



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 5 minutes per item.
2. If you need special assistance to participate in the meetings of the City of Alameda Housing Authority Board of Commissioners, please contact (510) 747-4325 (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 17, 2019 –

Regular Meeting – 7:00 p.m.

LOCATION

Independence Plaza, 703 Atlantic Avenue, Alameda, CA

78-6800 Alii Drive, #3, Kailua-Kona, HI 96730

(By Telephone: (888) 204-5987, Pin Number 8876253)

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

Public Participation

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

PLEDGE OF ALLEGIANCE

1. **ROLL CALL** - Board of Commissioners
2. Public Comment (Non-Agenda)



3. CONSENT CALENDAR

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

- 3-A. Approve Minutes of the Board of Commissioners Meeting held March 20, 2019 – **Page 1**
- 3-B. Accept the Monthly Overview Report for Operations/H.R./I.T. – **Page 10**
- 3-C. Accept the Monthly Overview Report for the Housing Programs Department – **Page 13**
- 3-D. Accept the Monthly Overview Report for the Rent Stabilization Program – **Page 16**
- 3-E. Accept the Monthly Overview Report for Property Operations – **Page 18**
- 3-F. Accept Update on the Independence Plaza 504/ADA Upgrade – **Page 23**
- 3-G. Accept a Memorandum on the Housing Authority of the City of Alameda’s Mechanisms for Communication and Outreach Efforts – **Page 25**
- 3-H. Accept the Monthly Overview Report for Housing & Community Development – **Page 28**
- 3-I. Accept the Monthly Development Report for Everett Commons – **Page 30**
- 3-J. Accept the Monthly Development Report for Rosefield Village – **Page 32**
- 3-K. Accept the Monthly Development Report for North Housing – **Page 34**
- 3-L. Informational Memo: Staff Recommends HKIT Architects to ICD Board for North Housing Permanent Supportive Housing Design Services – **Page 37**
- 3-M. Authorize the Executive Director to Negotiate the Renewal of the Services Agreement between the City of Alameda and the Housing Authority to Provide City Housing Services and Policing Services – **Page 39**
- 3-N. Accept the Revised Housing Authority of the City of Alameda Procurement Policy – **Page 56**
- 3-O. Accept Report on Housing Authority Records Disposition – Page 65
- 3-P. Accept an Update of the Housing Authority Two-Year Work Plan for Fiscal Years July 1, 2017 to June 30, 2019 – **Page 77**
- 3-Q. Accept the Final Audit Report for Fiscal Year Ending June 30, 2018 – **Page 82**

4. AGENDA

- 4-A. Resolution Approving the Desire and the Submission of a Letter of Interest to Obtain MTW Designation Under the Second Cohort of the MTW Expansion, That the Housing Authority of the City of Alameda Will Comply With the Requirements of the Program, and Expressing Willingness to Evaluate Test Rent #1, Test Rent #2, and/or Test Rent #3 – **Page 158**
- 4-B. Approve Revised Payment Standard Decrease for the Section 8 Housing Choice Voucher Program and Payment Standard Increase for Project Based Vouchers Effective June 2, 2019 – **Page 161**

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

6. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

7. 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@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility.
- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.



701 Atlantic Avenue • Alameda, California 94501-2161

DRAFT MINUTES

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA
HELD WEDNESDAY MARCH 20, 2019**

The Board of Commissioners Closed Session began at 6:45 p.m.

ROLL CALL - Board of Commissioners

Present: Commissioner Chair Tamaoki, Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard (arrived late), and Commissioner Weinberg

Absent: Commission Vice Chair McCahan

The Board of Commissioners meeting was called to order at 7:11 p.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

Present: Commissioner Chair Tamaoki, Commission Vice Chair McCahan (via phone), Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard, and Commissioner Weinberg

2. Public Comment on Closed Session

None

3. Closed Session – 6:45 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 74-1373-2-2; Authority Negotiators: Vanessa Cooper and Kathleen Mertz; Negotiating Parties: Community Improvement Commission City of Alameda/Catellus; Under Negotiation: Price and Terms of Payment.

4. Adjournment of Closed Session – 7:09 p.m.

5. RECONVENE REGULAR MEETING – 7:11 p.m.



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

Chair Tamaoki reported that the Board gave direction to staff.

7. Public Comment (Non-Agenda)

Richard Neveln, a member of the public, spoke about adding automatic door functionality to the doors at Independence Plaza to allow for maneuverability for those that need assistance. Ms. Vanessa Cooper, Executive Director, explained that AHA staff came before the Board last year regarding Independence Plaza’s ADA upgrade and while automatic door functions will not be on every door throughout the property, each building will get a touch panel to assist. Commissioner Kurrasch commented that there are two kick pad panels on the doors at the Housing Authority’s office.

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.
- **Items discussed on February 20, 2019 have been placed on the March 20, 2019 Regular Meeting Agenda for ratification.*

Items accepted or adopted are indicated by **bold font**.

Ms. Cooper clarified that there was concern that the February 20, 2019 Regular Board of Commissioners Meeting might not have been properly posted, so the March 20, 2019 meeting packet has the full February 20, 2019 packet as well as new March 20, 2019 items.

Commissioner Rickard addressed a question on item 8-C regarding lead safe housing rule and wanted further information around this topic and how it effects Section 8 landlords. Ms. Cooper explained that there are two types of lead based testing required depending on the type of voucher, and went on to explain that if an AHA unit is tested and an issue is found, staff fixes the issue. If an independent landlord owns a property with a lead issue, the landlord has 120 days to remediate the problem. Some lead test results came back in January and AHA is currently working with the effected properties. Commissioner Rickard clarified that this does not effects regular section 8 landlords and Ms. Cooper confirmed that it does not because they certify that the unit is safe at the time of lease up.

Commissioner Kurrasch moved to accept the motion and Commissioner Kay seconded motion. The motion passed unanimously:

Yes:	6	Commissioner Chair Tamaoki, Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard, and Commissioner Weinberg
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Excused:	1	Vice Chair McCahan
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- *8-A. Approve Minutes of the Board of Commissioners Meeting held *October 17, 2018, December 5, 2018, and January 16, 2019***
- *8-B. *Accept the Monthly February Overview Report for Operations / H.R. / I.T.***
- *8-C. *Accept the Monthly February Overview Report for the Housing Programs Department***
- *8-D. *Accept the Monthly February Overview Report for the Rent Stabilization Program***
- *8-E. *Accept the Monthly February Overview Report for Property Operations***
- *8-F. *Accept the Monthly February Overview Report for Housing & Community Development***
- *8-G. *Accept the Monthly February Development Report for Everett Commons***
- *8-H. *Accept the Monthly February Development Report for Rosefield Village***
- *8-I. *Accept the Monthly February Development Report for North Housing and Provide Feedback to Staff***
- *8-J. *Accept the Quarterly Investment Report for Period Ending December 30, 2018***
- *8-K. *Approve 2019 Out-of-State Travel for Staff***
- *8-L. *Authorize the Executive Director to Negotiate and Approve a Contract between the Housing Authority of the City of Alameda and 3Di, Inc. Up to a Total Not to Exceed the Amount of \$200,000 Within a Five-Year Period***
- *8-M. *Authorize the Executive Director to Approve an Extension of Two Years for the Contract Between the Alameda Housing Authority and CGI Federal Inc. in the Amount of Not to Exceed \$350,000 for Five Years***
- 8-N. *Accept Draft Minutes of the Board of Commissioners Meeting held February 20, 2019***
- 8-O. *Accept the March Monthly Overview Report for Operations, H.R., and I.T.***
- 8-P. *Accept the March Monthly Overview Report for the Housing Programs Department***
- 8-Q. *Accept the March Monthly Overview Report for the Rent Stabilization Program***
- 8-R. *Accept the March Monthly Overview Report for Property Operations***
- 8-S. *Accept the March Monthly Overview Report for Housing & Community Development***
- 8-T. *Accept the March Monthly Development Report for Everett Commons***
- 8-U. *Accept the March Monthly Development Report for Rosefield Village***
- 8-V. *Approve Amendment to the Down Payment Assistance (DPA) Promissory Note***
- 8-W. *Authorize the Executive Director to Negotiate and Enter Into a Legal Services Contract Between the Housing Authority and Carle Macke Power and Ross LLC in the Amount Not to Exceed \$114,000 for One Year***

9. AGENDA

- 9-A. Accept the Draft Audit Report for Fiscal Year Ending June 30, 2018 and Authorize the Executive Director to Approve and Finalize Minor Changes to the June 30, 2018 Audit Report

Ms. Cooper reiterated that AHA released an RFP for a new auditor last year and selected Rubino & Company Chartered. Due to staffing changes, this contract was



transferred to Citrin Cooperman & Company, LLP to ensure the 2017-2018 audit deadline could be made.

