4,620	N/A
7030050 Miscellaneous Other Charges	-	-	-	N/A	306	-	306	N/A
7030060 Tax Increment Payments from the City of Alameda	-	144,445	(144,445)	-100.00	561,829	1,155,560	(593,731)	-51.38
7030100 Tenant HAP Subsidy	676,939	593,194	83,745	14.12	4,923,751	5,247,406	(323,655)	-6.17
7030110 Vacancy Loss	(82,486)	(50,885)	(31,601)	62.10	(539,026)	(425,333)	(113,693)	26.73
7030300 Commercial Rents	2,563	2,505	58	2.32	20,449	20,040	409	2.04
7040000 Other Tenant Revenue	-	-	-	N/A	281	-	281	N/A
7050000 TOTAL TENANT REVENUE	1,001,560	975,090	26,470	2.71	8,029,778	8,588,700	(558,922)	-6.51
7060000 FEDERAL GRANTS								
7060060 Shelter Plus Care Revenue	-	37,217	(37,217)	-100.00	223,283	297,736	(74,453)	-25.01
7069000 TOTAL FEDERAL GRANTS	-	37,217	(37,217)	-100.00	223,283	297,736	(74,453)	-25.01
7100000 OTHER INCOME								
7110010 Investment Income - Unrestricted	-	11,020	(11,020)	-100.00	62,975	90,173	(27,198)	-30.16
7110011 Interest Income	17,243	21,710	(4,467)	-20.58	109,426	199,531	(90,105)	-45.16
7110012 PFM-Investment Income	-	1,990	(1,990)	-100.00	-	15,920	(15,920)	-100.00
7110013 Coupon/Interest/Dividend Income	-	3	(3)	-100.00	-	24	(24)	-100.00
7110020 Interest on Equip. Reserve	-	208	(208)	-100.00	1,057	2,158	(1,101)	-51.02
7110030 Interest Earned on Operating Reserve	-	52	(52)	-100.00	-	416	(416)	-100.00
7110060 Interest - Replacement Reserve	-	4,004	(4,004)	-100.00	7,989	32,257	(24,268)	-75.23
7110070 Other - Income	106	610	(504)	-82.69	16,471	4,880	11,591	237.52
7110075 Laundry Commission	2,388	2,224	164	7.38	16,460	17,792	(1,332)	-7.48
7110082 Land Fee/Ground Lease	-	447	(447)	-100.00	1,341	3,576	(2,235)	-62.50
7110092 Professional Service Revenue	-	177,901	(177,901)	-100.00	1,579,781	1,423,208	156,573	11.00
7150030 Miscellaneous Other Revenue	25	-	25	N/A	1,780	-	1,780	N/A
7150050 Miscellaneous Other Income-Maintenance	-	-	-	N/A	35	-	35	N/A
7150070 Administrative Fee	-	1,505	(1,505)	-100.00	2,566	12,043	(9,477)	-78.69
7159000 TOTAL OTHER INCOME	3,030	221,674	(218,644)	-98.63	1,799,881	1,801,978	(2,097)	-0.12
7170000 RESTRICTED INCOME								
7200000 Investment Income - Restricted	-	-	-	N/A	83,404	-	83,404	N/A
7299999 TOTAL RESTRICTED INCOME	-	-	-	N/A	83,404	-	83,404	N/A
8000000 HUD GRANT								
8010000 HUD Operating Grants	2,510,972	2,479,899	31,073	1.25	19,974,609	19,839,188	135,421	0.68
8020000 Administrative Fees from HUD	138,507	147,162	(8,655)	-5.88	1,142,697	1,177,298	(34,601)	-2.94
8020110 PORT-In Administrative Fees	1,045	-	1,045	N/A	12,011	-	12,011	N/A
8030000 Administrative Fees Paid (PORT-Outs)	5,679	-	(5,679)	N/A	42,119	-	(42,119)	N/A
8100120 TOTAL HUD GRANT	2,644,845	2,627,061	17,784	0.68	21,087,198	21,016,486	70,712	0.34
8999000 TOTAL REVENUE	3,649,435	3,861,042	(211,607)	-5.48	31,223,493	31,704,900	(481,407)	-1.52
9000000 EXPENSES								
9000900 OPERATING EXPENSES								

Budget Comparison (with PTD)

Period = Jul 2019-Feb 2020

Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9100000 ADMINISTRATIVE								
9110010 Administrative Salaries	330,121	400,254	70,133	17.52	2,712,799	3,221,566	508,767	15.79
9110020 Temporary Help - Administrative	6,723	42,720	35,997	84.26	139,638	343,014	203,376	59.29
9120000 Auditing Fees	-	3,870	3,870	100.00	41,200	30,960	(10,240)	-33.07
9130000 Outside Management Fees	4,476	-	(4,476)	N/A	37,784	-	(37,784)	N/A
9150010 Admin Employee Benefits - Medical/Dental	64,234	106,360	42,126	39.61	470,367	854,833	384,466	44.98
9150020 Admin Employee Benefits - PERS/PARS	27,502	40,551	13,049	32.18	229,853	326,398	96,545	29.58
9150030 Admin Employee Benefits - FICA	4,759	6,419	1,660	25.86	38,949	51,654	12,705	24.60
9150040 Admin Employee Benefits - SUI	1,555	1,174	(381)	-32.43	14,802	9,435	(5,367)	-56.89
9150060 Admin Employee Benefits - Life/LTD	(292)	2,757	3,049	110.59	19,400	22,157	2,757	12.44
9150090 Admin Employee Benefit - WC	3,898	2,931	(967)	-33.00	32,428	23,566	(8,862)	-37.60
9160010 Office Supplies/Equipment	937	7,619	6,682	87.70	48,432	61,169	12,737	20.82
9160030 Dues & Subscriptions Publications	75	100	25	25.00	2,600	800	(1,800)	-225.00
9160040 Postage	12	4,044	4,032	99.70	5,242	33,052	27,810	84.14
9160050 Telephone	3,722	5,281	1,559	29.52	42,977	42,430	(547)	-1.29
9160060 Bank Charges and Check Supplies	-	2,311	2,311	100.00	18,872	19,537	665	3.40
9160090 Forms and Copies/Printing	638	425	(213)	-50.22	16,887	3,400	(13,487)	-396.68
9160100 Classified Ads and Public Notices/outreach material	203	3,073	2,870	93.39	8,785	25,284	16,499	65.26
9160110 Legal Expense	19,865	20,758	894	4.30	163,924	180,064	16,140	8.96
9160111 Payroll charge	681	636	(45)	-7.06	6,317	5,444	(873)	-16.04
9160112 Survey/Title Fee	-	167	167	100.00	1,654	1,336	(318)	-23.78
9160113 Office Rent	-	10,611	10,611	100.00	36,962	84,888	47,926	56.46
9160114 Administrative Support	-	-	-	N/A	919	-	(919)	N/A
9160115 Organization Cost	-	-	-	N/A	20	-	(20)	N/A
9160120 Training/Conferences and Travel	2,041	13,356	11,315	84.72	35,823	109,252	73,429	67.21
9160130 Membership Dues and Fees	300	912	612	67.11	13,083	7,730	(5,353)	-69.25
9160131 Taxes & Government Fees	14,319	-	(14,319)	N/A	113,957	-	(113,957)	N/A
9160140 Collection Loss	-	-	-	N/A	198	-	(198)	N/A
9160160 Contracts - Accounting Services	2,880	284	(2,596)	-914.08	84,293	2,272	(82,021)	-3,610.09
9160170 Contracts - Administrative Services/Consultant	3,481	32,252	28,771	89.21	129,384	263,847	134,463	50.96
9160180 Contracts - Application Service Provider - Yardi	11,287	18,642	7,355	39.45	79,583	149,906	70,323	46.91
9160190 Contracts - Computer/Telephone Maintenance/Email	308	18,708	18,400	98.35	106,157	150,140	43,983	29.29
9160210 Contracts - Housing Program Services	-	-	-	N/A	628	-	(628)	N/A
9160220 Contracts - Human Resource Services	-	5,729	5,729	100.00	13,633	45,924	32,292	70.32
9160230 Contracts - Housing Inspection Services	13,014	4,728	(8,286)	-175.26	60,187	37,804	(22,383)	-59.21
9160260 Contracts - Office Machine Lease	2,107	1,501	(606)	-40.38	12,665	12,477	(188)	-1.51
9160270 Contracts - Web Hosting/Maintenance/Web Ads	460	1,433	973	67.93	10,933	11,520	587	5.09
9160290 Contracts - HR Recruitment	1,638	11,041	9,403	85.16	13,657	88,888	75,231	84.64
9160510 Association Dues	-	3,500	3,500	100.00	45,588	28,000	(17,588)	-62.81
9169000 TOTAL ADMINISTRATIVE	520,944	774,147	253,203	32.71	4,810,582	6,248,747	1,438,165	23.02
9200000 TENANT/SOCIAL SERVICES/POLICE								
9210010 Tenant Services - Salaries	16,987	-	(16,987)	N/A	126,164	3,444	(122,720)	-3,563.30
9210030 Police Services	17,500	16,148	(1,352)	-8.37	162,908	138,984	(23,924)	-17.21
9210100 Tenant/Social Sevcies - Salaries	-	16,107	16,107	100.00	-	128,835	128,835	100.00

Budget Comparison (with PTD)

Period = Jul 2019-Feb 2020

Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9219000 TOTAL TENANT/SOCIAL SERVICES/POLICE	34,487	32,255	(2,232)	-6.92	289,072	271,263	(17,809)	-6.57
9219990 RELOCATION								
9220000 Tenant-Relocation Costs	270	-	(270)	N/A	47,906	-	(47,906)	N/A
9229000 TOTAL RELOCATION	270	-	(270)	N/A	47,906	-	(47,906)	N/A
9230005 TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE								
9230010 Tenant Svcs Employee Benefits - Medical/Dental	2,650	3,572	922	25.82	19,020	28,588	9,568	33.47
9230020 Tenant Svcs Employee Benefits - PERS/PARS	908	1,636	728	44.49	6,259	13,074	6,815	52.13
9230030 Tenant Svcs Employee Benefits - FICA	173	726	553	76.14	1,202	5,797	4,595	79.27
9230040 Tenant Svcs Employee Benefits - SUI	57	162	105	65.07	543	1,287	744	57.81
9230075 Property Taxes	250	-	(250)	N/A	250	-	(250)	N/A
9230080 Tenant Svcs Employee Benefits - Other	-	-	-	N/A	2,822	-	(2,822)	N/A
9230090 Tenant Svcs Employee Benefit - WC	506	2,005	1,499	74.76	5,345	16,024	10,679	66.64
9239000 TOTAL TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE	4,294	8,101	3,807	47.00	35,191	64,770	29,579	45.67
9240005 TENANT SERVICES								
9240010 Tenant/Social Svcs - Supplies	-	-	-	N/A	321	-	(321)	N/A
9240020 Tenant Service Activities - Contracts and O/S Services	9,881	24,143	14,262	59.07	122,417	204,832	82,415	40.24
9249000 TOTAL TENANT SERVICES	9,881	24,143	14,262	59.07	122,738	204,832	82,094	40.08
9300000 UTILITIES								
9310000 Water	19,892	20,774	882	4.24	203,813	180,038	(23,775)	-13.21
9320000 Electricity	19,114	11,508	(7,606)	-66.09	99,894	95,627	(4,267)	-4.46
9330000 Gas	9,061	4,480	(4,581)	-102.26	55,883	35,886	(19,997)	-55.72
9380010 Sewer	5,681	23,484	17,803	75.81	79,119	203,405	124,286	61.10
9380020 Garbage	72,056	35,459	(36,597)	-103.21	312,698	311,685	(1,013)	-0.33
9399000 TOTAL UTILITIES	125,804	95,705	(30,099)	-31.45	751,407	826,641	75,234	9.10
9399990 MAINTENANCE								
9400000 MAINTENANCE SALARIES								
9410010 Maintenance - Salaries	55,572	59,266	3,694	6.23	454,395	474,126	19,731	4.16
9419000 TOTAL MAINTENANCE SALARIES	55,572	59,266	3,694	6.23	454,395	474,126	19,731	4.16
9420005 MAINTENANCE MATERIALS								
9420010 Maintenance Materials	11,591	18,981	7,390	38.94	86,390	166,092	79,702	47.99
9420020 Vehicle - gasoline	2,773	559	(2,214)	-396.05	7,544	4,472	(3,072)	-68.70
9420030 Janitorials Supplies	-	-	-	N/A	2,286	-	(2,286)	N/A
9429000 TOTAL MAINTENANCE MATERIALS	14,364	19,540	5,176	26.49	96,221	170,564	74,343	43.59
9429005 MAINTENANCE CONTRACTS								
9429015 Maintenance Contracts - Unit Turnaround	-	4,986	4,986	100.00	14,432	35,421	20,989	59.26
9429030 Maintenance Contracts - Tree Trimming	-	834	834	100.00	-	6,672	6,672	100.00
9429040 Maintenance Contracts - Cycle Painting	-	-	-	N/A	275	-	(275)	N/A
9429060 Maintenance Contracts - Floor Covering	7,762	5,791	(1,971)	-34.04	68,731	51,690	(17,041)	-32.97
9429100 Maintenance Contracts - Services	26,315	10,559	(15,756)	-149.22	110,651	96,435	(14,216)	-14.74
9430010 Maintenance Contracts - Painting	6,850	2,667	(4,183)	-156.84	35,650	24,116	(11,534)	-47.83
9430020 Maintenance Contracts - Plumbing	225	1,946	1,721	88.44	10,139	19,894	9,755	49.03
9430030 Maintenance Contracts - Landscape, Pool, Pond Maintenance	1,603	9,816	8,213	83.67	98,511	87,719	(10,792)	-12.30
9430040 Maintenance Contracts - HVAC Maintenance	2,700	3,134	434	13.85	4,981	25,275	20,294	80.29
9430050 Maintenance Contracts - Hazardous Substances Testing	-	-	-	N/A	9,650	-	(9,650)	N/A