Richard Neveln, a member of the public, spoke regarding how the February 20, 2019 Regular Board of Commissioners meeting agenda was posted.

Ms. Cooper then introduced Mr. Michael Stephens, Partner of Citrin Cooperman & Company LLC, who gave a slide presentation on the draft audit report. Mr. Stephens explained that for all intents and purposes, though this report is a draft, after this presentation the items presented tonight will be finalized. One item highlighted by Mr. Stephens is a change in the OPEB plan and he explained that accounting rules have changed and as a result, as a participant of the State of California’s OPEB plan, AHA has been impacted. Mr. Stephens mentioned that this was a very smooth initial year audit, AHA staff was prepared and responsive when producing any requested documents, and there were no disagreements with AHA management.

After the presentation, Chair Tamaoki asked for further information around what “corrected and uncorrected misstatements” means, and Mr. Stephens explained that similar to other firms, Citrin used a dollar unit sampling method to create a materiality threshold of AHA’s financial statements. This sampling pulls documents and asks at which point a reasonable person would think that the financial statements were misstated. If the audit team comes up with a variance, the materiality is looked at to determine if it is recorded or not recorded; and that the OPEB adjustment is a new accounting standard, so it has to be recorded. There may be some other items that are not material, so the audit team makes management aware of recommended adjustments and if management does not agree, this would be an item that gets disclosed to the Board. In this particular audit, the uncorrected misstatements were related to accounts payable and accrued interest payable which were basically timing issues.

Commissioner Hadid commented that this audit went smoothly considering AHA does not have a Finance Director and thanked staff for working so hard behind the scenes.

Commissioner Kurrasch moved to accept the motion and Commissioner Weinberg seconded motion. The motion passed unanimously:

Yes: 6 Commissioner Chair Tamaoki, Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard, and Commissioner Weinberg

Excused: 1 Vice Chair McCahan

9-B. Conduct A Public Hearing to Hear Comments on Housing Authority Annual Plan for Fiscal Year Starting July 1, 2019

Richard Neveln, a member of the public, commented on his access to the Board packet and about the furniture around Independence Plaza, requesting that it be made



taller with blocks to accommodate IP residents needing higher seating. Mr. Neveln also commented that the IP parking lot is very dark due to trees obscuring the illumination and that he hits curbs with his large vehicle because of the darkness. Mr. Neveln would like to see the ADA parking requirements for the IP parking lot because additional room is needed on both sides of his vehicle when parked in a parking space.

Ms. Cooper explained that AHA conducts a hearing on the Annual Plan each year and introduced Ms. Veronica Jefferson, Management Analyst, to give an overview. The process of updating the AHA Annual Plan began in October 2018. This five-year plan explains the goals and objectives of AHA and staff submits an Annual Plan seventy-five days prior to the new fiscal year. Ms. Jefferson noted that one of the boxes selected in the previous Annual Plan was incorrectly checked, but in the plan before the Board today, this error has been corrected. AHA scored a “High Performer” with 90% or greater again this year, and eight internal staff members were promoted in 2018. Another success is the pilot rollout of Rent Café; the full implementation will take place by May 2019. Per protocol, there was a forty-five-day comment period for the community to give feedback on the Annual Plan and no comments were received.

Commission Chair Tamaoki opened Public Hearing at 8:06 p.m. and seeing no further comments, closed the Hearing at 8:08 p.m.

- 9-C. Adopt the Annual Plan for Fiscal Year Starting July 1, 2019 and Authorize the Chair to Certify, By Resolution, that Board of Commissioners Has Approved Submission of the Agency Plan to HUD

Commissioner Kurrasch moved to accept the motion and Commissioner Weinberg seconded motion. A roll call vote was taken and all were in favor of adopting the resolution:

Yes:	6	Commissioner Chair Tamaoki, Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard, and Commissioner Weinberg
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Excused:	1	Vice Chair McCahan
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- *9-D. *Accept Report to the Board of Commissioners on the 2018 Compensation Study and Adopt the Corresponding Resolution to Adopt a Revised Pay Schedule*

Ms. Cooper explained that item 9-D as well as item 9-F came before the February 20, 2019 Regular Board meeting, but due to potential improper posting, these items are being presented again for ratification. Ms. Janet Basta, Director of HR and Operations, explained that in 2018 a compensation study was performed for director level/senior management positions. AHA used an outside firm based in Sacramento and the AHA positions were benchmarked against comparable agencies. The full



benefit package was included as opposed to just position salaries, and this resulted in total compensation study.

Commissioner Rickard moved to accept the motion and Commissioner Kay seconded motion. A roll call vote was taken and all were in favor of adopting the resolution:

Yes: 6 Commissioner Chair Tamaoki, Commissioner Hadid,
Commissioner Kay, Commissioner Kurrasch, Commissioner
Rickard, and Commissioner Weinberg

Excused: 1 Vice Chair McCahan

9-E. Adopt the Resolution to Adopt Revised Pay Schedules for the Period of July 1, 2015 to Present

Ms. Basta explained that in early 2018, AHA was notified that AHA was selected by CalPERS to participate in an audit of pay practices and salary. There were no material findings on pay rates, but one observation was found regarding the display of titles in past years' pay schedule formatting. As a result, AHA updated the pay schedule formatting beginning July 1, 2015 through the present pay schedule and is before the Board tonight to ask that all changes to the pay schedules be retroactively approved. Ms. Basta noted that the salary levels on the pay schedules were approved prior; what has changed is the formatting of the pay schedules.

Commission Chair Tamaoki asked if the formatting was correct prior to July 1, 2015 and Ms. Basta explained that the prior pay schedules were not in the correct format, but the CalPERS audit date of observation only went back to July 1, 2015, so only the pay schedules from that date forward needed to be updated. Commissioner Hadid asked about employee titles being correct and Ms. Basta explained some of the salary schedules did not have each title listed, or all pay and title information may not have been formatted on one page, so the updates presented tonight have corrected those errors.

Commissioner Rickard moved to accept the motion and Commissioner Kay seconded motion. A roll call vote was taken and all were in favor of adopting the resolution:

Yes: 6 Commissioner Chair Tamaoki, Commissioner Hadid,
Commissioner Kay, Commissioner Kurrasch, Commissioner
Rickard, and Commissioner Weinberg

Excused: 1 Vice Chair McCahan

*9-F. *Adopt the Resolution to Approve the Amended Joint Powers Agreement Creating the California Housing Workers' Compensation Authority (CHWCA)*



Ms. Basta explained that the memo for this agenda item is part of CHWCA Joint Powers Authority, and each time a change is made, the changes must go back to the participating agency's Board for approval.

Commission Chair Tamaoki asked if this changes any worker's comp benefits and Ms. Basta confirmed that it does not.

Commissioner Kurrasch moved to accept the motion and Commissioner Weinberg seconded motion. A roll call vote was taken and all were in favor of adopting the resolution:

Yes: 6 Commissioner Chair Tamaoki, Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard, and Commissioner Weinberg

Excused: 1 Vice Chair McCahan

9-G. Accept the March Monthly Development Report for North Housing and Recommend Staff to Submit the Development Plan Application Utilizing SB 35

Ms. Danielle Thoe, Management Analyst, gave an overview of the North Housing project thus far. The land transfer documents have been drafted and the parcel will likely be transferred in the coming weeks. Carmel Partners are moving forward with road construction and AHA staff continues to coordinate with Habitat for Humanity. Habitat for Humanity has agreed to contribute a portion of land to the development of the paseo and since their parcel has an exit onto AHA parcel's street, staff is working on an agreement to memorialize these agreements.

Ms. Thoe then discussed the Development Plan Application (DPA) and the key principle components of the plan. Commission Chair Tamaoki confirmed that the proposed homeless housing will be in Area A. Ms. Kathleen Mertz, Director of Housing & Community Development, added that the areas are proposed concepts rather than the final building details for each lot. Commissioner Kay asked for clarity around the "pocket parks" and Ms. Thoe confirmed that these areas will be smaller sitting areas and that there will be a few of these "pocket parks" distributed throughout the site. Ms. Thoe then commented on the proposed phasing and confirmed that staff will come back for each specific design prior to the development of the individual lots. The City of Alameda wants an idea of what the space will be used for and to understand the concept behind the parcel's development. Ms. Thoe then discussed the DPA process and procedures and the environmental review. AHA staff is more confident in SB 35 helping to streamline the building process since the February 20, 2019 board meeting and Commissioner Kurrasch was pleased to get another North Housing update and information surrounding SB 35.

Commissioner Rickard had a question regarding the island depicted on slide 12 on the image of the Development Plan drawing. Between Block A and Block B there is a small roundabout and he asked that staff examine whether this park/roundabout is



necessary. Ms. Thoe commented that this was a requirement of the Fire Department and Ms. Mertz added that this road was designed to allow for the whole street grid to be able to combine with the neighboring property should it be necessary in the future. Commissioner Rickard confirmed that the North Housing site is not required to be 100% affordable housing and Ms. Thoe confirmed.

Richard Neveln, a member of the public, spoke regarding utilizing AC Transit at the North Housing property to provide a mode of transportation for residents and Ms. Thoe explained that yes, the City and AHA are confident that AC Transit will be able to service the neighborhood. Bus Line 20 has expanded and helps connect more residents to transportation. At the moment, AHA has a partnership with AC Transit for transit passes and plans on continuing to utilize the AC Transit system. Ms. Cooper added that offering bus passes to each household within North Housing is a very large and costly undertaking, so in order for something like this to move forward, other partners would need to help and finance the passes.

Vice Chair McCahan commented that last month there were concerns around Legal Counsel and SB 35 and thanked staff for coming back with more information and expressed his support for using SB 35. Commissioner Hadid also stated his support for SB 35 and expressed concern for making sure that the North Housing site is cleaned up properly. Commissioner Kurrasch explained that the soil of this site has been looked at for over 15 years. Ms. Thoe added that the Navy has already performed site cleanup. Carmel also performed a soil cleanup and both environmental agencies and AHA staff will be a part of the process to ensure that the area is safe. Commission Chair Tamaoki commented that there is a difference between environmental impacts and environmental contamination. Chair Tamaoki confirmed that utilizing SB 35 does not change or relax any of the environmental requirements and Ms. Thoe agreed and explained that there are legal documents that supersede SB 35 in connection with the land transfer addressing environmental contamination.

Commissioner Kurrasch moved to accept the motion and Commissioner Hadid seconded motion:

Yes: 6 Commissioner Chair Tamaoki, Commissioner Hadid, Commissioner Kay, Commissioner Kurrasch, Commissioner Rickard, and Commissioner Weinberg

Excused: 1 Vice Chair McCahan

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

Richard Neveln, a member of the public, spoke regarding the individual home inspections and would like the examinations to be quicker. Ms. Cooper stated that AHA staff would look into the scheduling side of this process, but legally AHA cannot limit the length of a HQS inspection. Ms. Lisa Caldwell added that a tenant is not



required to wait in their unit for the inspector to arrive and has the option to request that an AHA manager be present in their unit during the time of the inspection.

11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

None

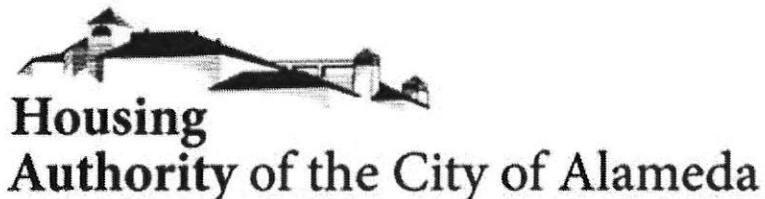
12. ADJOURNMENT

There being no further business, Chair Tamaoki adjourned the meeting at 8:53 p.m.

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners





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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 17, 2019

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	Deputy Executive Director	1 FTE	In process	
	Management Analyst	1 FTE	Position posted and closes early April; utilizing outside recruiter	
Finance	Director of Finance	1 FTE	In interview process	
	Controller	0 FTE	Filled: New Controller started March 25	

	Accounting Specialist	2 FTE	In interview process	Plan to hire two candidates due to an announced retirement
Housing Programs	Housing Assistant	1 FTE	Recruitment to start in April	Position open due to announced retirement
Property Operations	Housing Specialist II	1 FTE	In process	
	Maintenance Supervisor	1 FTE	Recruitment pending others being completed	Holding position open for time being
	Resident Manager (Parrott Village and Gardens)	1 FTE	In application review and interview process	
	Resident Manager (Eagle)	.25 FTE	Outsourced to John Stewart beginning February 2019	Position will not be filled internally
Housing and Community Development	Asset Manager	1 FTE	Ongoing recruitment being conducted with outside recruiter	
Rent Stabilization Program	Program Specialist	1 FTE	In application review process	

Summary: Total FTE's approved for FY 2019: 56.63
Number of vacancies: 11.25
Number of active recruitments: 9.0

Two staff have announced pending retirements in late May and early June; these upcoming vacancies are included in the vacancies figure above. Recruiting for those positions will be underway in April so that positions do not remain vacant and ideally, training of new staff can begin prior to the retirements. Additionally, a temporary staff person has been engaged to review and update written procedures for payroll and accounting procedures so a smooth transition can take place.



Honorable Chair and
Members of the Board of Commissioners

April 17, 2019
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Absences have continued to be an issue in the past month, with both short and long term absences and/or leaves occurring. To manage this, several temporary staff have been engaged to either backfill positions or to perform specific tasks while regular staff are out. The budget for temporary staff for the coming year will be increased to cover extended absences.

On April 3, an attorney from Liebert Cassidy Whitmore presented a three-hour training entitled "The Art of Writing the Performance Evaluation" for all supervisors. This concludes the two supervisor training sessions currently planned, the first training took place in March, though supervisor training will remain a priority throughout the year.

Information Technology/Administration

Local Housing Authorities, government agencies, and non-profits have collaborated together to commission a Rent Survey of the Fair Market Rents (FMR) for Alameda and Contra Costa Counties. On March 14, 2019, HUD published the revised FMRs for the two counties. Based on the rent survey, the FMRs still decreased, but by a slightly smaller amount. Unfortunately, the study did not yield the desired results, though a slightly smaller reduction in FMRs was achieved by this collaboration, and specific information will be included in the memo on changing the payment standards.

In the last month, multifactor authentication was launched for most e-mail addresses. This was done for non-exempt staff at the same time that e-mail access was tied into the domain controller. This limits the access while raising the security of e-mail access. Exempt staff can still access e-mail off-site, but the staff member must have their agency issued cell phone to authenticate the e-mail access.

Two new copiers were leased for black and white printing. The previous two copiers had been experiencing frequent jamming incidents, and it is hoped that the new copiers will reduce these jams.

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





**Housing
Authority of the City of Alameda**

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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 17, 2019
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 in the prior month.

Funding Update

AHA received \$2,668,009 from HUD for the month of March to cover Housing Assistance Payments (HAP) disbursements of \$2,504,297 to landlords. For the month of April HUD has sent notification that AHA will received \$2,657,291 in funding to meet our April HAP payments. AHA will continue to project future HAP expenses by utilizing the two-year tool and make recommendations to the Executive Director based on our findings.

Administrative Fees

On March 19, 2019 HUD published CY 2019 Administrative Fee. The CY 2019 Administrative Fee Rates are effective retroactively to January 1st, 2019. HUD will publish separate documents on (1) describing how the 2019 rates were calculated, and (2) the usual guidance on the portability billing formula, to include the estimated administrative fee proration that should be considered portability. This information will be published in the coming weeks.