Budget Comparison (with PTD)

Period = Jul 2019-Feb 2020

Book = Accrual

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9430060 Maintenance Contracts - Elevator Maintenance	2,155	3,325	1,170	35.19	21,789	26,684	4,895	18.35
9430070 Maintenance Contracts - Extermination	12,455	3,979	(8,476)	-213.02	49,135	33,708	(15,427)	-45.77
9430080 Maintenance Contracts - Electrical Maintenance	-	1,859	1,859	100.00	4,019	16,083	12,064	75.01
9430090 Maintenance Contracts - Security and Nurse Call Systems	6,120	3,437	(2,683)	-78.06	87,205	27,846	(59,359)	-213.17
9430110 Maintenance Contracts - Gutter Cleaning Services	280	1,271	991	77.97	280	10,644	10,364	97.37
9430120 Maintenance Contracts - Flooring Replmt/Cleaning Srvc	-	-	-	N/A	4,735	-	(4,735)	N/A
9430130 Maintenance Contracts - Other	17,997	4,462	(13,535)	-303.34	23,797	36,578	12,781	34.94
9430140 Maintenance Contracts - Vehicle Maintenance	1,007	550	(457)	-83.03	18,785	4,727	(14,058)	-297.39
9430150 Maintenance Contracts - Janitorial	279	14,084	13,805	98.02	91,395	113,512	22,117	19.48
9439000 TOTAL MAINTENANCE CONTRACTS	85,748	72,700	(13,048)	-17.95	654,159	617,004	(37,155)	-6.02
9450005 MAINTENANCE EMPLOYEE BENEFITS								
9450010 Maint Employee Benefits - Medical/Dental	12,504	19,314	6,810	35.26	98,791	154,512	55,721	36.06
9450020 Maint Employee Benefits - PERS/PARS	5,011	5,881	870	14.79	42,122	47,040	4,918	10.46
9450030 Maint Employee Benefits - FICA	1,361	840	(521)	-62.02	12,813	6,720	(6,093)	-90.67
9450040 Maint Employee Benefits - SUI	242	215	(27)	-12.53	2,314	1,710	(604)	-35.34
9450050 Maint Employee Benefits - Life/LTD	402	505	103	20.47	3,230	4,027	797	19.80
9450070 Maint Employee Benefits - Uniforms/Shoes	25	2,013	1,988	98.75	1,744	16,110	14,366	89.18
9450091 Maint Employee Benefit - WC	3,330	2,671	(659)	-24.68	27,830	21,377	(6,453)	-30.18
9459000 TOTAL MAINTENANCE EMPLOYEE BENEFITS	22,876	31,439	8,563	27.24	188,844	251,496	62,652	24.91
9499000 TOTAL MAINTENANCE	178,559	182,945	4,386	2.40	1,393,618	1,513,190	119,572	7.90
9500000 GENERAL EXPENSES								
9500100 Interest Expense	81,175	94,890	13,715	14.45	686,342	779,539	93,197	11.96
9500160 Mortgage Financial Service Charge	5,919	-	(5,919)	N/A	61,175	-	(61,175)	N/A
9610010 Insurance - Workers Compensation	495	-	(495)	N/A	4,391	-	(4,391)	N/A
9610020 Insurance - Liability	5,388	4,602	(786)	-17.08	43,104	39,087	(4,017)	-10.28
9610030 Insurance - Property	8,012	11,154	3,142	28.17	63,628	100,301	36,673	36.56
9610040 Insurance - Vehicle	684	1,277	593	46.43	5,504	10,753	5,249	48.81
9610060 Insurance - Other	1,386	1,255	(131)	-10.47	16,854	10,040	(6,814)	-67.87
9620010 Other General Expenses	1,459	-	(1,459)	N/A	10,679	-	(10,679)	N/A
9620020 Casualty Losses	-	-	-	N/A	2,490	-	(2,490)	N/A
9698000 TOTAL GENERAL EXPENSES	104,768	113,178	8,410	7.43	894,418	939,720	45,302	4.82
9699000 TOTAL OPERATING EXPENSES	979,007	1,230,474	251,467	20.44	8,344,931	10,069,163	1,724,232	17.12
9700000 MOD REHAB AND SPC EXPENSES								
9700500 Rent to Owners - Shelter Plus Care	-	-	-	N/A	4,380	-	(4,380)	N/A
9700570 Rent to Owners - Bessie Coleman	14,266	-	(14,266)	N/A	124,034	-	(124,034)	N/A
9700800 PORT-In (A/R Billings) (Income)	(24,553)	-	24,553	N/A	(253,303)	-	253,303	N/A
9700900 TOTAL MOD REHAB AND SPC EXPENSES	(10,287)	-	10,287	N/A	(124,889)	-	124,889	N/A
9710000 EXTRAORDINARY EXPENSES								
9710090 Pre-development Cost	-	8,333	8,333	100.00	-	66,664	66,664	100.00
9713001 HOUSING ASSISTANCE PAYMENTS (VOUCHER)								
9719000 TOTAL EXTRAORDINARY EXPENSES	-	8,333	8,333	100.00	-	66,664	66,664	100.00
9730001 HOUSING ASSISTANCE PAYMENTS (VOUCHER)								
9730010 Housing Assistance Payments - Landlords	2,657,383	2,512,022	(145,361)	-5.79	20,705,608	20,096,179	(609,429)	-3.03
9730020 Housing Assistance Payments - FSS	5,107	-	(5,107)	N/A	42,431	-	(42,431)	N/A

Budget Comparison (with PTD)

Period = Jul 2019-Feb 2020

Book = Accrual

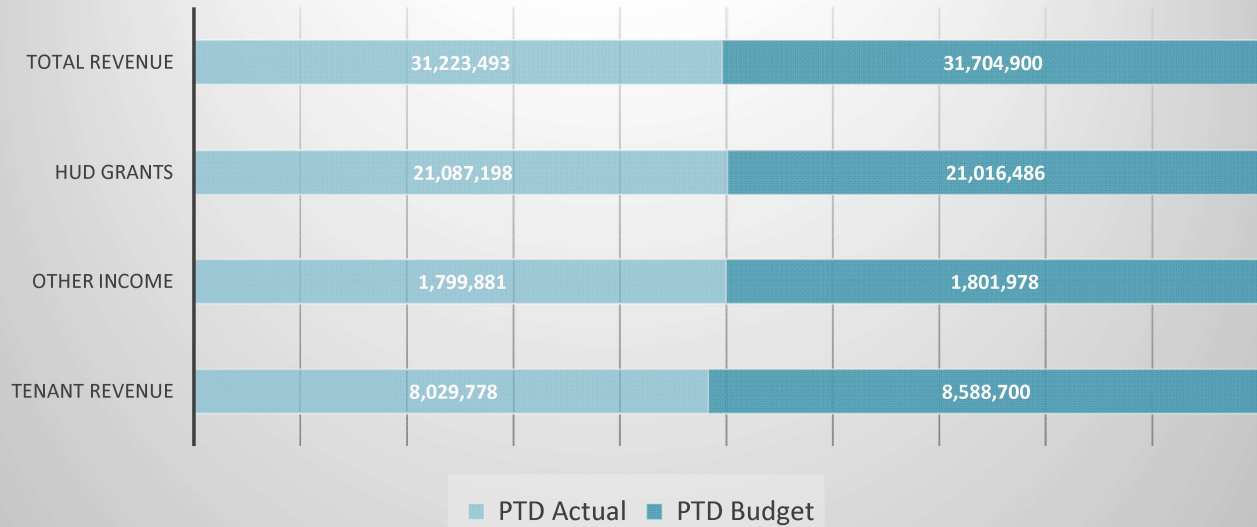
	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
9730070 Utility Allowance to Tenants	1,494	-	(1,494)	N/A	13,502	-	(13,502)	N/A
9739000 TOTAL HOUSING ASSISTANCE PAYMENTS (VOUCHER)	2,663,984	2,512,022	(151,962)	-6.05	20,761,541	20,096,179	(665,362)	-3.31
TOTAL EXPENSES BEFORE OTHER EXPENSES	3,632,704	3,750,829	(118,125)	-3.15	28,981,583	30,232,006	(1,250,423)	-4.14
NET INCOME BEFORE OTHER EXPENSES	16,731	110,213	(93,482)	-84.82	2,241,911	1,472,894	769,017	52.21
9739500 OTHER EXPENSES								
9740000 Depreciation Expense	147,971	108,397	(39,574)	-36.51	1,193,374	948,376	(244,998)	-25.83
9859999 TOTAL OTHER EXPENSES	147,971	108,397	(39,574)	100.00	1,193,374	948,376	(244,998)	-10.23
9996000 TOTAL EXPENSES	3,632,704	3,859,226	226,522	5.87	30,026,986	31,180,382	1,153,396	3.70
9998000 NET INCOME	(131,240)	1,816	<u>133,056</u>	7,327	1,048,537	524,518	<u>(524,019)</u>	-99.90

Budget Comparison (with PTD)

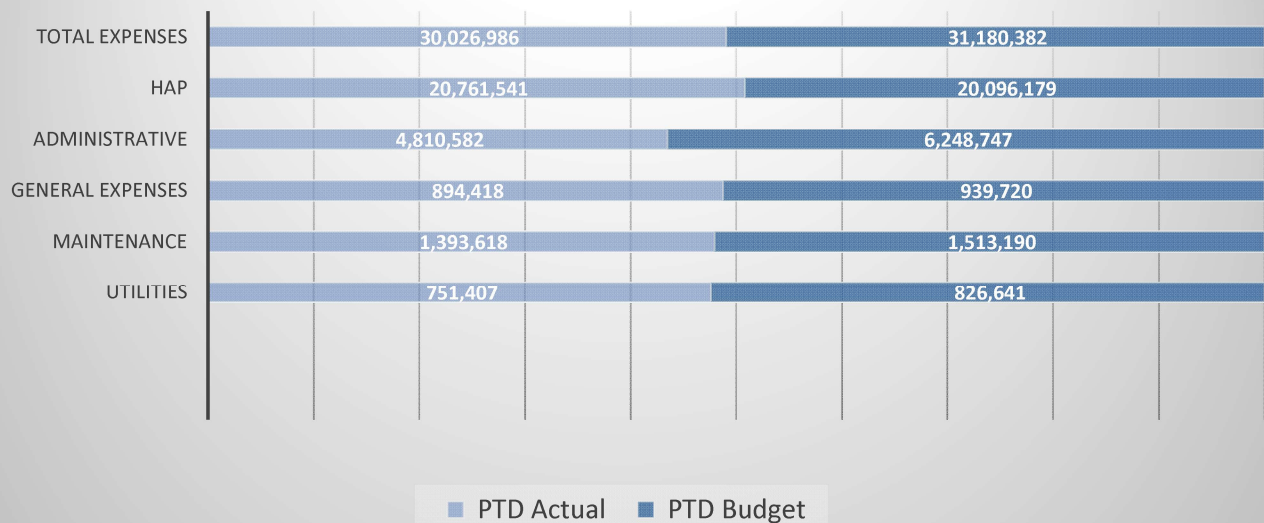
Period = Jul 2019-Feb 2020

Book = Accrual

AHA REVENUE - ACTUAL VERSUS BUDGET (PTD)



AHA EXPENSES - ACTUAL VERSUS BUDGET (PTD)



Note - Categories less than \$100,000 are not presented

**FIRST AMENDMENT TO
CONSULTANT SERVICES AGREEMENT**

THIS FIRST AMENDMENT TO CONSULTANT SERVICES AGREEMENT (“**Amendment**”) is entered into as of April 15, 2020, (“**Amendment Effective Date**”) by and between the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic (“**Authority**”), and Citrin Cooperman and Company LLP, a New York limited liability partnership (“**Consultant**”). The Authority and the Consultant are individually referred to herein as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. The Authority and Consultant entered into that certain Consultant Services Agreement dated July 3, 2019 (“**Agreement**”) to provide financial consultant services to Authority as more specifically set forth therein. All capitalized terms not defined in this Amendment will have the meaning ascribed to such terms in the Agreement.

B. The Agreement term commenced on July 3, 2019 with a termination date of May 31, 2020. The Parties may agree by mutual agreement to extend the term for a maximum of three (3) additional one-year periods, one year at a time. All one-year extensions are required to be memorialized by amendments to the Agreement executed by both Parties.

C. The compensation currently authorized under the Agreement is the not to exceed maximum total amount of Forty-Five Thousand Dollars (\$45,000).

D. The Authority is in need of financial audit services and U.S. Department of Housing and Urban Development (HUD) related financial consultant services beyond the May 31, 2020 contract termination date which will result in an increase in costs paid to Consultant in excess of the current maximum authorized contract amount.

E. Pursuant to Section 1 of the Agreement, the Parties desire to extend the term of the Agreement for an additional one (1) year period, from the existing May 31, 2020 termination date to May 31, 2021.

F. To compensate the Consultant for the extended period to continue to perform the scope of services, the Authority desires to increase the maximum contract amount by an additional Eighty-Five Thousand Dollars (\$85,000) such that the new maximum contract amount shall be increased from Forty-Five Thousand Dollars (\$45,000) to the new proposed maximum amount of One Hundred Thirty Thousand Dollars (\$130,000).

I. The Authority and Consultant desire to amend the Agreement to provide for the following, (i) extension of the term to May 31, 2021 as permitted in Section 1. of the Agreement, (ii) increase the maximum contract amount by an additional Eighty-Five Thousand Dollars (\$85,000) such that the new maximum contract amount shall not exceed One Hundred Thirty Thousand Dollars (\$130,000).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, the Parties agree as follows:

1. **Recitals.** The Recitals and attachments referenced above are incorporated in this Amendment by this reference and adopted by the Parties to be true and correct.

Extension of Agreement Term. The Completion Date set forth in the Agreement shall be extended from May 31, 2020 to May 31, 2021. The first paragraph in Section 1. of the Agreement (Term) , commencing the words, "The time for Completion shall" and ending with the words "Amendment to the Agreement" is hereby deleted in its entirety and replaced with the following:

"The time for Completion shall be May 31, 2021 (the "Completion Date"), unless terminated earlier as set forth herein. The parties may choose by mutual agreement to extend the term for a maximum of two (2) additional one-year periods, one year at a time, and shall do so by executing a written amendment to the Agreement.