HPD STATISTICS

Statistics	January	February	March
Annual Re-examinations Processed	Due: 120 Completed:111	Due: 116 Completed:110	Due: 124 Completed:116



Rent Increases	Due: 19 Completed:19	Due: 28 Completed:28	Due: 84 Completed:84
Interim Re-examinations Processed	Due:74 Completed: 38	Due: 69 Completed: 52	Due: 103 Completed: 89
HQS Private Landlord Inspections Conducted Pass rate %	Private 23 52% APC/BCC 53 84% S+C: 16 94%	Private LL: 48 Pass Rate:60%	Private LL: 17 Pass Rate:59%
HQS in AHA Owned units Pass rate	Lincoln: 3 Pass rate: 67% Esperanza 119 Pass rate:41%	Zero AHA Units	Zero AHA Units

VOUCHER ISSUANCE AND LEASE UP DATA

Statistics	January	February	March
Section 8 Continued Movers seeking housing	8	9	10
Port-in voucher holders seeking housing	6	6	6
Voucher holders ported out and seeking elsewhere	5	5	5
Total voucher holders seeking housing	191	21	21
Non-Port Leased	HCV-6 PBV -0	HCV-6 PBV -0	HCV- 2 PBV - 2
Port Move-In Leased	1	1	1
Total vouchers leased up in month in Alameda	18	4	5



Honorable Chair and
Members of the Board of Commissioners

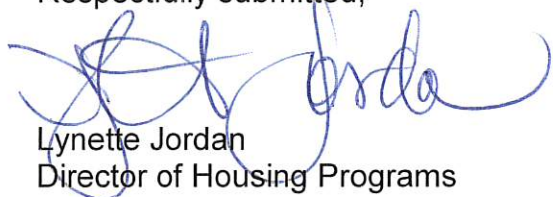
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New Vouchers Issued	0	0	0
New VASH Issued	0	0	0

RECOMMENDATION

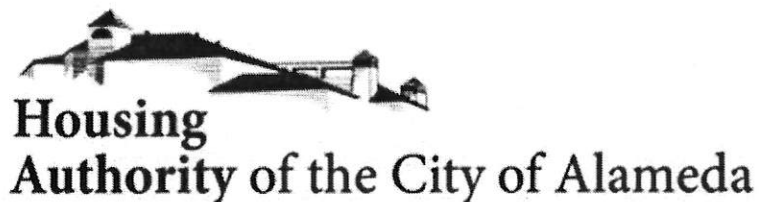
Accept the monthly overview report for the Housing Programs Department.

Respectfully submitted,



Lynette Jordan
Director of Housing Programs





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 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: Jennifer Kauffman, Management Analyst

Date: April 17, 2019

Re: Accept the Monthly Overview Report for the Rent Stabilization Program

DATA

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

	December	January	February
Rent Increase Submissions	19	30	5
Termination of Tenancy Submissions	7	6	7
Capital Improvement Plan Submissions	0	0	0
Number of RRAC Meetings	3	1	2
Number of Cases Reviewed by RRAC Each Month	9	4	4

CITY COUNCIL UPDATE

The City Council provided direction to staff on potential amendments to Rent Stabilization Ordinance 3148 at the April 2, 2019 meeting. These potential amendments include, but are not limited to, the following topics:

- Adopt just cause (eliminating “no cause” as a grounds to terminate a tenancy)
- Establish a maximum rent increase
- Revise the relocation benefits amount
- Regulate “buy-out” agreements
- Consider a rent registry



Honorable Chair and
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In addition, City Council took action at the April 2nd meeting to adopt a resolution 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 introduced an ordinance to eliminate the sunset clause (December 31, 2019) from Ordinance 3148.

RECOMMENDATION

Accept the Monthly overview report for the Rent Stabilization Program.

Respectfully submitted,



Jennifer Kauffman
Management Analyst
Rent Stabilization Program





Housing Authority of the City of Alameda

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TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Lisa Caldwell, Director of Property Operations

Date: April 17, 2019

Re: Accept the Monthly Overview Report for Property Operations

BACKGROUND

This memo provides a high-level overview of the Property Operations Department's activities for the month of March 2019.

DISCUSSION

VACANCY – March

Lease up coordination between the Property Management Department and the Housing Programs Department is ongoing in order to fill vacancies as soon as possible. Three applicants are processed at a time for each vacancy in order to fill vacancies as quickly as possible.

Property	Unit #	Vacancies End of March	Notice to Vacate Pending	Lease Pending	Rate
Anne B. Diament Plaza	65	0	0	0	0%
China Clipper Plaza	26	2	0	0	8%
Esperanza	120	2	0	2	2%
Independence Plaza	186	20	2	8	11%
Parrot Village	50	3	0	0	6%
Combined Smaller Sites *	41	5	0	1	12%
Total	488	32	2	11	7%

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4), Paru Street (1) and Mulberry Townhomes (3).

The total unit count above includes the five (5) manager units located at Anne B. Diament Plaza, Esperanza, Parrot Village, Independence Plaza, and China Clipper.

At the end of March, there were twenty (20) vacant units at Independence Plaza; these units are included in the vacancy numbers listed above. Five (5) of the current vacant units are units in the second phase of the ADA rehabilitation and were released for leasing on March 7, 2019. The first phase of this unit rehabilitation was completed the second



Honorable Chair and
Members of the Board of Commissioners

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week of December and six (6) units were released for lease up; five (5) have been leased and one (1) has a move-in scheduled in April. To ensure all vacancies are filled promptly staff is outreaching to the waitlist applicants. This is a waitlist for residents up to 80% AMI. Per the prior Board action, the rents for new tenants at Independence Plaza will be \$1,308 (1 bedroom) and \$1,569 (two bedroom). Existing Independence Plaza tenants can transfer into the ADA units at their current rents if the bedroom count stays the same.

Staff has identified upcoming and current vacant one (1), two (2) and three (3) bedroom units in the AHA portfolio to be offered to current Rosefield Village tenants in order to assist in providing housing within Alameda. Currently AHA has five (5) vacancies throughout the scattered sites that will be prioritized for Rosefield Village tenants. The vacant units at Independence Plaza are also being prioritized for seniors at Rosefield Village that may qualify for these renovated units under a reasonable accommodation.

RENT COLLECTIONS – March

Independence Plaza and Esperanza were the only sites with collection rates below 98% for the month of March. The collection rate was below of 98% for Independence Plaza due to the twenty (20) vacancies due to the rehabilitation of twenty (20) units. Esperanza fell below the 98% collection rate because there were eight (8) units that were abated, in which part of the HAP payment was not paid due to HQS repairs needed, as of the date of this report seven (7) units have been reinstated and passed the follow up HQS inspection.

GPR - Budget vs. Collected

Property	ABD	China Clipper	ESP	IP	Parrot Village	*All Other Sites	Total
				Tenant Rent Only			
Budgeted GPR	\$87,406	\$35,096	\$289,988	\$145,222	\$128,668	\$59,980	\$746,360
Collected	\$91,069	\$38,352	\$280,450	\$133,633	\$132,396	\$59,344	\$735,244
Collection Rate	104%	109%	97%	92%	103%	99%	99%

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4), Paru Street (1) and Mulberry Townhomes (3).

Property Management staff continues to work with Attorney Bill Ford on terminations of tenancy for non-payment of rent. Non-payers are sent monthly to Mr. Ford mid-month, in order to assist with collecting payment on their debts in full and/or entering into a signed payment plan. All households subject to termination are referred to our social services provider, LifeSTEPS, for assistance including budgeting and obtaining rental assistance.



Honorable Chair and
Members of the Board of Commissioners

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Where tenant households are also Section 8 Housing Choice Voucher (HCV) holders, the Section 8 staff have also conducted mandatory in person case management conferences to remind participants of their obligations under the HCV Program.

Currently there are three (3) households pending pre-trial conference and possible eviction from their units.

THIRD PARTY MANAGED SITES – The John Stewart Company (JSCO)

VACANCY – March

Property	Unit #	Vacancies End of March	Rate
Rosefield Village	53	18	35%
Eagle Village	36	1	1%
Littlejohn Commons	31	0	0%
Everett Commons	20	0	0%

At the end of March, eighteen (18) units at Rosefield were permanently offline due to the upcoming reconstruction and rehabilitation of the property. One of these units will be used as a manager's unit. As vacancies become available at other AHA owned sites, residents currently at Rosefield are offered these vacant units, where eligible, in order to accommodate as many current residents that want to remain housed in Alameda. The Relocation Plan and General Information and Non Displacement Notice (GIN) has been issued for the remaining tenants describing the need to move prior to the rehabilitation.

RENT COLLECTION –February

The financial reporting for properties managed by The John Stewart Company (JSCO) is one month behind AHA managed sites due to JSCO providing financial packets in the middle of each month for the prior month.

GPR - Budget vs. Collected

Property	Rosefield	<i>Littlejohn Commons</i>	<i>Eagle Village</i>	Everett Commons	Total
Budgeted GPR	\$82,137	\$46,227	\$73,791	\$39,357	\$241,512
Collected	\$59,917	\$47,737	\$78,104	\$41,524	\$227,282
Collection Rate	73%	103%	106%	106%	94%



Honorable Chair and
Members of the Board of Commissioners

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RENT INCREASES

Rent increases for 2019 continue to go out monthly. On January 1, 2019, the Project Based Voucher PBV payment standard for all properties (with the exception of Independence Plaza) was put in place for all 2019 rent increases. The increase should not affect the tenant's portion unless the household is residing in an unassisted unit (which often is a result of being over income for assistance) or are over housed (i.e. have an extra bedroom outside of their approved voucher size). All those who are over housed and have a tenant based voucher and have already 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 60 days prior to the effective date of the increase.

Income verification by CGI will take place for Independence Plaza, for all HOME units, and all unsubsidized units starting in May 2019. The Low Income Housing Tax Credit Calculation will be used when determining rent increases as is the practice for the past three years.

The John Stewart Company (JSCO) is in process of completing income certifications for Rosefield Village for all existing tenants. This will assist with the relocation of tenants ahead of the new construction project.

MAINTENANCE

The initial HQS inspections for FY 2018-2019 have been completed for all AHA managed sites with the exception of Independence Plaza. The maintenance staff is currently working on units that did not pass prior inspections in order to ensure all corrections are completed. Preventive maintenance for Independence Plaza will begin in April, with HQS inspections following in May.

The maintenance staff has also been busy preparing vacant units for leasing, handling daily routine maintenance requests, and performing emergency work orders as needed.

Maintenance staff is prioritizing the turnover of vacant units to address one (1) and two (2) bedroom units first in order to accommodate the relocation of tenants at Rosefield Village.



Honorable Chair and
Members of the Board of Commissioners

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

Work Order by Month - 2019

Property	Unit Size	March 2019	February 2019	January 2019	Total
AHA Office	N/A	12	11	18	41
Anne B. Diamant	65	14	12	19	45
China Clipper Plaza	26	9	6	24	39
Esperanza	120	51	72	115	238
Independence Plaza	186	65	58	45	168
Lincoln House	4	2	3	1	6
Lincoln Willow	5	3	3	4	10
Parrot Gardens	8	2	6	2	10
Parrot Village	50	28	22	22	72
Senior Condos	7	4	1	2	7
Sherman Street	9	5	6	3	14
Stanford House	4	0	0	1	1
Detached Homes	4	0	1	0	1
Total	488	195	201	256	652

CAPITAL PROJECTS

See separate Independence Plaza 504/ADA Upgrade Update memo.

FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

Accept the monthly overview report for Property Operations.

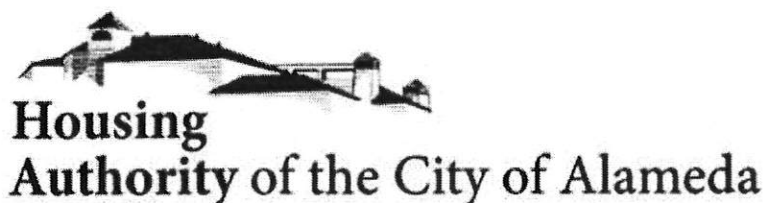
Respectfully submitted,



Lisa Caldwell
Director of Property Operations

VMC/all





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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
 From: Mike Billington, Project Manager
 Date: April 17, 2019
 Re: Accept Update on the Independence Plaza 504/ADA Upgrade

BACKGROUND

In March 2017, staff received direction to proceed with efforts to renovate 20 units, common area entrances, parking and various paths of travel at Independence Plaza (IP) and the main Housing Authority office. The underlying purpose of the project was to improve resident quality of life and support accessibility to the community and tenants.

After the standard RFP process, YHLA Architects was selected as the project architect. YHLA studied the property, the units and the community layout and consulted with staff on scope, unit selection and community programs. To streamline the project and reduce costs, units were selected for renovation by vertical stacks. Stacks were chosen so that the renovated units were dispersed throughout the community. Units were also chosen by size – the ratio of renovated one to two bedroom units matched the overall ratio of one to two bedroom units at Independence Plaza.

Upon completion of the project manual, a permit was secured in April 2018. The project was then put out to bid in May 2018. Two bids were received and reviewed. Fine Line Construction was awarded the project.

In June 2018 the Board authorized the Executive Director to negotiate final terms and execute a construction contract with a project budget not to exceed \$3.5 million for accessibility upgrades to 20 units and various common area Improvements throughout Independence Plaza.

DISCUSSION

Construction began in October 2018. Phase one (1), which included six (6) units, was completed in early December 2018. Phase two (2), which included seven (7) units concluded in early March 2019. Phase three (3) will consist of the last seven (7) unit which began in March, is scheduled to conclude in late May 2019.

Remaining additional work includes the ADA path of travel work – including doors and the parking lot.



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Members of the Board of Commissioners

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Staff is presently working to coordinate the parking lot schedule, as it will impact AHA staff, the public and tenants of Independence Plaza. Efforts are tentatively scheduled to begin in mid-April and conclude by mid-May. Staff is working on finalizing dates and times that will cause the least impact to all listed above.

The entire project is project to be completed by August 2019. As of this report construction is approximately 75% complete.

FINANCIAL REVIEW

To date the project has yielded twenty-two (22) change orders for a total of \$214,000, which accounts for approximately 93% of the construction contingency. The revised contract cost as of today is \$2,513,825. Four pay applications have been processed for a total expenditure of \$1,542,905. The fifth pay application is pending delivery of wage compliance documentation.

Below, for your review, is the Budget and Cost Summary. Please note that Support Services, such as relocation costs, were substantially less than budgeted, while Construction Administration required additional funding, primarily due to the need for additional architectural, engineering, legal and consulting services.

Budget & Cost Summary as of 4/4/2019

Description	Budgeted	Anticipated Actual
Pre-Construction and C.A.	\$89,572.92	\$128,530.35
Support Services	\$336,954.00	\$87,140.00
Construction	\$2,605,000.00	\$2,513,825.16
Total Project Costs	\$3,031,526.92	\$2,729,495.51
Board Approved Project Budget	\$3,500,000.00	

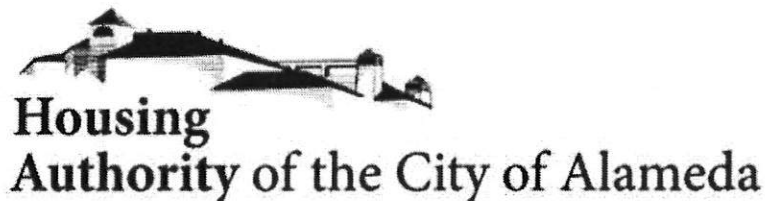
RECOMMENDATION

Accept update on the Independence Plaza 504/ADA Upgrade.

Respectfully submitted,


Mike Billington
Project Manager





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 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: Lisa Caldwell, Director of Property Operations

Date: April 17, 2019

Re: Accept a Memorandum on the Housing Authority of the City of Alameda's Mechanisms for Communication and Outreach Efforts

BACKGROUND

In September 2018, on the Board directed staff to provide a memo covering AHA mechanisms for communication and outreach with tenants, participants, applicants, landlords, and the general public. AHA is committed to informing applicants, voucher holders, residents, and property owners of the services and programs AHA provides. The below outlines the outreach activities AHA takes to provide and promote various methods of communication to enhance opportunities to our clients.

DISCUSSION

General Outreach

- Online newsletter issued intermittently via Constant Contact.
- Board meetings open to public. Agenda is posted at various sites in Alameda and online.
- Complaint form available on website and in lobby. Responses provided within 10 days unless anonymously submitted.
- Annual customer service survey goes to participants, landlords and tenants and results are published annually in the board packet.
- Vendor opportunities published on the website (e.g. RFPs, IFBs).
- Job openings are published on the website as well as a variety of housing and local government related websites and general job boards.
- Senior staff present at a number of local service clubs, housing events etc. during the year.

Housing Programs Department Outreach

- Participant newsletter by mail quarterly and posted on website.
- Landlord newsletter by mail twice a year and posted on website.
- Landlord workshops - two general ones per year and one for PBV owners.
- Landlords receive monthly email statement from Finance.
- Annual plan published in newspaper for comments and public hearing at Board meeting in March each year.



Honorable Chair and
Members of the Board of Commissioners

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- Resident Advisory Board meeting is held in fall of each year.
- Monthly housing search workshops are held for voucher holders who are moving.
- Main section 8 forms are available on the website.
- Vacancies for section 8 voucher holders are listed on the website and in the lobby.
- Waitlist outreach when open includes newspapers, outreach to over thirty organizations and training for these organizations so they can assist applicants.
- Dedicated landlord representative who fields all landlord calls and concerns.
- Online application system for waitlist openings.
- Biweekly calls with PBV owners.

Property Operations Outreach

- AHA Tenant newsletter by mail quarterly.
- LifeSTEPS activities and newsletter conducted monthly.
- Annual town hall meetings at each main site.
- Resident meetings as necessary.
- Board agendas are posted at each main site.
- Lease and policy changes communicated in writing to all AHA tenants.