The second paragraph in Section 1 shall remain the same.

2. **Compensation to Consultant.** The maximum total amount to be paid by Authority to Consultant under the Agreement shall be increased from a maximum total amount of \$45,000, by an additional \$85,000, to a new maximum total amount of \$130,000. The second paragraph in Section 3. (Compensation of Consultant) of the Agreement which reads, "Total compensation under this contract will not exceed \$45,000" is hereby deleted in its entirety and replaced with the following, " Total compensation under this Agreement will not exceed the total maximum amount of \$130,000." The first paragraph shall remain the same.

6. **Miscellaneous.**

- a. **Further Cooperation.** The Parties agree to execute such other instruments, Agreements and amendments to documents as may be necessary or appropriate to effectuate the Agreement as amended by this Amendment.

- b. **Interpretation.** This Amendment, when combined with the Agreement, sets forth and contains the entire understanding and agreement of the Parties. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within this Amendment or the Agreement.

- c. **Attachments.** Each of the attachments and exhibits attached or to be attached to this Amendment are incorporated in this Amendment by this reference.

- d. **Effectiveness of Agreement.** Except as modified and amended by this Amendment, all other terms and conditions of the Agreement remain unmodified and in full force and effect.

- e. **Jurisdiction/Venue.** This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in

the County of Alameda, and the parties waive any provision of law providing for a change of venue to another location.

f. Service of Process. Consultant hereby (i) consents to service of process in any action between the parties arising in whole or in part under or in connection with the Agreement as modified and amended by this Amendment in any manner permitted by California law, (ii) agrees that service of process made in accordance with clause (i) or made by registered or certified mail, return receipt requested, at its address specified in to Section 17 of the Agreement, will constitute good and valid service of process in any such action, and (iii) waives and agrees not to assert (by way of motion, as a defense, or otherwise) in any such action any claim that service of process made in accordance with clause (i) or (ii) does not constitute good and valid service of process.

g. Non-Liability of Authority Officials, Employees and Agents. No member, official, employee or agent of the Authority shall be personally liable to Consultant in the event of any default or breach by the Authority or for any amount which may become due to Consultant or its successor or on any obligation under the terms of the Agreement as modified by this Amendment.

h. Counterparts. This Amendment may be signed by the Parties in counterparts, each of which will be an original but all of which together will constitute one and the same Agreement.

REMAINDER OF PAGE INTENTIONALLY BLANK

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, Authority and Consultant have executed this Amendment as of the Amendment Effective Date.

AUTHORITY:

HOUSING AUTHORITY OF THE CITY
OF ALAMEDA, a public body corporate
and politic

By: _____
Vanessa Cooper,
Executive Director

CONSULTANT:

CITRIN COOPERMAN & COMPANY
LLP, a New York Limited Liability
Partnership

By: _____
J. Michael Stephens,
Partner

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Louie So, Director of Finance

Date: April 15, 2020

Re: Accept a Revised Budget Process for Fiscal Year 2020-2021

BACKGROUND

In previous years, each Director reviewed their own budget with the Executive Director. This process would normally start March 1st each year. The combined historical budget data, with actuals data and expected changes in the upcoming fiscal year were used to establish the FY 2019-2020 budget for both AHA and AAHC. On June 19, 2019, the Board of Commissioners approved a one-year operating budget for all programs covering the fiscal year July 1, 2019 through June 30, 2020. The AAHC budget was also presented in a separate memorandum for the AAHC board.

It is expected that the operating budget for all programs covering the fiscal year July 1, 2020 through June 30, 2021 (Fiscal Year 2021) will be brought to the Board of Commissioners ideally by May but no later than by June 2020 in order to ensure continued spending approval.

DISCUSSION

Current events related to coronavirus, including the Shelter in Place order and closure of the AHA office, are anticipated to create a substantial backlog of work for staff upon resumption of normal operations and the budget process has not yet started for the same reasons. In order to prioritize on critical functions of AHA, it is recommended to simplify and centralize the annual budget process between the Finance Director and Executive Director. The proposed budget process will utilize the FY 2020 budget with minor adjustments based on FY 2020 actual fiscal year 9 months data to extrapolate the FY 2021 budget, for the following five segments:

- (1) AAHC Owned Properties
- (2) AHA Owned Properties
- (3) Housing Choice Vouchers/Section 8 Operations
- (4) Housing & Community Development
- (5) Rent Programs



Honorable Chair and
Members of the Board of Commissioners

April 15, 2020
Page 2 of 2

It is recommended that the following assumptions to be utilized in this simplified budget process would include the following:

Operating Income:

This includes tenant rental Income, HAP income to AHA/AAHC owned properties, City & County reimbursements, Section 8 Administrative Fee and interest income. The assumption is that operating income will remain flat from Fiscal Year 2020.

Operating Expenses:

This includes salaries, administrative, legal, maintenance and tenant social services. The assumption is that operating expenses will remain flat even with the expected transfer of property management duties for several properties to third party management.

Housing Assistance Payments:

This includes HUD HAP payments income and HAP disbursements to landlords. The assumption is that this will be flat from the prior year.

Additionally, the following assumptions are expected to be applied:

- (1) Payments to CalPERS for accrued unfunded pension liability will be made prior to the end of the current fiscal year.
- (2) Transfer of Rosefield Village from AHA to an Island City Development affiliate (Constitution & Eagle, L.P.) in June 2020 in anticipation of construction loan and tax credit equity closing.
- (3) Operating transfer to HPD from AHA property reserves to cover losses in the Section 8 Housing Programs operating budgets.

Actuals versus budget will continue to be tracked on a monthly basis. If the budget deviates substantially from actual data (i.e. 10% variance of actuals to budget of Net Operating Income), the 2020-2021 budget will be revised and will be presented to the Board of Commissioners for approval.

RECOMMENDATION

Accept a revised Budget Process for the fiscal year beginning July 1, 2020 and ending June 30, 2021 (Fiscal Year 2021).

Respectfully submitted,



Louie So, CPA
Director of Finance



701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: April 15, 2020

Re: Review and Approval of Consent to Potential Conflict of Interest
Regarding Housing Authority of the City of Alameda and City of Alameda

DISCUSSION

The Rules of Professional Conduct of the State Bar of California require that before a law firm may concurrently represent two or more clients in the same subject matter, or represent clients in different matters where their interests may conflict, the law firm must inform the clients in writing of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to the clients. The Rules of Professional Conduct also require that when the clients' interests potentially conflict, the law firm may not represent them without informed written consent.

The law firm Goldfarb & Lipman LLP (Goldfarb & Lipman) has requested the consent of the Housing Authority and the City of Alameda (City) to the representation by Goldfarb & Lipman of the Housing Authority in connection with the negotiation of various agreements and partnerships between the Housing Authority and City located in the City of Alameda.

Specifically, the City has requested that the Housing Authority commence negotiations with the City in connection with the following, (i) the Housing Services Agreement for FYs 2019-2020 and 2020-2021 between the City and Housing Authority, (ii) the Housing Authority's roles and responsibilities in connection with the City's Rent Program and the terms of a new Services Agreement for the City's Rent Program to start July 1, 2020, and (iii) possible discussions between the Alameda Renters Coalition and the Housing Authority (collectively "City Negotiations").

Additionally, the Housing Authority has requested or expects to request the City to enter into negotiations in connection with the following (i) the Housing Authority transfer of certain affordable housing projects to the Housing Authority's non-profit affiliate Alameda Affordable Housing Corporation, where projects include financing from the City and/or the Successor Agency, (ii) confidentiality agreement between City staff and Housing Authority for the Rent database, and (iii) negotiation of other issues in which City and Housing Authority are parties, (collectively, "Housing Authority Negotiations").



The City Negotiations and the Housing Authority Negotiations are collectively referred to herein as the "Transactions."

Goldfarb & Lipman has advised both the City and Housing Authority of a potential conflict of interest of Goldfarb & Lipman due to the existing and continued relationships that Goldfarb & Lipman has separately with the City and Housing Authority, and the proposed representation of the Housing Authority in the Transactions. Goldfarb & Lipman does not intend to represent the City with respect to the Transactions, as it will be represented by the City Attorney's Office or other special Counsel at the discretion of the City Attorney's Office. Additionally, the attorneys representing the Housing Authority in the Transaction shall not discuss the Transactions, their representation of the Housing Authority, and/or any matters involving the Housing Authority with the attorneys at Goldfarb & Lipman representing the City. Further, the attorneys representing the Housing Authority in the Transaction shall not share, or provide access to, any data, documentation, communications, information, or work product derived from or generated for the Housing Authority with the attorneys at Goldfarb & Lipman representing the City.

The Housing Authority is an existing client of Goldfarb & Lipman. Goldfarb & Lipman has and continues to represent the Housing Authority in connection with general counsel services, human resources legal work, fair housing legal services, federal, state and local housing finance programs, and other related services in Alameda. Goldfarb & Lipman is specifically not representing the Housing Authority with respect to the North Housing development project.

Goldfarb & Lipman provides on-going legal advice to Island City Development and the Alameda Affordable Housing Corporation, non-profit affiliates of the Housing Authority, including advice related to the transfer of certain Housing Authority properties to its affiliates Island City Development or the Alameda Affordable Housing Corporation. In addition, City is an existing client of Goldfarb & Lipman. Goldfarb & Lipman has and continues to represent City in connection with certain development projects and land use issues within Alameda. Specifically, Goldfarb & Lipman represents the City, under the supervision of and in coordination with the City Attorney's Office, in negotiation and implementation of the Site A Disposition and Development Agreement including the development of the affordable housing components of that project, the negotiation and implementation of the RESHAP Disposition and Development Agreement, potential developer selection and negotiations for the West Midway development and other issues related to the reuse of Alameda Naval Air Station as requested from time to time by the City Attorney's Office. Additionally, Goldfarb & Lipman provides advice to the City, from time to time, on general land use matters including surplus lands, density bonus, streamlining and related matters including the application for the North Housing project by the Housing Authority.

Although Goldfarb & Lipman is unaware of any current conflict of interest created by the existing relationships described above, as attorneys, they are governed by specific rules relating to their representation of clients when potential conflicts of interest exist.



Honorable Chair and
Members of the Board of Commissioners

Goldfarb & Lipman must disclose certain information, and obtain the informed written consents of both the City and the Housing Authority to represent the Housing Authority in connection with the Transactions as described in this report, in accordance with Rules 1.1, 1.4, 1.6, 1.7, 1.8.2, 1.9 and 1.10 of the Rules of Professional Conduct of the State Bar of California (the "CRPC").

Goldfarb and Lipman's representation of the Housing Authority in connection with the Transactions could potentially create a conflict of interest for Goldfarb & Lipman related to, among other matters, if they have information that they obtained in connection with their representation of City which is material to the Transactions. Due to their duty of confidentiality and loyalty, they would be unable to disclose such information to the Housing Authority. At this time, Goldfarb & Lipman does not believe that there is an actual conflict of interest. Goldfarb & Lipman believes it can competently represent the Housing Authority in the Transactions and still maintain their independent judgement and duty of loyalty to each of the City and Housing Authority in unrelated matters. In addition, Goldfarb and Lipman does not believe that it has obtained any confidential information from the City which is material to their proposed representation of the Housing Authority in the Transactions, or from the Housing Authority that is material to their continued representation of the City in unrelated matters.

If an actual conflict should arise related to the Transactions pursuant to the Rules of Professional Conduct of the State Bar of California, Goldfarb & Lipman would need to determine if they could continue to represent the Housing Authority in the Transactions and obtain the informed written consent of both the Housing Authority and the City. Based on the existing working relationship, staff believes Goldfarb & Lipman can competently represent the Housing Authority in the Transactions and still maintain their independent judgement and duty of loyalty to each of the City and Housing Authority in unrelated matters.

It is therefore recommended the Board of Commissioners authorize the Executive Director to execute the Consent to Potential Conflict of Interest authored by Goldfarb & Lipman, a copy of which is attached to this staff report. The City will also be required to review, and if approved by the City Council, execute the Consent to Potential Conflict of Interest.

If the City Council or Board of Commissioners does not approve this waiver, then a new General Counsel will need to be appointed. Special Counsel has already been appointed who could take over this role.

FISCAL IMPACT

The Housing Authority has budgeted for legal fees for General Counsel for the current year and will continue to do so in future years.



RECOMMENDATION

Staff recommends the Board of Commissioners: 1) Receive and file this report; and 2) approve a Consent to Potential Conflict of Interest relating to representation of the Housing Authority of the City of Alameda and the City of Alameda by Goldfarb & Lipman LLP; and 3) authorize the Executive Director to sign the consent to potential conflict of interest on behalf of Housing Authority of the City of Alameda.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

Attachment:

1. Letter from Goldfarb



goldfarb
lipman
attorneys

1300 Clay Street, Eleventh Floor
Oakland, California 94612
510 836-6336

M David Kroot

Lynn Hutchins

Karen M. Tiedemann

Thomas H. Webber

Dianne Jackson McLean

Michelle D. Brewer

Jennifer K. Bell

Robert C. Mills

Isabel L. Brown

James T. Diamond, Jr.

Margaret F. Jung

Heather J. Gould

William F. DiCamillo

Amy DeVaudreuil

Barbara E. Kautz

Erica Williams Orcharton

Luis A. Rodriguez

Rafael Yaquián

Celia W. Lee

Dolores Bastian Dalton

Joshua J. Mason

Elizabeth R. Klueck

Jeffrey A. Streiffer

Jhaila R. Brown

Erik Ramakrishnan

Rye P. Murphy

Justin D. Bigelow

Aileen T. Nguyen

Katie Dahlinghaus

Erin C. Lapeyrolerie

San Francisco

415 788-6336

Los Angeles

213 627-6336

San Diego

619 239-6336

Goldfarb & Lipman LLP

April 3, 2020

Vanessa Cooper
Housing Authority of the
City of Alameda
701 Atlantic Avenue
Alameda, CA 94501

Yibin Shen
City of Alameda
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501

via email and u.s. mail

Re: Consents to Potential Conflict of Interest – Housing Authority of the City of Alameda and City of Alameda

Dear Ms. Cooper and Mr. Shen:

We write this letter to request the consents of the Housing Authority of the City of Alameda and its affiliates ("Housing Authority") and the City of Alameda ("City") to the representation by Goldfarb & Lipman LLP ("Goldfarb & Lipman") of the Housing Authority in connection with the negotiation of various agreements and partnerships between the Housing Authority and City (the "Project") located in Alameda.

Specifically, the City of Alameda has requested that the Housing Authority commence negotiations with the City in connection with the following, (i) the Housing Services Agreement for FYs 2019-2020 and 2020-2021 between the City and Housing Authority, (ii) the Housing Authority's roles and responsibilities in connection with the City's Rent Program and the terms of a new Services Agreement for the City's Rent Program to start July 1, 2020, and (iii) possible discussions between the Alameda Renters Coalition and the Housing Authority (collectively "City Negotiations").

Additionally, the Housing Authority has requested or expects to request the City to enter into negotiations in connection with the following (i) the Housing Authority transfer of certain affordable housing projects to the Housing Authority's non-profit affiliate Alameda Affordable Housing Corporation, where projects include financing from the City and/or the Successor Agency, (ii) confidentiality agreement between City staff and Housing Authority for the Rent database, and (iii) negotiation of other issues in which City and Housing Authority are parties, (collectively, "Housing Authority Negotiations"). The City Negotiations and the Housing Authority Negotiations are collectively referred to herein as the "Transactions."

The specific purpose of this letter is to advise you of a potential conflict of interest of Goldfarb & Lipman due to the existing and continued relationships that Goldfarb &

Housing Authority of the City of Alameda
City of Alameda
April 3, 2020
Page 2

Lipman has separately with each of you, and the proposed representation of the Housing Authority in the Transactions. We do not intend to represent the City with respect to the Transactions, as it will be represented by the City Attorney's Office or other special Counsel at the discretion of the City Attorney's Office. Additionally, the attorneys representing the Housing Authority in the Transaction shall not discuss the Transactions, their representation of the Housing Authority, and/or any matters involving the Housing Authority with the attorneys at Goldfarb & Lipman representing the City. Further, the attorneys representing the Housing Authority in the Transaction shall not share, or provide access to, any data, documentation, communications, information, or work product derived from or generated for the Housing Authority with the attorneys at Goldfarb & Lipman representing the City.

To undertake this representation, we are required to (1) disclose in writing our existing relationship with each of you, and (2) obtain the informed written consent of each of you to such potential conflict of interest, as described in this letter. We believe that we will be able to provide competent and diligent representation to the Housing Authority in this matter.

1. Existing Relationships.

The Housing Authority is an existing client of Goldfarb & Lipman. We have and continue to represent the Housing Authority in connection with general counsel services, human resources legal work, fair housing legal services, federal, state and local housing finance programs, and other related services in Alameda. We specifically are not representing the Housing Authority with respect to the North Housing development project.

We provide on-going legal advice to Island City Development and the Alameda Affordable Housing Corporation, non-profit affiliates of the Housing Authority, including advice related to the transfer of certain Housing Authority properties to its affiliates Island City Development or the Alameda Affordable Housing Corporation.

In addition, City is an existing client of Goldfarb & Lipman. We have and continue to represent City in connection with certain development projects and land use issues within Alameda. Specifically, we represent the City, under the supervision of and in coordination with the City Attorney's Office, in negotiation and implementation of the Site A Disposition and Development Agreement including the development of the affordable housing components of that project, the negotiation and implementation of the RESHAP Disposition and Development Agreement, potential developer selection and negotiations for the West Midway development and other issues related to the reuse of Alameda Naval Air Station as requested from time to time by the City Attorney's Office. Additionally, we provide advice to the City, from time to time, on general land use matters including surplus lands, density bonus, streamlining and related matters including the application for the North Housing project by the Housing Authority.

Housing Authority of the City of Alameda
City of Alameda
April 3, 2020
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2. Potential Conflict of Interest.

While we are unaware of any current conflict of interest created by our existing relationships described in Section 1 above, as attorneys, we are governed by specific rules relating to our representation of clients when potential conflicts of interest exist. We must disclose certain information, and obtain the informed written consents of each of you to represent the Housing Authority in connection with the Transactions as described in this letter, in accordance with Rules 1.1, 1.4, 1.6, 1.7, 1.8.2, 1.9 and 1.10 of the Rules of Professional Conduct of the State Bar of California (the "CRPC").

Our representation of the Housing Authority in connection with the Transactions could potentially create a conflict of interest for Goldfarb & Lipman related to, among other matters, if we have information that we obtained in connection with our representation of City which is material to the Transactions, due to our duty of confidentiality and loyalty, we would be unable to disclose such information to the Housing Authority. At this time, we do not believe that there is an actual conflict of interest for Goldfarb & Lipman, and we believe that we can competently represent the Housing Authority in the Transactions and still maintain our independent judgment and duty of loyalty to each of you in unrelated matters. In addition, we do not believe that we have obtained any confidential information from City which is material to our proposed representation of the Housing Authority in the Transactions, or from the Housing Authority that is material to our continued representation of City in unrelated matters.

However, if an actual conflict should arise related to the Transactions in which: (i) the interest of City is now in conflict with the interest of the Housing Authority, that would affect our independent judgment and our duty of loyalty to each of you in the unrelated matters; (ii) the issue of dispute in this Transactions is substantially related to the same issue in which we have represented either of you in other matters; or (iii) we have obtained any confidential information from the Housing Authority that is material to our representation of City, or any confidential information from City that is material to our representation of the Housing Authority, we would need to determine if we could continue to represent the Housing Authority in the Transactions. In reaching our decision, we would first need to determine if we could competently continue such representation, notwithstanding the adversity, and after such determination, we would further need to obtain the informed written consent of each of you.

3. Informed Written Consent.

You should thoroughly review and consider the matters discussed in this letter, and consider seeking independent counsel before providing your consent. If, after such review, each of you consents to Goldfarb & Lipman representing the Housing Authority in the Transactions, please sign and return the attached consent form: (i) acknowledging that you have been advised of Goldfarb & Lipman's past and continuing relationships with each of you; (ii) acknowledging that you have been advised of Rules 1.1, 1.4, 1.6, 1.7, 1.8.2, 1.9 and 1.10 and the potential conflict of interest associated with our representation of the Housing Authority in the Transactions; and

Housing Authority of the City of Alameda
City of Alameda
April 3, 2020
Page 4

(iii) that you nevertheless consent to our representation of the Housing Authority in connection with the Transactions. The City and the Housing Authority retain their rights of confidentiality as provided in Rules 1.8.2, and Goldfarb & Lipman expressly acknowledges that it will not reveal any confidential information obtained to the other party without the expressed written consent of the City or the Housing Authority, as applicable. Nothing in this letter shall be deemed to waive such rights.

Housing Authority of the City of Alameda
City of Alameda
April 3, 2020
Page 5

If you have any questions regarding this letter or our representation of each of you, please call us before signing and returning the enclosed copy of this letter.

Sincerely,

Karen Tiedemann

KAREN TIEDEMANN
(Special Counsel for the City of Alameda)

Jennifer Bell

JENNIFER K. BELL
(General Counsel for Housing Authority)

JKB:kss

CONSENT

The Housing Authority of the City of Alameda and its affiliates ("Housing Authority") and the City of Alameda ("City") intend to commence negotiations with each other in connection with the following, (i) the Housing Services Agreement for FYs 2019-2020 and 2020-2021 between the City and Housing Authority, (ii) the Housing Authority's roles and responsibilities in connection with the City's Rent Program and the terms of a new Services Agreement for the City's Rent Program to start July 1, 2020, (iii) possible discussions between the Alameda Renters Coalition and the Housing Authority, (iv) the Housing Authority transfer of certain affordable housing projects to the Housing Authority's non-profit affiliate Alameda Affordable Housing Corporation, where projects include financing from the City and/or the Successor Agency, (v) confidentiality agreement between City staff and Housing Authority for the Rent database, and (vi) negotiation of other issues in which City and Housing Authority are parties, "Transactions."

Goldfarb & Lipman has explained to each of you: (i) Goldfarb & Lipman's past and continuing relationships with each of you, and (ii) CRPC Rules 1.1, 1.4, 1.6, 1.7, 1.8.2, 1.9 and 1.10 and the potential conflict of interest in relation to Goldfarb & Lipman's proposed representation of the Housing Authority in the Transactions and the possible consequences of this conflict. Each of the undersigned nevertheless consents to representation by Goldfarb & Lipman of the Housing Authority in the Transactions and gives approval to such representation as described in this letter. Goldfarb & Lipman expressly acknowledges that it will strictly comply with CRPC Rules 1.8.2 and will not reveal any confidential information obtained to the other party without the expressed written consent of the City or the Housing Authority, as applicable. Neither the City's nor the Housing Authority's consent herein shall be interpreted as a waiver of Goldfarb's responsibilities under CRPC Rule 1.8.2.

We understand that we have the right to seek independent counsel before signing this consent or at any future time.

Dated: _____

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF
ALAMEDA

By: _____

Name: _____

Its: _____

Dated: _____

CITY:

CITY OF ALAMEDA

By: _____

Yibin Shen
City Attorney

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: April 15, 2020

Re: Receive and File an update on the City Council Recommendations from October 15, 2019

BACKGROUND

On October 15, 2019, the City Council of the City of Alameda (City) discussed a recommendation made by Council Members Oddie and Vella to “consider directing staff to present options to the Council on increasing accountability of, and addressing potential conflict of interest issues at, the Alameda Housing Authority.”

This memo is intended to provide a brief overview of the activity on the key proposals that remain outstanding since the meeting. Updates, since the memo last provided in March, are in bold.

City-Wide Task Force on Housing Issues Relating to Older Adults

The Housing Authority of the City of Alameda (AHA) staff are keen to move this forward given the current issues with hoarding and substandard housekeeping observed in both affordable housing and private market rentals. Staff has expressed ongoing concerns for the health and safety of individuals, as well as impact to the wider community when more wide ranging resources and services are not available to those who have increasing acuity needs. Staff will hold an afternoon information session in April to discuss these issues and will invite community partners, including the City to attend and to offer ways to collaborate and assist in the coordination of these issues with AHA. Initial discussions with other housing providers indicate there is community support for this and staff are moving forward with scheduling. **This item is on hold due to the current health crisis; however, outreach and discussions have been initiated with the Center for Elder’s Independence (CEI), the organization overseeing the PACE program. As a result, CEI may be able to provide assistance in the future to older adults living independently and work with other parties who could participate in this supportive activity.**

Meeting with the Alameda Renters Coalition (ARC)

City staff, AHA staff, and Commissioner Tamaoki met with ARC representatives on January 13 and a subsequent follow up meeting was scheduled for February 24, 2020.

At the request of the Vice Chair, ARC provided a summary of the issues they wished to discuss in the next meeting and staff is working on responses. ARC recently agreed to use SEEDs as a facilitator to oversee future meetings. An initial discussion with the mediator on ground rules has been scheduled and Vice Chair Tamaoki will attend. **Housing Authority staff originally offered a mediated meeting between AHA and ARC back in October 2019 to resolve these concerns. The February 24, 2020 meeting was cancelled due to the request by ARC to use a mediator. The meeting was further delayed until after April 21, 2020 pending action by the City Council and Commission on the Goldfarb potential conflict (for additional information, please see the Consent Calendar memo). This meeting has been scheduled for May 18, 2020.**

ARC is requesting an audit of the Housing Authority processes. Staff does not recommend this route for resolving complaints. Several entities, at both, the state and federal level, already audit the Housing Authority and its processes. Further, the public may submit complaints through DFEH and HUD who will lead their own investigation of a complaint, judge its validity, and conduct an audit of AHA if necessary. This is a free service.

AHA staff has offered to follow-up on all complaints mentioned by ARC and AHA has repeatedly stated that the details/outcomes of complaints cannot be reported to a third party without an authorization from the affected household through a Release of Information form. Staff is working to respond to ARC's letter in writing due to the delay in meeting and will respond to any tenant specific complaints as they arise.

Offer from the City to Provide Financial Incentives to Facilitate Lease Up of Section 8 Units

AHA staff has asked to meet with the City Manager and City staff on this issue. There has been no further action on this topic. **This item has been placed on hold due to the current health situation.**

Code Enforcement Issues

AHA staff has asked to meet with the City Manager and City staff on these matters. This particularly concerns the Alameda Rent Program. There has been no further action on this topic. **This item has been placed on hold due to the current health situation.**

Information Packet

Staff is preparing a set of handouts for Commissioners and Council Members to assist and direct AHA tenants and Section 8 participants to the proper channels when approached with concerns or questions. **The information packet distribution has been put on hold due to the current health situation and will be picked up in due course.**

DISCUSSION

Staff will continue to provide updates to the Board monthly.

It is important to note that any policy suggestions made by an informal stakeholder group would need to be reviewed by General Counsel, approved by HUD (where it impacts a HUD-required process or HUD-funded payment) and would need to be discussed and approved by the Board of Commissioners in a public meeting. Where the proposed change(s) require a Significant Amendment to AHA's Administrative Plan, a HUD-accepted document, and/or Five Year Plan, a HUD-approved document, a public posting and hearing process would also be needed. Any additional costs, if significant, would also need Board approval. Diversion of staff time to research and respond to policy suggestions may impact the agency's ability to adequately meet its existing goals due to impact on limited resources.