Housing and Community Development Outreach

- AHA Website with information about the Housing Development Pipeline.
- North Housing website and email newsletter.
- Outreach for grand openings, groundbreakings etc. via Constant Contact.
- Public Notices for CDBG Action Plan.
- RFP/RFQ Postings on website and email.
- Workshops and Conference Seminars (Housing California, NPH, California Preservation Foundation).

Rent Stabilization Program Outreach

- Provided program information to tenants and landlords through phone calls, emails, in-person appointments and public workshops.
- Sent mass mailers of program information through Alameda Municipal Power bills and Recreation and Parks Activity Guides.
- Distributed fair housing training information through the Alameda Unified School District newsletter.
- Disseminated program newsletters to the Rent Stabilization Program email list.
- Conducted outreach presentations for local stakeholders.
- Developed online educational videos available 24/7 on the program website.
- Offered informational workshops regarding rent increases and terminations of tenancy for both tenants and landlords.
- Presented fair housing training sessions for community stakeholders.
- Received 23,449 visits to the Rent Stabilization Program website.
- Distributed monthly and annual program reports.



Honorable Chair and
Members of the Board of Commissioners

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- Presented program data at City Council meetings.
- Distributed workshop flyers, landlord and tenant pocket guides, informational brochures and other participant resources at various community events.
- Posted public notices and advertisement in a variety of local newspapers (including the Alameda Sun/Alameda Journal/Vision Hispana/Sing Tao Journal/Asian Journal/Bao Mo San Francisco).

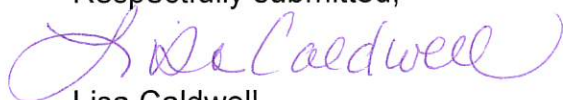
FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

Accept a memorandum on the Housing Authority of the City of Alameda's mechanisms for communication and outreach efforts.

Respectfully submitted,



Lisa Caldwell
Director of Property Operations



Housing Authority of the City of Alameda

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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 17, 2019

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 month of March 2019.

DISCUSSION

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

The Congressional budget for FY19-20 was passed by Congress and signed by the President on Friday, February 15, 2019. HUD has 60 days (April 16th) to develop its internal budget before announcing allocations. Staff has drafted the FY19-20 Action Plan, assuming the level CDBG funding. Staff's current CDBG funding estimates are based on the FY18-19 grant amount and the draft Action Plan contains a contingency plan, including proposed adjustments, so that the funding amounts may be updated upon receipt of notice of the actual CDBG allocation funding amount for FY19-20. The draft Action Plan will be available for public comment, beginning April 5, 2019. Staff will present the draft Action Plan, including a summary of activities recommended for funding, at the May 7, 2019 City Council meeting.

Inclusionary and Below Market Rate (BMR) Programs

Staff continues to work with the City Attorney's Office on the assignment of the paper equity notes for the 32 BMR units at Alameda Landing and Marina Shores that were developed through the City of Alameda's Inclusionary Housing Program between 2015-2017.

Staff mailed the Down Payment Assistance loan amendments to all borrowers with an active loan. Staff has fielded questions and responded to calls from several households and has received five signed amendments. April 30, 2019 is the deadline for submitting the signed amendment.



Honorable Chair and
Members of the Board of Commissioners

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Staff is working with various developers to draft the Affordable Housing Agreements for various developments throughout the City, which is required as a condition of approval to implement the inclusionary component of the market rate projects.

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 in the process of repaying the \$250,000 Operating Capital loan to AHA. Staff continues to work on the Procurement Policy for Island City Development. A copy will be included in the next Board packet for reference and a copy of the ICD Board packet will be forwarded to you per the usual protocol.

Littlejohn Commons

On February 22, 2019, Littlejohn Commons converted to its permanent financing. This property is now transitioned fully to Property Operations. HCD staff are finalizing the Tax Credit Allocation Committee (TCAC) Placed in Service (PIS) application for IRS Form 8609.

Affordable Housing Project Pipeline

Everett Commons – A separate report on the project is attached.

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

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

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

Asset Management

Staff is working on 1st quarter reporting to lenders and investors. Staff is also working with the Alameda County Assessor on welfare tax exemptions for various properties. Recruitment is open for the Asset Manager position.

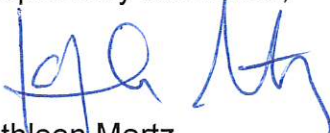
Other Activities

Staff is reviewing applicants for the 2019 Summer Internship Program.

RECOMMENDATION

Accept the Monthly Overview Report for Housing & Community Development.

Respectfully submitted,



Kathleen Mertz

Director of Housing and Community Development





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Richard Yoshida, Project Manager
Date: April 17, 2019
Re: Accept the Monthly Development Report for Everett Commons

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 Everett Commons project includes the new construction of 20 units located at 2437 Eagle Ave. Construction funds were secured at the loan closing on June 29, 2017. ICD is the developer. JPMorgan Chase is the construction/permanent lender. Anne Phillips Architecture is the architect of record. J. H. Fitzmaurice, Inc. is the General Contractor.

Bedroom Size	1	2	3	4	Total
# Units	4	11	5		20

Total Development Budget: \$18.8 Million

Financing Sources: Low-Income Housing Tax Credits, HOME funds, AHA Loan, bank loan, Alameda County A1 Bonds, Project Based Vouchers

DISCUSSION

Construction of the project started on July 7, 2017. The project received a Temporary Certificate of Occupancy on December 17, 2018 and was fully leased by December 31, 2018. A Grand Opening Celebration was held on March 26, 2019 and was a big success.

The construction contract totals \$12,074,456 including 17 approved contract change orders for a total of \$518,190. Owner contingency funds are held separately from the contract and as change orders are approved, the original construction contract value will increase accordingly as shown in the table below. Funding for the retention payment has been received and staff is monitoring the stabilization period.



Construction Contract & Contingency Utilization				
	Original Budget	Current Revisions	Previous Revisions	Current Budget
Construction Contract	\$11,556,266	0	518,190	\$12,074,456
Construction Contingency	\$577,813	0	-518,190	\$59,623
Soft Cost Contingency	\$148,371	0	-148,371	0

FINANCIAL IMPACT

The overall budget disbursements are summarized below. The "\$ Disbursed" column includes the current draw amount. The cost certification process is ongoing with the auditor. Although the hard cost contingency was not fully utilized, there were soft cost overruns related to architecture/engineering, construction management, permit fees, financing fees, and legal fees. Any line item cost overruns will be either absorbed by other line items in the Board approved master development budget or will come back to the board for approval once the draft cost certification is complete.

	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land	2,234,900*	2,215,833	99%	19,067
Hard Costs	12,134,079	12,074,456	99%	59,623
Soft Costs	4,440,826	2,625,583	59%	1,815,243
Total	18,809,805	16,915,872	90%	1,893,933

*The value of the land lease contribution is added back as it is recognized as a part of the total project budget

RECOMMENDATION

Accept the Monthly Development Report for Everett Commons.

Respectfully submitted,



Richard Yoshida
Project Manager





Housing Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Tony Weng, Senior Project Manager
Date: April 17, 2019
Re: Accept the Monthly Development Report for Rosefield Village

BACKGROUND

Since early 2015 staff has been working to prepare a redevelopment plan for the buildings at Rosefield Village. In October 2016, the Board authorized staff to proceed with a plan to construct approximately 60 new units to replace the 1979 buildings and approved the selection of Dahlin Group Architecture. In September 2017, the Planning Board approved the proposed site plan and encouraged staff to return for Design Review approval with increased density. On July 9, 2018, the project received unanimous design review approval from the Planning Board to build 78 new units. This approval required a zoning text amendment, which was approved by City Council on September 18, 2018.

In December 2017, the Board approved a construction/permanent loan of \$5.7 million of AHA funds to support the project, and amended that loan by \$1.3 million in October 2018. In September 2018, AHA was awarded \$1.67 million of A1 County Bond funds from the City Base Allocation. In February 2019, AHA was awarded \$6.42 million of A1 County Bonds funds from Regional Pool Allocation.

This project will be developed by Island City Development. The overall project scope includes both rehabilitation of existing structures and construction of a new building in the middle of the site. The new building includes 78 units, onsite laundry, property management offices, social service coordination offices, a community room, and central courtyard with play structures. The thirteen existing units, in six buildings, on the east and west sides of the new building will be renovated.

DISCUSSION

Staff continues to work with Paragon Partners, the relocation specialist for the project, to finalize updates to the Relocation Plan, and to notify residents appropriately. As of March 31, 2019, Paragon Partners completed 100% tenant relocation interviews for existing households residing at Rosefield. Staff is reviewing the draft Notice of Eligibility and Conditional Entitlement Letter, which defines a household's relocation benefits, and this letter is expected to be mailed to all residents within the next two weeks. Property Management staff have prioritized vacancies elsewhere in the AHA portfolio for Rosefield transferees for some time and offers are actively being made to tenants regularly.