FINANCIAL IMPACT

It is not yet clear how much staff time will continue to be required for AHA to participate in and respond to the informal stakeholder group, but if necessary, the Executive Director will return with a staffing and budget plan for the work in 2020, including increasing General Counsel Services and a revised work plan for the year. **Given the significant additional workload, limited staffing, and urgent priorities created by the current health crisis, it will be a challenge to allocate significant staffing to this process until the Shelter in Place orders are over and catch-up work within the agency has been addressed. The City has requested a \$5,000 contribution from AHA for the mediation.**

RECOMMENDATION

Receive and file an update on the Alameda City Council Referral from October 15, 2019.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: April 15, 2020

RE: Approve an Extension to the Delegation of Authority to the Executive Director, or Designee, to Exercise Emergency Powers During the Local Public Health Emergency Relating to Operations, Tenant and Employee Safety, and HUD or Other Compliance Issues, to No Later than the Next Regular Board of Commissioners Meeting after the Shelter in Place is Lifted

BACKGROUND

The Housing Authority of the City of Alameda (AHA) serves some of the most vulnerable members of the Alameda community. The current Coronavirus (COVID-19) pandemic is impacting a wide range of local services and the elderly and disabled population served by the Housing Authority is particularly at risk. AHA is monitoring the crisis and is seeking to limit exposure for staff and tenants while still maintaining core services. Staff is working with a wide range of partners on preventive measures at AHA sites, including working with other housing authorities and AHA social services partners. Senior staff are meeting daily to carry out the business continuity plan, continue to monitor changes, and to focus on essential business activities.

Emergency Powers were delegated by the Board of Commissioners to the Executive Director at the March 18, 2020 meeting to allow the Executive Director, where necessary, to make critical time sensitive COVID-19 related decisions that would otherwise come to the Board (Emergency Powers). The delegation of authority to exercise the Emergency Powers was approved through May 15, 2020 or until the next Board of Commissioners Meeting. Staff recommends that these Emergency Powers be extended until the first regular Board meeting after the Shelter in Place is lifted. If additional time is needed, the Board would review and reapprove additional time during that meeting.

Any decisions taken using Emergency Powers between April 15, 2020 and the first regular Board of Commissioners meeting after the Shelter in Place is lifted will be reported to the Board and would need Board ratification.

Similarly, during that period, any use of such Emergency Powers would require reporting to the Board within 24 hours of taking action. Where possible, discussion with either the Board Chair or Vice Chair would take place prior to any such action being

taken. Delegation of such powers, in the absence of the Executive Director, can only be transferred in writing and would be limited to the Deputy Executive Director and Director of HR and Operations.

DISCUSSION

The Board was previously informed of the following HR related decisions:

- One day of paid leave was provided for Thursday, March 19, 2020
- One week of paid sick leave was granted to all full-time staff
- Up to 80 hours advance of sick or vacation leave to be paid back by future accruals

In approving this change the Board is also asked to ratify these decisions:

- Increase of vacation accrual cap by 60 hours for all employees who are at or close to the cap
- Assignment of certain employees temporarily to essential business tasks in other departments up to June 30, 2020 in excess of current budget for that department

Staff expect to need to use Emergency Powers to implement any newer Department of Labor regulations or guidance that relate to the new Families First Coronavirus Response Act and have brought temporary changes to the Employee Handbook to this same meeting. It is possible that further regulatory or legal advice may lead to additional changes between Board of Commissioner meetings.

Staff also recommends the Board authorize the Executive Director to take the following actions in the coming weeks for the Section 8 Program ahead of formal changes by the Board, especially as new direction is expected from HUD. Changes to the Administrative Plan will be brought back to the Board in May for ratification.

- Extend all current searching vouchers from expiration at 180 days to 365 days to allow for time lost during this Shelter in Place. (The Executive Director currently has authority to do this for new issuances but not for movers.)
- Develop alternate methods for handling tenant interaction at this time, including expanded self-certification for HQS inspections.
- Implement changes to the Administrative Plan to necessitate online processing of all Section 8 transactions.
- Implement any new waivers of regulation permitted by HUD in these coming weeks.

In the Property Management Department, the following exceptions to policy are likely to include:

- Approval of a sole source contract for the elevator at Independence Plaza due to the urgent need to fix the elevator and the challenges in finding responsive contractors during this impacted time.
- Changes to the Property Management plan to minimize contact between residents and staff while still meeting the tenants' needs.

From a budget perspective, the IT budget will be exceeded significantly due to new software, hardware, and staffing costs, although the overall budget has enough funds to cover this increase. As mentioned in the Finance memo, \$1 million was transferred from Esperanza to General Funds to ensure adequate cash flow in this time.

Changes may be made in the coming week to the IT Policy. Even though AHA is considered an essential government entity at this time, telecommuting for some staff both provides an opportunity to support the Shelter in Place and poses a significant change to our working patterns, including the accessing and processing of confidential data from home. VPN access has been granted to staff telecommuting and restrictions have been placed on printing documents at home. Not all staff are eligible for telecommuting. Changes to the IT policy are likely to be required to be ratified in May or June of 2020 to reflect these new work patterns and any issues that arise.

FISCAL IMPACT

There is no fiscal impact to the agency beyond what may be necessary to address an immediate crisis.

RECOMMENDATION

Authorize the extended delegation of Emergency Powers to the Executive Director or in her absence, her Designee, until the first Board meeting after the Shelter in Place Order is lifted to ensure critical decisions regarding operations, tenant and employee safety, and HUD or other compliance issues, are made in a timely and proactive manner during the Local Public Health Emergency. Any use of such Emergency Powers would require reporting to the Board within 24 hours of taking action. Where possible, discussion with either the Board Chair or Vice Chair would take place prior to any such action being taken. Delegation of such powers to a designee by the Executive Director shall only occur if the Executive Director is unable to perform such powers, and can only be transferred in writing by the Executive Director and would be limited to the Deputy Executive Director and Director of HR and Operations.

Respectfully submitted,



Vanessa Cooper
Executive Director

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Janet Basta, Director of Human Resources and Operations

Date: April 15, 2020

Re: Adopt the Resolution to Amend the Housing Authority's Revised Employee Policies and Procedures Handbook, Last Revised 12/21/2016, effective 1/8/2017 to Adopt Temporary Revisions to the Paid Time Off and Unpaid Time Off and Leaves of Absence Policies of the Housing Authority's Employee Policies and Procedures Handbook

BACKGROUND

The Housing Authority became an autonomous agency in 2012 and adopted new personnel policies that replaced the City's Employee Handbook and the ACEA and MCEA Memorandums of Understanding. In drafting the 2012, Personnel Policies staff sought guidance from a variety of sources and perspectives. Sample personnel policies from the Housing Authority Risk Retention Pool (HARRP) provided a good starting place. Subsequently, Liebert Cassidy Whitmore completed a thorough review of the AHA Personnel Policies to certify legal compliance at both the state and federal levels on November 4, 2014. Various changes have triggered legal or policy changes since then and have been approved by the Board. The Employee Handbook was most recently revised and approved on December 21, 2016.

DISCUSSION

Revisions to two sections of the Employee Handbook are being brought to the Board for consideration this month. All proposed revisions have been reviewed by Liebert Cassidy Whitmore, and are being proposed in response to the coronavirus public health emergency. The proposed changes would be in effect April 1, 2020 - December 31, 2020 and would automatically terminate at that time unless a request for extension or modification to these policies is brought to the Board prior to the termination date.

The first set of revisions is to Part Five: Paid Time Off policies. The first proposed revision is to the vacation leave accrual cap temporarily (until December 31, 2020) raising it by 60 hours; this change would also include Resident Managers and the Executive Director who have separate service contracts. The reason for this proposed change is that some employees are currently close to the accrual cap, and due to the Shelter in Place order, have had to cancel travel or family care plans. Additionally, it is to AHA's benefit to have as many staff available during these times as possible, rather than having staff take time off just so they do not cease accruing leave. This change would allow staff some flexibility on rescheduling vacation plans



during a limited window of time, while preserving their leave balances to do so, as well as to have as much leave as possible available in the event of an extended period of time away from work should they or a family member become seriously ill. This will also apply to the Executive Director; whose contract has different accrual limits. A full revision to her contract will be brought back to a future meeting.

Changes to the sick leave policy to incorporate Emergency Paid Sick Leave (EPSL), which grants up to 80 hours of sick leave for various COVID-related reasons, are also being proposed. These changes are in response to the recently passed federal Families First Coronavirus Response Act (FFCRA), which AHA, as a public agency, is subject to. FFCRA is in effect from April 1, 2020 - December 31, 2020 so this additional form of sick leave must be available to employees during that time period. Finally, a policy to allow employees to request an advance of up to 80 hours of sick or vacation leave is proposed. While some employees have significant leave balances, there are others, particularly newer employees, who do not have much leave accrued. Employees who have exhausted their leave balances would be able to request an advance of leave. In order to receive a leave advance, employees would need to request the advance in writing, sign a statement that they understand that they would not accrue additional leave until the advanced leave is earned back, and that they agree to reimburse AHA for the value of the leave if they leave AHA's employment prior to earning back the advance leave.

The second set of changes is to the Part Six: Unpaid Time Off and Leaves of Absence Policies. As described above, AHA is subject to FFCRA, which provides for Expanded Family and Medical Leave of up to 12 weeks for employees who have worked for AHA for 30 days and are caring for their child whose school or place of care is closed (or whose child care provider is unavailable) due to COVID-19 related reasons. Employees may request to use EPSL during the first two weeks of EFMLA, and after that time are paid 2/3's of their regular wages up to \$200 per day. AHA has elected to offer this leave on an intermittent basis so employees who do not need to be out on a full-time basis have an option to do so.

While the FFCRA was signed into law on March 18, 2020 and went into effect on April 1, 2020, regulatory guidance from the Department of Labor has continued to be released. Should any new guidance conflict with the policies presented to the Board for approval this month, AHA will comply with any applicable laws and guidance, and will bring revised policies to the Board for consideration or ratification (if changes are needed between meetings) at the next regular Board of Commissioners meeting.

FINANCIAL IMPACT

If employees request Emergency Paid Sick Leave or Expanded Family and Medical Leave, these leaves will be paid and are in addition to time off employees would otherwise have. Generally, payroll runs at approximately \$200,000 per two-week pay period. If all staff took the full 3 weeks of paid sick leave this could amount to an additional \$300,000. Additionally, the FMLA provided for childcare is paid at up to \$200 per day, per employee (or \$1000 per week) for up to 10 weeks (the first two weeks are unpaid or paid through sick leave). Not all



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staff will be eligible for this leave, but assuming 10 percent of staff took the full 10 weeks, the approximate cost would be \$60,000.

RECOMMENDATION

Adopt the Resolution to amend the Housing Authority's revised Employee Policies and Procedures Handbook, last revised 12/21/2016, effective 1/8/2017 to adopt temporary revisions to the Paid Time Off and Unpaid Time Off and Leaves of Absence Policies of the Housing Authority's Employee Policies and Procedures Handbook.

Respectfully submitted,



Janet Basta
Director of Human Resources and Operations

JCB/VMC

Attachments:

1. Draft: Part Five: Paid Time Off and Part Six: Unpaid Time Off and Leaves of Absence Policies of the Housing Authority's Employee Policies and Procedures Handbook
2. Resolution to Adopt Revised Paid Time Off and Unpaid Time Off and Leaves of Absence Policies



AHA Employee Handbook Changes Effective April 1, 2020 – December 31, 2020

The following proposed changes to the AHA Employee Handbook last revised 12.21.2016 eff. 1.8.2017 will be in effect from April 1 through December 31, 2020. These changes are in response to the coronavirus (COVID-19) public health emergency, and reflect updates, revisions, and/or additions to current policies as well as new policies based on the Families First Coronavirus Response Act. The modifications below will automatically terminate on December 31, 2020, unless extended by Board action prior to December 31, 2020.

Only policies in the Employee Handbook with proposed changes are reflected below; all other policies remain unchanged from the latest revision.

PART FIVE: PAID TIME OFF

VACATION LEAVE

The Housing Authority provides paid vacation time to regular full-time employees and part-time employees so that they may take time off to relax, recuperate and recharge.

Accrual

Vacation leave is earned by eligible full-time regular employees in accordance with years of service. Vacation credit is accrued to each eligible employee beginning with the first day of regular employment up to a maximum yearly accrual according to the following schedule:

MAXIMUM VACATION ACCRUAL					
Years of Service	Paid Days of Vacation	Years of Service	Paid Days of Vacation	Years of Service	Paid Days of Vacation
1 through 4	10	12	18.5	19	22
5	15	13	19	20	22.5
6	15.5	14	19.5	21	23
7	16	15	20	22	23.5
8	16.5	16	20.5	23	24
9	17	17	21	24	24.5
10	17.5	18	21.5	25 or more	25
11	18				

The Executive Director may grant an increase in the annual maximum accrual up to a total of 20 working days of vacation with pay upon employment to recognize previous applicable experience. The employee shall continue to earn an additional 0.5 working days of vacation per year for every year completed up to the maximum accrual of 25 days.

Regular part-time employees will accrue a pro-rata leave balance based upon actual hours worked. No other classification of employees earns paid vacation time.

Employees on Leave without Pay status do not earn vacation leave. Employees who are on paid leave will continue to earn vacation leave, though the amount earned will be prorated based on the number of hours the employee is being paid by AHA from the employee's accrued leave.

No employee may have an accrued vacation bank of more than 250 hours at any time. From April 1, 2020 through December 31, 2020, the vacation accrual cap shall be raised by 60 hours, so that employees can accrue a maximum of 310 hours during this time period. Once the employee hits the cap, no additional vacation will accrue until the employee takes sufficient vacation to bring his/her vacation bank below the cap. Any accrued unused vacation time will be rolled over into the following year, up to the cap. If an employee has accrued more than 250 hours on December 31, 2020, the accrued unused vacation time will be rolled over into the following year but no additional vacation will be accrued until the balance of vacation leave is below the cap of 250 hours that will be in place effective January 1, 2021.

Scheduling

For newly hired probationary employees, no accrued vacation time can be taken until three months after the first day of employment.

All vacation time must be requested and approved in advance through the electronic timekeeping system and according to the guidelines below:

<u>Amount of Vacation Leave Requested</u>	<u>Advance Notice Required</u>
2 days or less	2 business days
3 or 4 days	5 business days
5 days or more	10 business days

The only exceptions to the above will be when time off is required for unforeseen or emergency circumstances. Due to the impact of unplanned time off on Agency operations, supervisors may require documentation of the need for unforeseen or emergency leaves, particularly when this occurs frequently or an employee has a pattern of poor attendance.

All approvals for vacation leave requests are subject to the availability of adequate leave at the time of leave usage. Employees are not generally entitled to time off without pay unless authorized by law, Housing Authority policy, or by authorization of the Executive Director. Accordingly, employees who do not have adequate vacation leave available for their approved time off may be required to modify the request to conform with the employee's available balance of vacation leave or cancel their requests. Employees are encouraged to plan ahead and monitor their leave balances to ensure they have enough paid leave to cover any planned time off.

Vacation leave will be scheduled at times mutually convenient to the Housing Authority and employee. Employees are encouraged to submit their requests as early as possible; requests for vacation leave will be considered up to 12 months in advance and are generally handled on

a first come, first served basis. However, to facilitate scheduling during periods when it is anticipated that multiple employees may request time off (e.g., 4th of July or December holiday periods), AHA may, at its sole discretion, notify employees of a designated timeframe that requests for these times must be submitted for consideration. In the case of conflicting requests, the supervisor will talk with the employees to try to work out a mutually-agreeable arrangement. If that cannot be done, priority for leave will be based on seniority. Department Directors may establish separate guidelines for the number of employees and types of positions that can be on vacation concurrently to ensure adequate coverage of their department's work functions.

Requests to cancel vacation leave of five days or more must be submitted no less than three business days in advance of the date that the leave was to commence, and must be approved by the employee's supervisor. The supervisor and/or the Agency reserve the right to require an employee to use requested vacation leave, particularly in cases where other staffing arrangements have been made to cover the employee's time off.

Sick Leave During a Scheduled Vacation Period

An employee who is ill or injured while on vacation may be able to use accumulated paid sick leave, if any, instead of paid vacation upon presentation of satisfactory medical documentation to his/her supervisor.

Payment

The Housing Authority does not make any advance payments of vacation time (i.e., employees will not be paid for vacation time before it is accrued). AHA strongly recommends that employees arrange for direct deposit of his/her pay checks so that vacation pay that is requested in advance through the timekeeping system can be automatically paid and deposited. No responsibility can be taken by AHA for live checks provided to an employee.

Vacation Pay-Out

The Housing Authority encourages employees to use their accrued vacation time. Employees may, however, request to receive a vacation pay-out for some of their accrued and unused vacation in lieu of taking paid time off work. Vacation pay-out is limited to 60 hours in any calendar year under this policy, and employees who request a vacation pay-out are required to have 80 hours of vacation leave remaining after the pay-out. The Executive Director shall determine the time(s) that vacation pay-out is offered. Additional criteria include:

- Vacation pay-out is available to full-time regular employees who have completed their probationary period; no other employees are eligible to participate in this program.
- Employees who wish to sell vacation leave must have used a minimum of 60 hours of vacation leave in the prior 15 months.
- Vacation pay-out requests must be in one hour increments.
- An employee may request a vacation pay-out no more than one time per calendar year, even in the event that the Executive Director offers an opportunity for vacation pay-out more than one time in the year.

- Vacation pay-out is a final transaction, i.e., vacation leave may not be reinstated once it has been paid out to the employee.

Vacation Pay at Termination

Upon termination of employment, employees will be paid for any accrued and unused vacation at his or her rate of pay at the time of separation, and will be paid on the next regular pay date.

HOLIDAYS

The Housing Authority provides 10 paid holidays for full-time employees. The Housing Authority observes the following holidays:

New Year's Day	Martin Luther King, Jr. Day
President's Day	Memorial Day
Independence Day	Labor Day
Veteran's Day	Thanksgiving Day and following Friday
Christmas Day	

Each year, the Housing Authority will publish a calendar of holidays and office closures for the following year, including alternate holidays for those employees whose flex day falls on a holiday. If a particular holiday falls on a Saturday, the preceding Friday shall generally be observed. If the holiday falls on a Sunday, the following Monday shall generally be observed. All regular full-time employees are provided a paid day off for each holiday up to the number of hours they are regularly scheduled to work on that day. Part-time employees who are regularly scheduled to work on a holiday will be paid for that holiday up to the number of hours they are regularly scheduled to work. No other classification of employees is eligible for holiday pay, unless otherwise specified.

If a non-exempt employee is scheduled or required to work on a Housing Authority observed holiday, the employee will be paid for the holiday. In addition, non-exempt employees will receive time and one-half in pay for all hours worked on such holiday. Employees on vacation at the time a holiday occurs will not have that day counted as vacation pay, but will instead receive holiday pay as described above.

FLOATING HOLIDAYS

Floating holidays allow employees to have additional paid leave to cover absences for personal reasons such as religious observances or to supplement vacation, sick and holiday leave. All regular full-time employees and probationary employees for whom January 1 falls after their hire date receive three and one-half days (28 hours for employees on a 40 hour-based workweek, 26.25 hours for employees on a 37.5 hour-based workweek) on January 1 of each year that they may request to use between January 1 and December 31. Regular part-time employees will be granted floating holiday hours pro-rated based on the percentage of time they are regularly scheduled to work, and on the schedule described above. No other classification of employees receives floating holidays.

If an employee is on a leave of absence, whether paid or unpaid, on January 1, floating holiday hours are not granted until the employee returns to active status.

Employees may carry over unused floating holiday hours to subsequent years. However, employees cease earning floating holiday hours beyond a maximum of three and one-half days, or their pro-rated hours, as defined above based on employment status and workweek hours. In the succeeding year, employees will receive on January 1 only the number of floating holiday hours that will bring their total to the appropriate maximum as defined above.

Guidelines for requesting floating holiday use are the same as those described for vacation leave above.

Upon termination of employment, employees will be paid for any unused floating holiday hours at his or her rate of pay at the time of separation, and will be paid on the next regular payroll date.

Floating Holidays and New Probationary Employees

Employees who are otherwise eligible for floating holidays and are initially hired during a calendar year receive a floating holiday allocation at the time of hire that is prorated for the remainder of the calendar year based on the hire date. Eligible employees may request to use floating holiday leave on or following the day that it is received, including during any period of their probationary period that falls in the calendar year in which they were hired.

SICK TIME

Paid sick leave is a benefit provided to protect employees in the event of their own, or a family member's, illness or medical emergency.

Accrual

Paid sick leave shall be accrued by full-time and probationary full-time employees at the rate of 7.5 hours (8 hours for maintenance workers) per month worked. Part-time employees will accrue sick leave on a pro-rata basis, based on the employee's scheduled work hours. Sick leave is not accrued to employees on Leave without Pay status. Accrual of paid sick leave will continue to employees who are on a paid leave status, though accrual is prorated based on the number of hours the employee is being paid by AHA from the employee's accrued leave.

Temporary employees, whether full-time or part-time, shall be provided with three days (24 hours) of sick time at the time of hire, and on January 1 of each year. Temporary employees may not use sick time until their ninetieth (90th) day of employment.

Regular employees' accrued, unused sick time may be carried over from one year to the next, and, unlike vacation time, there is no limitation on the amount of sick time a regular employee

may accrue. Sick time balances for temporary employees will not be carried over from year to year.

Sick Time Use

Paid sick leave will be allowed only in case of necessity for: 1) the diagnosis, care or treatment of an existing health condition of, or preventative care for, an employee; or 2) an employee who is a victim of domestic violence, sexual assault or stalking to obtain a temporary restraining order or other court assistance to help ensure the safety or welfare of the employee and/or his or her child; or to obtain medical attention and psychological counseling; services from a shelter, program or crisis center; or to participate in safety planning or other actions to increase safety. The employee's accrued paid sick leave may also be used for the diagnosis, care or treatment of an existing health condition of or preventative care for an employee's spouse, parent, child of any age or dependency status, registered domestic partner, parent-in-law, grandparent, grandchild or sibling.

Eligible new regular employees may use accrued sick time during their probationary period, beginning on their hire date, and may use paid sick time as soon as it accrues.

When a Housing Authority-paid holiday occurs while an employee is absent from work on authorized paid sick leave, no deduction will be taken from the employee's accumulated sick leave balance.

If sick leave is exhausted, regular employees who are not on leave of absence are required to use vacation and/or floating holiday leave to the extent necessary to bring their pay to an amount equivalent to their scheduled work hours.

Emergency Paid Sick Leave

From April 1, 2020 through December 31, 2020, employees may take Emergency Paid Sick Leave as provided below. In the event there is a conflict between the Emergency Paid Sick Leave provisions in this Handbook and the law (i.e., Families First Coronavirus Response Act and U.S. Department of Labor Regulations), the law will supersede these provisions.

Reasons for Leave

Employees are entitled to Emergency Paid Sick Leave at their regular rate of pay, subject to the payment caps below, if they are unable to work or telework for the following reasons:

1. The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
2. The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.

Employees are entitled to Emergency Paid Sick Leave at two-thirds of the employee's regular rate of pay, subject to the payment caps below, if they are unable to work or telework because:

1. The employee is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or the individual has been advised by a health care provider to self-quarantine due to concerns related to COVID-19. "Individual" means an employee's immediate family member, a person who regularly resides in the employee's home, or a similar person with whom the employee has a relationship that creates an expectation that the employee would care for the person if he or she were quarantined or self-quarantined.
2. The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions.
3. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Amount of Leave

Emergency Paid Leave is protected when used for the reasons specified above. Leave taken as Emergency Paid Sick Leave is in addition to any other accrued leave. Unused Emergency Paid Sick Leave does not carryover for any employees. Unused Emergency Paid Sick Leave will not be reinstated after December 31, 2020, unless otherwise required by any state or federal law that may be in effect. Additionally, an employee with an unused Emergency Paid Sick Leave balance will not be allowed to cash out such balance.

Full-time employees working 40 hours per week may take up to 80 hours of Emergency Paid Sick Leave. For the purposes of Emergency Paid Sick Leave, any employee who does not work 40 hours per week is a part-time employee. Part-time employees may take Emergency Paid Sick Leave up to the number of hours that the employee is normally scheduled to work over two workweeks.

Amount of Pay While on Emergency Paid Sick Leave

Emergency Paid Sick Leave is subject to the following caps:

1. \$511/Day and \$5,110 in the Aggregate for the Following Employee-Related COVID-19 Absence Reasons:
 - The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
 - The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
 - The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.
2. \$200/Day and \$2,000 in the Aggregate for the Following Reasons Related to the Employee Taking Leave to Care for an Individual or Son or Daughter

- The employee is caring for an individual who is subject to an order as described immediately above in the first two bullets.
- The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions.
- The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor

Employees may supplement the Emergency Paid Sick Leave pay with their accrued leaves to achieve 100% of their regular rate of pay.

Documentation of Need for Leave

An employee requesting Emergency Paid Sick Leave will be required to complete a form maintained by Human Resources identifying the date(s) for which leave is requested, the qualifying reason for the leave, and certification that the employee is unable to work due to one of the qualifying reasons for leave. An employee will also be required to provide the following supporting information for the leave:

- To take Emergency Paid Sick Leave because the employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19, an employee must provide the name of the government entity that issued the quarantine or isolation order.
- To take Emergency Paid Sick Leave because the employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19, an employee must provide the name of the health care provider who advised the employee to self-quarantine due to concerns related to COVID-19.
- To take Emergency Paid Sick Leave because the employee is caring for an individual who is subject to a quarantine or isolation order or has been advised by a health care provider to self-quarantine due to concerns related to COVID-19, an employee must provide either:
 1. the name of the government entity that issued the quarantine or isolation order to which the individual being care for is subject; or
 2. the name of the health care provider who advised the individual being cared for to self-quarantine due to concerns related to COVID-19.
- To take Emergency Paid Sick Leave because the employee is caring for his or her son or daughter whose school or place of care has been closed for a period of time for reasons related to COVID-19, an Employee must additionally provide:
 1. the name of the son or daughter being cared for;
 2. the name of the school, place of care, or child care provider that has closed or become unavailable; and
 3. a representation that no other suitable person will be caring for the son or daughter during the period for which the employee takes Emergency Paid Sick Leave or Expanded Family and Medical Leave.

Notification

An employee unable to report to work because of an illness or injury must notify his/her supervisor no later than one-half hour after the start of the employee's scheduled workday. If an employee knows that his/her supervisor is also out, the employee should contact another supervisor or the Director of Human Resources and Operations. The supervisor must be contacted on each additional day of absence, except in cases where the employee is on an approved leave of absence.

When an employee knows in advance of the need for sick time use, i.e., for scheduled medical/dental appointments or procedures, sick leave must be requested in advance through the electronic timekeeping system.

[For Emergency Paid Sick Leave Only: An employee who would like to use Emergency Paid Sick Leave for an absence should notify his/her supervisor as soon as practicable of the need for leave, and no later than after the first workday \(or portion thereof\) the employee is absent for qualifying reason. An employee may provide notice of the need to use Emergency Paid Sick Leave orally or in writing, or may provide such notice through the employee's spokesperson \(e.g., spouse, adult family member, or other responsible party\) if the employee is unable to provide notice himself/herself.](#)

Health Care Provider's Certification

Employees who are absent for more than three days due to their own illness or injury are required to provide a doctor's statement certifying that the employee may safely return to work. However, the Housing Authority may require a health care provider's note to substantiate the medical need for an absence from work of any duration, including for medical/dental appointments, particularly when an accumulation of absences seems to establish (in the supervisor's judgment) a problematic use of sick time. In no event, however, shall an employee be required to provide substantiation for the use of sick leave for the first three days of sick leave used during any calendar year that involves the illness of the employee or his/her family member.

All employees, including temporary employees, who use paid sick leave to address issues related to domestic violence, sexual assault or stalking, and who cannot provide advance notice of their need for leave must provide certification of the need for leave within a reasonable time thereafter.