An update on the relocation status is below:

Month	Total Units	Vacant Units	Currently Occupied	Approved to Move
March 31, 2019	54	18	36	1

In addition to the relocation planning work, staff has reviewed the 100% Design Development drawings and provided comments to the design team. The design team is moving onto the Construction Document Phase for the new building and will incorporate staff comments in the next milestone at 50% Construction Document Phase. Staff continues to work with the architects to define the renovation scope of work, including converting the large 4-bedroom house at the corner of Constitution and Eagle into a duplex.

The California Department of Housing and Community Development anticipates finalizing the new Multifamily Housing Program (MHP) guidelines and issue a Notice of Funding Availability (NOFA) in April 2019, with application due in June 2019. Staff will be submitting a 4% tax credit and bond application in fall 2019 to better align with the MHP financing schedule. This new information does not change the overall financing and construction schedule. The overall financing goal is to secure funding in 2019 and start construction in early 2020.

FINANCIAL IMPACT

The Board has previously authorized a \$1 million loan to Island City Development for pre-development expenses. Predevelopment costs incurred include application fees, professional services for reports and studies, plus architecture and engineering fees.

The chart below summarizes expenses through March 2019.

Rosefield Village

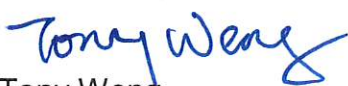
Pre-development Loan from AHA	\$	1,000,000
Usage through March 2019	\$	634,103
Balance	\$	365,897

The Board has committed \$7 million in AHA loan funds for construction and/or permanent financing.

RECOMMENDATION

Accept the Monthly Development Report for Rosefield Village.

Respectfully submitted,


Tony Weng
Senior Project Manager





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 17, 2019

Re: Accept the Monthly Development Report for North Housing

BACKGROUND

In 2012, the Navy approved the transfer of 13 acres of land to the Housing Authority at the former Coast Guard housing site known as North Housing. The approved public benefit conveyance is based on the proposal submitted by AHA, Alameda Point Collaborative (APC), and Building Futures with Women and Children (BFWC) to develop 90 units of permanent supportive housing. AHA, APC, and BFWC signed a Memorandum of Understanding (MOU) that outlines the roles and responsibilities of each party. This MOU states broadly that AHA is responsible to serve as "fiscal agent," to secure financing, to develop and then to manage the project, and to provide regular quarterly reports to the partners regarding project finances.

Habitat for Humanity has applied separately to HUD and the Navy to receive a two-acre parcel, adjacent and to the east, which is also a part of the North Housing area. The General Services Administration (GSA) sold the adjacent parcel to the west, through a public bid, to Carmel Partners. On July 2, 2018, the U.S. Navy and Carmel partners closed on the sale of the public bid parcel at North Housing. On March 30, 2018, the City signed a Memorandum of Understanding (MOU) with Carmel Partners about obligations for infrastructure improvements on the Housing Authority's public benefit conveyance.

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 final reading of the resolution for transfer of the North Housing site to the Housing Authority. Final site conveyance from the Navy continues to be delayed but is anticipated in 2019.

In October 2018, the Board of Commissioners approved additional funding for the project, bringing the total pre-development and demolition budget to \$3.7 million. This is memorialized as a predevelopment loan to ICD for the project.



Honorable Chair and
Members of the Board of Commissioners

April 17, 2019
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As the Development Plan process for North Housing began, staff led a number of community engagement initiatives. Post cards were mailed to nearby neighbors, the www.northhousing.org website was developed, and a series of four Community Meetings were hosted during fall 2018. The meetings provided high quality feedback from neighbors regarding architectural styles, site layout preferences, and general input. The process ended on a positive note with a number of neighbors encouraging that the housing get built sooner rather than later.

At the March 2019 Board of Commissioners meeting, commissioners approved submission of the North Housing Development Plan utilizing SB 35, the Affordable Housing Streamlined Approval law.

DISCUSSION

Staff and the consultant team have finalized site plan options for the Development Plan Application. Urban Design Associates (UDA), project master planning consultants, are in the process of updating all graphics and language in the Development Plan Application and staff have drafted the project narrative. A final Development Plan Application is expected to be submitted by the end of May 2019.

Staff and Habitat for Humanity have reached an agreement about shared access and maintenance of the Paseo, which serves as a boundary between properties. Discussions regarding the North-South street property boundary are still in progress. After determining the North-South street boundary interaction, an MOU fully detailing the deal points of both boundary relationships will be executed between AHA and Habitat.

Staff is working with legal counsel to draft documents asserting the project's qualification for use of SB 35, the Affordable Housing Streamlined Approval Process law. Staff are working with counsel to ensure that AHA's written submission complies with the law and supplies the City with as much information as possible because this is the City's first SB 35 application review.

City staff have confirmed that after submission of the Development Plan Application staff, including the Design Review Team, will review it internally. After this, the project will be able to move forward with scheduling a hearing date before the Planning Board. Staff does not anticipate difficulty getting this scheduled.

Transfer of the land is now expected by the end of April. The transfer will take place in two stages, first from Navy to City and then from City to AHA. Staff and legal counsel for all three parties have finalized and approved the transfer of the property from the Navy to City. The City Attorney and AHA's counsel are finalizing documents related to the transfer from City to AHA. The City will then submit these to the Navy's attorney for final approval before setting a closing date.



Honorable Chair and
Members of the Board of Commissioners

April 17, 2019
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Staff have begun discussions with Carmel Partners to discuss site safety and security at North Housing as well as their access needs for completion of road construction. Additionally, staff have reached out to the Navy and their site security contractor to understand the related commitments AHA will take on as owner.

Staff provides project updates to our partners APC and BF with project updates. As the design process for 90 units of permanent supportive housing kicks off, the collective input is critical to the design the building.

Included on this month's agenda is approval of a contract for design services for 90 units of Permanent Supportive Housing. This is the first phase of development at North Housing.

FINANCIAL IMPACT

In October 2017, the Board authorized a \$300,000 loan to ICD for pre-development costs. In October 2018, the Board authorized an additional \$900,000 loan to ICD to include the Development Plan and \$2.5M in funding for the demolition of existing buildings on the Housing Authority's portion of the North Housing parcel. In total, the predevelopment loan amounts to \$3,700,000.

<u>North Housing</u>	
Pre-development Loan from AHA	\$ 3,700,000
Usage through March 2019	\$ 287,992
Balance	\$ 3,412,008

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: Danielle Thoe, Management Analyst

Date: April 17, 2019

Re: Informational Memo: Staff recommends HKIT Architects to ICD Board for North Housing Permanent Supportive Housing Design Services

BACKGROUND

The Housing Authority, on behalf of Island City Development (ICD), published a Request for Proposals (RFP) for architecture services for the first phase of development at North Housing on January 8, 2019, with proposals due February 21, 2019. Staff received 15 responses to this RFP, all deemed to be valid and complete.

Per the ICD procurement policy, any contract greater than \$250,000 or any firm whose cumulative contracts are greater than \$250,000 must receive Board approval. With the concurrence of legal counsel, staff comes before the Board of Commissioners today to inform the board of its plan to recommend the ICD Board approve a contract for services with HKIT Architects at the next ICD Board meeting.

DISCUSSION

With 15 proposals received, staff put together a proposal review team, which consisted of one member of the Board of Commissioners, the Housing and Community Development (HCD) Director, two HCD staff, and as a non-decision-making member, the HCD Intern. All review team members reviewed and scored each proposal based upon five categories spelled out in the RFP. Broadly, these categories are:

1)	Understanding of Scope	25 points
2)	Qualifications/Resources	25 points
3)	Building/Construction Standards	10 points
4)	Staff/Subcontractor Experience	30 points
5)	Innovation	10 points

The review team chose to move forward with interviews for the top five highest scoring firms. One firm, which scored within the top five proposals, was eliminated from the process due to a conflict of interest with this project, which the panel determined was insufficiently addressed in their proposal response.



Honorable Chair and
Members of the Board of Commissioners

The remaining five firms that scored highest to move forward with interviews, in alphabetical order, were:

- Dahlin Group
- HKIT Architects
- MWA Architects
- Paulett Taggart Architects
- Van Meter Williams Pollack

Staff hosted in person interviews over the course of two days in mid-March. Following the interviews, the review team selected its top three firms based upon both the RFP submission and interview responses. All three of these finalist firms are highly qualified and staff had confidence that any of the three finalists would be successful in completing the project. These top three firms were, HKIT Architects, MWA Architects, and Paulett Taggart Architects. For the top three firms staff completed reference checks and an in-depth analysis of the fee proposal. Staff sent follow-up questions to each firm to clarify any remaining proposal and fee questions.