Coordination of Benefits

If there is an extended absence, the employee also must apply for any other available compensation and benefits for which she/he may be eligible. The paid sick leave benefit is coordinated with any payments that the employee is eligible to receive, e.g., State Disability

Insurance (SDI), Paid Family Leave (PFL), workers' compensation, or other such paid benefit, such that the employee does not receive more than 100 percent of his or her regular pay while on leave.

Payment

The Housing Authority does not make any advance payments of sick time (i.e., employees may not use sick time before it is accrued).

Sick Leave at Termination

No payment is made for accrued, unused sick time upon separation or at any other time. However, regular employees who are rehired within 12 months from their date of separation shall have their sick leave balance at the time of separation reinstated. Temporary employees who are rehired within 12 months from their date of separation also shall have their sick leave balances reinstated and each will be provided with three days of sick time, as described above, up to a combined maximum of six days of sick time. A temporary employee who worked at least 90 days in the initial employment with the Agency may immediately use reinstated sick leave. A temporary employee who had not worked 90 days in his/her initial employment period with the Agency must work the remaining amount of the 90 day-qualifying period before becoming eligible to use accrued sick leave.

Employees who retire directly from AHA are eligible, under the Agency's contract with CalPERS, to receive credit in the form of additional service time for a portion of any accrued sick leave balance they have at the date of separation. Please visit the CalPERS website or see Human Resources for more information.

SICK/VACATION TIME ADVANCE

During the COVID-19 health emergency only, employees may request an advance of paid leave up to 72 or 80 hours (dependent on workweek) of either sick or vacation leave. An employee may request an advance of paid leave when their leave balance is exhausted, and would not begin accruing sick/vacation leave until the amount that has been advanced is "repaid" through future paid leave accrual. Employees that separate from AHA before earning the advance leave back must repay the value of the leave to AHA.

PART SIX: UNPAID TIME OFF AND LEAVES OF ABSENCE

Unless authorized by law, Housing Authority policy, or by authorization of the Executive Director, employees are not entitled to leave of absence or time off without pay. The Housing Authority may provide unpaid leaves of absence to employees in a variety of circumstances. Employees who are considering requesting a leave of absence are encouraged to meet with the Director of Human Resources and Operations as early as possible to discuss the details of the leave and to coordinate the integration of benefits and payroll.

Employees may request a leave of absence without pay for a qualifying personal or family illness, qualifying exigency arising from a call to active duty, or justifiable personal or other reasons. "Without pay" means that AHA will not pay for time on leave except for available vacation, floating holiday, sick leave and/or comp time that the employee concurrently uses consistent with this policy. Additionally, if the employee is in a paid leave status (due to concurrent use of accrued leave), any Housing Authority-paid holidays that fall within the leave period will be paid as holidays. Any holiday that occurs after all paid time off benefits have been exhausted will be without pay. Unless required by law, employees on any type of unpaid leave do not accrue additional benefits such as vacation, sick leave, holiday pay, increases in salary, or fringe benefits. Generally, no seniority shall accrue during any unpaid portion of the leave.

The Following General Information is Applicable to All Unpaid Leaves

Requests for Leave

As soon as an employee learns of the need for a leave of absence, the employee should submit a written request for leave to his/her supervisor and provide a copy to Human Resources. If the need for the leave is foreseeable, employees are required to provide at least 30 days' advance notice. Approval of the leave may be delayed if timely notice is not provided. If the employee learns of the need for leave less than 30 days before the leave is needed, the request must be made as soon as possible.

Integration of Benefits

If an employee on leave is receiving State Disability Insurance ("SDI") or Paid Family Leave ("PFL") or Workers' Compensation benefits, and the employee has not exhausted his/her accrued paid benefits with the Housing Authority, AHA will generally integrate the outside paid benefit with the employee's accrued paid benefit (to the extent permitted by law) so that total compensation for the pay period does not exceed the employee's regular wages.

Employees on approved leaves under this section, who receive SDI, PFL, or Workers' Compensation benefits, must promptly notify Human Resources of the dates and amount of payment(s) so that AHA can make arrangements for integration.

Medical Certification

Human Resources will notify the employee if medical certification is required for a requested leave to be approved. If the reason for leave is the employee's own injury or illness, medical certification of the employee's ability to return to work, with or without reasonable accommodation, at the conclusion of the leave is required before the employee will be permitted to return.

Returning to Work

When applicable, an employee returning from approved leave will return to the original job held when the leave commenced, or to an equivalent job with equivalent pay and benefits. An employee has no greater right to restoration or to other benefits and conditions of employment than if the employee had been continuously working.

The Housing Authority's actions upon failure to return to work will be based upon the reason the employee does not return, as outlined below:

- If the employee is released by his/her physician to return to work and fails to do so, the Housing Authority will proceed with termination of employment.
- If upon return from leave an employee is unable to perform the essential functions of his or her job because of a physical or mental disability, the Housing Authority will engage in the interactive process with the employee to identify a potential reasonable accommodation(s). The employee will not be allowed to return to work until a reasonable accommodation is implemented or the employee is otherwise able to perform the essential functions of his or her position with or without reasonable accommodation.

Concurrent Running of Leaves

If an employee is on a leave that qualifies under more than one law (e.g., leave for a serious health condition under the FMLA/CFRA that is also a Workers' Compensation injury; pregnancy disability leave that is also a serious health condition under the FMLA), the leave time will run concurrently to the extent permitted by law.

Unpaid Leaves

The most common types of unpaid leaves are described below. Please see Human Resources for additional information about any leaves of absence, or if you have a need for leave that is not covered by the descriptions below.

Family/Medical Leave under the Family and Medical Leave Act and the California Family Rights Act (“FMLA”/“CFRA”)

The Housing Authority will provide family and medical care leave for eligible employees as required by state and federal law. Rights and obligations that are not specifically set forth below are provided for in the regulations implementing the federal Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA). To the extent allowed under the law, FMLA leave runs concurrently with, and is not in addition to, the leave entitlements provided by the CFRA. Employees who misuse or abuse family and medical care leave may be disciplined up to and including termination. Employees who fraudulently obtain or use CFRA leave are not protected by the CFRA’s job restoration or maintenance of health benefits provisions.

Eligibility and Leave Duration

Eligible employees, defined as those who have at least one year of service with the Housing Authority, and who have worked at least 1,250 hours in the 12 month period before the date the requested leave will begin, may request an unpaid, job-protected leave of up to 12 workweeks in a 12-month period for any of the following reasons:

- For incapacity due to pregnancy or prenatal care (entitled to FMLA leave only; see also Pregnancy Disability Leave);
- To care for the employee’s child after birth, or following placement for adoption or foster care (“baby bonding”) within one year of the birth or placement;
- To care for the serious health condition of the spouse, registered domestic partner, child, or parent of an employee;
- For the employee’s serious health condition that makes the employee unable to work at all or unable to perform the essential functions of his or her position; or
- To handle “qualifying exigencies” arising out of the fact that the employee’s spouse, registered domestic partner, child, or parent is on active duty, or is called to active duty, in support of contingency operations as a member of the Armed Forces, including the National Guard or Reserves (FMLA leave only).
- Leave due an inability to work (or telework) due to the care of a child under the Emergency Family and Medical Leave Expansion Act (FMLA leave only).

In addition, eligible employees may be entitled to take a leave of up to 26 weeks in a 12-month period to care for a spouse, registered domestic partner, parent, child, or next-of-kin who is a current member of the Armed Forces and has sustained serious illness/injury in the line of military duty or who is a veteran who was discharged or released within the past five years and is undergoing medical treatment, recuperation or therapy for a serious injury/ illness. The injury or illness may constitute an exacerbation of a pre-existing condition and may also manifest itself before or after the member became a veteran.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either inpatient care or continuing treatment by a health care provider.

The 12-month period shall be a rolling 12-month period measured backward from the date leave is taken. It is continuous with each additional leave day taken.

Additional guidelines for leave duration include:

- **Minimum Duration of Leave:** If leave is requested for the birth of a child, or for adoption or foster care placement of a child with the employee, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for this purpose for less than two weeks' duration (but for at least one day) on any two occasions.
- **Parents Both Employed by AHA:** If both legal parents are employed by the Agency and are entitled to leave, the total number of workweeks of leave to which both may be entitled is limited to 12 workweeks for the birth of a child, or for adoption or foster care placement of a child with the employees.
- **Parents Both Employed by AHA:** If both parents of a covered servicemember are employed by the Agency and are entitled to leave to care for a covered servicemember, the aggregate number of workweeks of leave to which both may be entitled is limited to 26 work weeks during the 12-month period.

Coordination of Accrued Leave and Benefits

To the extent permitted under the law, the Housing Authority requires employees to substitute paid leave accruals while on an FMLA or CFRA leave. State Disability Insurance (SDI), Paid Family Leave (PFL), and Long Term Disability (LTD) benefits may be coordinated with accrued

leave so that an employee receives up to full pay. Once accrued paid benefits are exhausted, the remainder of leave, if any, is unpaid.

Generally, employees taking FMLA/CFRA leave must use accrued paid sick (if applicable), floating holiday, and vacation time during the leave. The exceptions to this are:

- Employees on FMLA/CFRA leave for their own serious health condition and who are receiving temporary disability benefits (SDI) or workers' compensation benefits may elect to use their paid leave to supplement their disability benefit up to an amount that, when combined with the disability benefit, does not exceed their regular pay for the pay period.
- Employees taking leave to care for a family member or for baby bonding are required to use accrued vacation or floating holiday leave. They are not required to use accrued sick leave, but may elect to do so, and may elect the order in which accrued leave is used.
- Employees on FMLA leave due to pregnancy disability may elect whether or not to use floating holiday or vacation time during the leave.

Insurance Coverage

Employees on FMLA/CFRA leave retain their employer-paid group coverage (i.e., health, dental, vision, life and AD&D, and long-term disability insurance) up to a maximum of 12 weeks in a rolling 12-month period under the same terms applicable before the employee takes leave. If applicable, arrangements will need to be made for employees to pay their share of premium costs while on leave. If the employee fails to return to work from leave, the Housing Authority may recover premiums it paid to maintain health coverage for this employee.

An employee may elect to continue coverage of other, voluntary benefits for which the employee is responsible for paying the entire premium, (e.g., voluntary life and AD&D insurance), so long as he/she continues to pay the entire cost of the premium(s) while on leave. Employees on Family/Medical Leave who are in paid status may continue to pay the full cost of the premium(s) via payroll deductions. The Authority will inform employees on Family/Medical Leave who are in unpaid status to whom direct payments should be remitted to for continued coverage.

Certification

An employee will be required to provide certification of the need for Family/Medical Leave according to the following guidelines:

- **Timely Provided Certification:** The employee should provide at least 30 days' advance notice where the need is foreseeable. When the need for leave is not foreseeable, the employee must provide notice to the employer as soon as practicable under the facts and circumstances of the particular case. For foreseeable leave due to a qualifying exigency, an employee must provide notice for leave as soon as is practicable, regardless of how far in advance such leave is foreseeable.

- **Requirements of the Certification:** The Housing Authority requires that an employee's request for leave due to a serious health condition affecting the employee or a family member, or due to a covered servicemember's serious injury or illness, be supported by a written certification from a health care provider. If leave is requested because of the employee's own serious health condition, the certification must include a statement that the employee is unable to work at all or is unable to perform the essential functions of his or her position. The first time an employee requests leave because of a qualifying exigency, AHA may require the employee to provide a copy of documentation issued by the military, in accordance with the FMLA. The Housing Authority may require second or third medical opinions, at the Housing Authority's expense, and an employee to report on his/her status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

- **Failure to Provide Adequate or Timely Certification:** If an employee provides an incomplete medical certification, the employee will be given a reasonable opportunity to cure any such deficiency. If an employee fails to timely provide certification, AHA may delay or deny use of FMLA/CFRA leave until the required certification is provided, or deny FMLA/CFRA protections following the expiration of the time to provide an adequate certification.

- **Second and Third Medical Opinions:** If AHA has a good faith, objective reason to doubt the validity of a certification of the employee's claimed serious health condition, AHA may require a medical opinion of a second health care provider chosen and paid for by the Agency. If the second opinion is different from the first, the Housing Authority may require the opinion of a third provider jointly

approved by the Agency and the employee, but paid for by the Agency. The opinion of the third provider will be binding. The Housing Authority will provide the employee with a copy of the second and third medical opinions, where applicable, without cost, if requested by the employee.

- **Intermittent Leave or Reduced Schedule:** For intermittent leave or leave on a reduced leave schedule taken because of one's own serious health condition, to care for a spouse, parent, son, or daughter with a serious health condition, or to care for a covered servicemember with a serious injury or illness, the employee must provide medical certification that the requested leave is medically necessary. "Medically necessary" means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule. The Housing Authority may require an employee who certifies the need for a reduced schedule or intermittent leave to temporarily transfer to an alternate position of equivalent pay and benefits that better accommodates the leave schedule.

Employment Status

If the leave is only protected under the FMLA, and not the CFRA, the employee's unpaid absence will be considered a break in service for purposes of determining seniority.

Returning to Work

When an employee is on leave for his/her own serious health condition, the Housing Authority requires written medical certification by a health care provider of an employee's ability to return to work. Failure to provide such certification will result in denial of reinstatement. Upon expiration of an authorized leave, the employee will be returned to the same, or to a comparable, position to the extent required by law.

Emergency Family and Medical Leave Expansion Act ("Emergency FMLA Leave")

Eligibility

Employees are eligible for up to 12 weeks of job-protected Emergency FMLA Leave if the following requirements are met:

1. The employee has worked for AHA for at least 30 calendar days,

2. The employee is unable to work (or telework) due to a need to care for the son or daughter (under 18 years of age) whose school or place of care has been closed, or whose child care provider is unavailable due to a COVID-19 emergency declared by either a Federal, State, or local authority, and
3. The employee provided reasonable notice of the need for the leave.

Emergency FMLA Leave is a form of FMLA leave and is not in addition to any other FMLA leave. Any time period of Emergency FMLA Leave taken counts towards the 12 workweeks of FMLA leave to which an eligible employee is entitled to take for a qualifying reason in a twelve-month period.

Paid Leave

The first 10 days of Emergency FMLA Leave may consist of unpaid leave unless the employee elects to utilize accumulated leaves, including Emergency Paid Sick Leave as described above in Part Five: Sick Leave. For the remaining 10 weeks, an employee is entitled to paid leave at two-thirds of the employee's regular rate of pay. However, paid leave is subject to a cap of \$200 per day and \$10,000 total.

Notice

Employees shall attempt to provide notice of the need for leave no later than after the first workday (or portion thereof) after need arises or as soon as practicable. If the need for leave is foreseeable, the employee shall provide notice as soon as practicable. Notice may be oral or in writing and maybe given through an employee's spokesperson (e.g., spouse, adult family member, or other responsible party) if the employee is not able to give notice himself or herself. In an employee fails to give proper notice, the Housing Authority will give him or her notice of the failure and an opportunity to provide the required documentation prior to denying the request for leave.

Certification

In order to certify the need for Emergency FMLA Leave, an employee will be required to provide the following information prior to taking leave:

1. Employee's name;
2. Date(s) for which leave is requested;
3. Qualifying reason for the leave;
4. Oral or written statement that the employee is unable to work because of the qualified reason for leave;
5. The name of the son or daughter being cared for;
6. The name of the school, place of care, or child care provider that has closed or become unavailable; and

7. A representation that no other suitable person will be caring for the son or daughter during the period for which the employee takes paid sick leave or expanded family and medical leave.

Restoration to Prior Position

Employees on Emergency Family and Medical Leave are entitled to reinstatement to their prior position unless the position held by the employee does not exist due to economic conditions or other changes in operating conditions caused by a public health emergency during the period of leave. If the Agency is unable to restore an employee to an equivalent position to the employee's prior position, the Agency will notify the employee if an equivalent position becomes available within 1-year of either, the date the public health emergency concludes or date which is 12 weeks after the employee started their Emergency FMLA Leave, (which ever date is earlier). Notification shall be by regular mail to the employee's address on file.

Expiration

The provision of this Emergency Family and Medical Leave Expansion Act section shall expire on December 31, 2020 or when the Emergency Family and Medical Leave Expansion Act is no longer effective.

(There are no changes to the remainder of Part Six: Unpaid Time Off and Leaves of Absence).

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

*Resolution No.*_____

ADOPT REVISED PAID TIME OFF AND UNPAID TIME OFF AND LEAVES OF ABSENCE POLICIES

WHEREAS, the Housing Authority Board of Commissioners adopted the AHA Personnel Policies April 12, 2012; and

WHEREAS, the Housing Authority Risk Retention Pool (HARRP) provided a model for the personnel policies; and

WHEREAS, Liebert Cassidy Whitmore completed a thorough review of the AHA Personnel Policies and certified legal compliance at both the state and federal levels on November 4, 2014; and

WHEREAS, Liebert Cassidy Whitmore completed a thorough review of the proposed revisions to the AHA Personnel Policies dated 12.21.2016 and has certified legal compliance of the policies at the state and federal levels;

WHEREAS, The Board of Commissioners of the Housing Authority of the City of Alameda adopted the revised Employee Policies and Procedures Handbook re. 12.21.2016, eff. 1.8.2017;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Alameda hereby approves and adopts the revised Part Five: Paid Time Off and Part Six: Unpaid Time off and Leaves of Absence policies effective 4.1.2020 through 12.31.2020 for inclusion in the Employee Policies and Procedures Handbook rev. 12.21.2016, eff. 1.8.2017.

ATTEST:

Vanessa M. Cooper
Secretary/Executive Director

Arthur Kurrasch, Chair
Board of Commissioners

Adopted: _____



Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Danielle Thoe, Management Analyst

Date: April 15, 2020

Re: Adopt a Resolution Authorizing Submission of Funding Applications for the North Housing Project

BACKGROUND

The North Housing Project is the redevelopment of approximately 12 acres of land at the former Alameda Naval Air Station (NAS Alameda) at the site known as Coast Guard Housing. The Housing Authority is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. For additional information please see this month's Development Report or visit www.northhousing.org.

DISCUSSION

This project will be developed by Island City Development. Staff submitted the project's Development Plan and Tentative Map to the City on February 24, 2020. With these site planning elements moving forward, staff continue to move forward with other elements of the project, the scope of which includes: demolition of existing military housing structure, construction of internal infrastructure including streets, and development of up to 580 units of mixed-income affordable housing.

The multiple phases of this project will use several funding sources over the life of the project. Staff continue to work with our partners and consultants to develop financing plans for the many elements of the project. Potential sources include, but are not limited to, Low-Income Housing Tax Credits, Alameda County Homelessness funds, federal HOME and CDBG funds, AUSD Pass Through Funds, No Place Like Home, Federal Home Loan Bank Affordable Housing Program funds, State of California Housing and Community Development Department Infill Infrastructure Grant, and EPA Brownfields Grant. In anticipation of multiple funding applications, staff have prepared an Authorizing Resolution for these potential funding applications rather than having to return to the Board for individual authorizations.

Staff previously brought a similar resolution before the Board at its March 18, 2020 meeting. At that time the Board requested that after applying for funding and prior to signing an agreement with a funder that staff return to the Board for approval of the



funding agreement. Staff worked with legal counsel to update the attached resolution to include this step.

FINANCIAL IMPACT

Successful funding applications will support the reduction of AHA funds used during the North Housing project.

RECOMMENDATION

Adopt a Resolution Authorizing Submission of Funding Applications for the North Housing Project.

Respectfully submitted,



Danielle Thoe
Management Analyst

Attachment: Authorizing Resolution



HOUSING AUTHORITY OF THE CITY OF ALAMEDA

*Resolution No.*_____

AUTHORIZE THE SUBMITTAL OF LOCAL, REGIONAL, STATE, AND FEDERAL FUNDING APPLICATIONS FOR THE NORTH HOUSING PROJECTS AND THE EXECUTION OF AGREEMENTS AND DOCUMENTS FOR AWARDED FUNDING AND ANY AMENDMENTS THERETO.

WHEREAS, the Housing Authority owns real property at 501 Mosley Ave. Alameda, CA 94501 - commonly known as North Housing (the Property); and

WHEREAS, the Board of Commissioners of the Housing Authority thinks it is in the best interest of the agency, the Property, and the community to redevelop the Property and build new efficient, safe, and accessible units on the site; and

WHEREAS, the Housing Authority is authorized to do business in the State of California and is empowered to enter into an obligation to receive local, regional, state, and federal funds for the acquisition, construction, rehabilitation, or preservation of affordable multifamily rental housing, including but not limited to Low-Income Housing Tax Credits, Alameda County funds, HOME and CDBG funds, AUSD Pass Through Funds, No Place Like Home, State HCD Program funds, Tax-Exempt Bonds, and Federal Home Loan Bank Affordable Housing Program funds, (collectively the Funding).

NOW, THEREFORE, IT IS RESOLVED: That the Housing Authority is hereby authorized to prepare and submit applications for Funding for the redevelopment of the Property; and

RESOLVED FURTHER: If the ~~application is approved~~Housing Authority is awarded Funding, the Housing Authority or its affiliated development entity ~~is hereby authorized~~shall return to the Board of Commissioner's to seek formal approval to incur an obligation for accept such the award of Funding and to negotiate related loan documents which shall be brought before the Board of Commissioners via a separate action for final approval; and

RESOLVED FURTHER: ~~and to Authority to enter into, execute, and deliver, execute~~ a loan agreement, and any and all other related documents including but not limited to, a promissory note, a deed of trust and security agreement, a regulatory agreement, a development agreement and certain other documents that may be required by the lender as security for, evidence of or pertaining to the loan, and all amendments thereto (collectively, the Loan Documents) in connection with such Funding shall require the approval of the Board of Commissioners pursuant to a separate formal action; and

RESOLVED FURTHER: That Vanessa Cooper as the Executive Director or her written designee are each separate, individually, and independently hereby authorized to execute: an application for the Funding, ~~the Loan Documents,~~ and any amendment or modifications to such application for Funding~~hereto~~, on behalf of the Housing Authority; and

RESOLVED FURTHER: That this Resolution shall take effect immediately upon its passage.

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Arthur Kurrasch, Chair
Board of Commissioners

Adopted:

Date



PHONE (510) 747-4300
 FAX (510) 522-7848
 TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: April 15, 2020

RE: Approve and Provide Feedback on the Housing Authority's Policy on the Release of Tenant, Participant, Applicant, Vendor, and Landlord Personally Identifiable Information

BACKGROUND

The Housing Authority of the City of Alameda ("Housing Authority") collects information including Personally Identifiable Information (PII) from landlords, tenants, applicants, vendors, and participants similar to other agencies. The information is used to assess eligibility for various programs and benefits managed by the Housing Authority. PII means personally identifiable information that can be used alone or in conjunction with any other reasonably available information to identify a specific individual. PII includes, but is not limited to, an individual's name or the name of that individual's parents or guardians, social security number, driver's license number, identification number, specific home address, biometric records, date of birth, place of birth, or mother's maiden name. In certain circumstances, the information may be released upon request.

The memo below sets out the general situations where this release of information occurs and the relevant procedures for the release of such information. For the purpose of shortening this memo, the word "tenant" is used below, but it applies equally to participants, applicants, and may also apply to information pertaining to landlords and vendors.

The Housing Authority's current policy is rooted in a number of legal and regulatory requirements. The Privacy Act of 1974 (5 U.S.C. Section 552a), Section 6 of the Housing Act of 1937, The Freedom of Information Act (FOIA), 5 U.S.C. § 552, Section 208 of The E-Government Act, and HUD Notice PIH 2-15-06 issued on April 23, 2015 are the primary federal statutes and guidance that limit the disclosure of information about public housing residents, recipients of the Housing Choice Voucher Program and other Housing Authority programs ("Federal Laws"). PII is also protected under the California Public Records Act.

Personally Identifiable Information is held securely in the Housing Authority systems, including Yardi, Laserfiche, e-mail, and on the main server. Every effort is taken to ensure data security on all systems from selecting strong vendor partners like Yardi, that also prioritize data security, to having multiple layers of security on the Housing



Authority's own servers and continually updating software, hardware, and security features to ensure a high level of privacy.

When storing data on servers, where possible Social Security numbers are redacted. However, in the two main databases, Social Security numbers, birthdates, addresses, phone numbers, and other PII are accessible by specific staff with authorized system log-ins.

DISCUSSION

PII is released in the following situations:

- **Tenant Release of Information Form** - paperwork signed by the head of household and household members authorizing a third party to have access (most commonly used when transmitting information to advocates, family members, and lawyers at the tenant's request).
- **Power of Attorney** - most commonly used where the tenants' ability to manage their own affairs may be reduced or at risk of being diminished.
- **Limited release to HUD for purposes of addressing complaints only** - for example where a tenant has made a complaint to HUD, and HUD may be given a brief synopsis of the situation. However, no contact information or address is provided in this type of release. Since the tenant made the complaint directly with HUD, HUD will already have identified the tenant and contact information from the complaint. HUD staff also have access to the tenant information through the Public Housing Information Center (PIC) system.
- **To select third party vendors** – A third party vendor who the Housing Authority has selected for specific tasks essential to the operation of the Housing Authority, and who are subject to a contract with the Housing Authority which contains a confidentiality clause, including but not limited to software systems such as Yardi, consultants such as Nan McKay, Quadel, auditors (such as Citrin Cooperman & Company, LLP) and the social service provider, LifeSTEPS. Personally Identifiable Information data is strictly limited to a need to know basis and access is time limited by the contract or to shorter periods if access is not needed for the entire contract length. The aforementioned vendors do not sell information to third party entities.
- **Limited Data to Landlords** - under the Housing Choice Voucher Program, a prospective landlord can request specific information about a participant on the program. This information is only released upon receipt of a Request for Tenancy Approval by the tenant and is limited by regulation and the Housing Authority's Administrative Plan.
- **Knowledgeable Professionals** - to approve a Reasonable Accommodation Request, additional information from a knowledgeable professional is needed. This professional is identified by the tenant, and in most cases, the tenant has signed a Release of Information Form for the knowledgeable professional to provide information to the Housing Authority; however, as a form cannot be

required in requesting a Reasonable Accommodation, information may be sent without the written release.

- **Project-Based Voucher Owners** –Limited contact information is provided when in referring families for vacant units, as required by the Program. The information is restricted to the name and address of the potential tenant.
- **Upon submission of a subpoena** - a subpoena is required, for all other inquiries including legal action by a third party, law enforcement, or other enforcement and regulatory bodies.

In limited circumstances there are exceptions under the Privacy Act where disclosure of PII is permitted without tenant consent. One such circumstance is when such disclosure is to another agency or to an instrumentality of any governmental jurisdiction within or under the control of the United States for a criminal law enforcement activity if the activity is authorized by law, and if the head of the agency or instrumentality has made a written request to the agency which maintains the record specifying the particular portion desired and the law enforcement activity for which the record is sought (see 5 U.S.C. Section 552a(b)(7)). Due to AHA's inability to verify whether or not such enforcement activity is authorized by law and therefore subject to the Privacy Act exception, it has been AHA's long standing policy to require a subpoena even when such request for PII is tied to a purported on-going criminal investigation. Adhering to the law and protecting the privacy rights of a tenant is paramount.

The Board of Commissioners is being asked to uphold the current policy and/or to provide feedback on proposed amendments. Since any proposed amendments will undoubtedly require legal review, any feedback or changes would be brought back before the Board at the May 20, 2020 regular meeting or to a special meeting to be held earlier if requested.

FISCAL IMPACT

There is no fiscal impact to the agency.

RECOMMENDATION

Approve and provide feedback on the Housing Authority's Policy on the release of tenant, participant, applicant, vendor, and landlord Personally Identifiable Information.

Respectfully submitted,



Vanessa M. Cooper
Executive Director