After completion of this extensive review, staff has determined that HKIT Architects are the most qualified firm for the first phase of North Housing, 90 units of permanent supportive housing. HKIT has recent project experience in Alameda, extensive experience designing permanent supportive housing in the Bay Area, and proposed the lowest overall fee.

Proposal responses are available at the Housing Authority office for review.

FINANCIAL IMPACT

The North Housing project has a \$3,700,000 pre-development budget, \$2.5M of which is set aside for demolition of existing buildings while \$1.2M for general pre-development costs. This is funded by a loan from the Housing Authority to ICD, therefore the final approval of this contract will be made by the ICD Board

The proposal from HKIT lists a total fee of \$1,197,900, not including reimbursable expenses or an anticipated joint trench subcontractor. Staff will work with HKIT to finalize a total not to exceed contract amount for approval by the ICD Board. This fee is estimated at 2.8% of the anticipated construction costs and the cost will be borne by the total project costs.

RECOMMENDATION

Accept the proposal from HKIT Architects for North Housing Permanent Supportive Housing Design Services

Respectfully submitted,



Danielle Thoe
Management Analyst





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: Kathleen Mertz, Director of Housing and Community Development

Date: April 17, 2019

Re: Authorize the Executive Director to Negotiate the Renewal of the Services Agreement between the City of Alameda and the Housing Authority to Provide City Housing Services and Policing Services

BACKGROUND

The City of Alameda and the Housing Authority have entered into a series of Services Agreements since 1984. The different Agreements have provided for a variety of services and shared staff between the two agencies. In 2000, Housing Authority employees became City employees and an agreement for staffing services was developed whereby the City provided the Housing Authority with staff to implement its programs. Then, when the Housing Authority again became independent in 2012, City employees who were under this staffing services agreement became Housing Authority employees.

The current Services Agreement covers services in two areas: City housing programs and police services. Housing Authority staff provides the services needed to administer the City Housing Programs (affordable rental and ownership projects) as well as the CDBG and HOME programs and to perform related city-wide analysis and planning related to housing. Certain administrative expenses (such as consulting services) and a percentage of the total salaries and benefits for the staff are reimbursed by the City for the provision of the services. Additionally, the Police Department has been under contract to provide supplemental policing services at Housing Authority complexes for more than 20 years. The Housing Authority pays the City for these police department services.

DISCUSSION

The current Services Agreement covers the two-year period beginning July 1, 2017 and will expire June 30, 2019. Housing program costs are paid by to the Housing Authority on an actual (reimbursement) basis plus some overhead expenses. In FY18-19, the reimbursed cost of Housing Authority salaries plus benefits will be approximately \$503,600. The amount paid to the City for the additional policing services is \$210,000 annually for the past and current fiscal years.

Staff is recommending a two-year renewal of the Agreement under the same terms and conditions. The draft Services Agreement is attached. The Exhibit A budget is a draft version that was submitted to the City for review and approval. This draft budget will also



Honorable Chair and
Members of the Board of Commissioners

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be included in the Housing Authority's 2019-2020 budget to be reviewed by the Board in May. It is expected that the budgets for the second year of the Agreement period will be nearly the same as the first year, but the final budget for the second year will be approved by the Board as part of the Housing Authority's 2020-2021 budget process.

Once approved by the Board, the corresponding approval must be granted by the City Council. The item is anticipated for consideration by Council in June 2019. The attached draft Services Agreement is substantially the same as was approved last year, but may be revised per Council action at that time. While the FY 2019-2020 budget has been approved by Congress and signed by the President, there is some uncertainty regarding future funding for CDBG and HOME. In the event of a significant variance in the amount of federal or local funding available during the term of this contract, the scope of services will be renegotiated and this Agreement will be amended.

FINANCIAL IMPACT

City funds are used to compensate the Housing Authority for staffing to implement the City housing programs and to pay for the direct costs of eligible projects and programs. Approximately \$503,600 is projected to be available in the City's 2019-2020 budget for reimbursements of Housing Authority salaries and benefits. The funding sources include the Community Development Block Grant (CDBG), HOME, program income (from repayment of loans), In Lieu Fees and the Affordable Housing Unit Fees. Program regulations determine the amount of program funds that can be used for certain costs, such as staff, office overhead, and social service programs.

The Housing Authority will compensate the City of Alameda \$210,000 for policing services. Under the agreement, Policing Services will be provided only at the properties for which the Housing Authority and Alameda Affordable Housing Corporation is the owner or has an ownership interest through Island City Development.

RECOMMENDATION

Authorize the Executive Director to negotiate the renewal of the Services Agreement between the City of Alameda and the Housing Authority to provide City housing services and policing services.

Respectfully submitted,



Kathleen Mertz
Director of Housing and Community Development

Attachment: Draft Services Agreement



**SERVICES AGREEMENT
FOR FISCAL YEARS 2019-2020 AND 2020-2021
BY AND BETWEEN
CITY OF ALAMEDA
AND
HOUSING AUTHORITY OF THE CITY OF ALAMEDA**

This Services Agreement (“Agreement”) is made by and between the City of Alameda, a municipal corporation (“City”) and the Housing Authority of the City of Alameda, a public body, corporate and politic (“Authority”) effective July 1, 2019 (“Effective Date”).

Recitals

- A. In August 1940, the Alameda City Council adopted a resolution to create the Housing Authority of the City of Alameda. For nearly 75 years, the Authority has met the housing needs of low-income residents.
- B. On March 20, 2012, the Alameda City Council took action to establish the Authority as an entity separate from the City, governed by an independent Board of Commissioners (“Board”) appointed by the Mayor and managed by an executive director reporting to the Board.
- C. The Authority builds, owns and manages affordable housing and manages and implements affordable housing programs within the City of Alameda, which may be funded by the United States Department of Housing and Urban Development, the State of California and other local funds. The Authority employs people, who are not City employees and not entitled to any City-sponsored benefits. The Authority offices at 701 Atlantic Avenue, Alameda, are separate from City offices.
- D. The City is the recipient of certain federal funds that may be used exclusively for the purposes of community development and affordable housing programs and projects. The City also receives revenue through the payment of In-Lieu fees and Affordable Housing Unit fees that may be used only for affordable housing related purposes.
- E. The City has determined that it can best serve the needs of the citizens of Alameda with respect to provision of community development and affordable housing related services by contracting with the Authority to manage and implement services as set forth below.
- F. The Authority is willing to provide management and implementation of said services in exchange for the consideration set forth below.
- G. The Authority is also desirous of continuing to obtain additional services from the Alameda Police Department to ensure safety at its housing developments and the City is willing to provide such additional police services in exchange for the consideration set forth below.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual promises and agreements set forth below, the adequacy of which is mutually acknowledged, the parties agree as follows:

Agreement

1. **Term of Agreement**

This Agreement commences as of the Effective Date and terminates on June 30, 2021.

2. **Housing Services Defined**

Housing services and the corresponding funding for provision of those Housing Department Services are detailed in the City's adopted Fiscal Year 2019-2020 and Fiscal Year 2020-2021 Budget. The referenced budget section is attached to this Agreement as Exhibit A. The Authority's and the City's roles in providing these services are outlined in Exhibit B attached to this Agreement.

3. **Housing Services to be Provided**

In exchange for the funding provided in Exhibit A, the Authority agrees to implement the projects and programs described in Exhibits A and B on behalf of the City. It is understood that the Authority shall not be responsible for providing any services the cost of which exceeds the funding made available from the City. In the event of a significant variance in the amount of federal or local funding available during the term of this contract, the scope of services will be renegotiated and this Agreement will be amended.

4. **Staffing**

In order to administer the budgeted projects and programs shown in Exhibit A and related services described in Exhibit B, the City delegates authority to the Authority Executive Director to administer the housing programs and to approve and incur expenses related to tasks outlined in Exhibit B. The City agrees to reimburse the Authority for the actual costs of staff, plus benefits, and for certain expenses, which costs, benefits, and expenses are set forth in Exhibit B.

5. **Alameda Police Services**

At the request of the Authority Executive Director, or designee, the Alameda Police Department will provide the services outlined in the "Police Services Scope of Work" which services are additional to regular patrol and emergency response. The Police Services Scope of Work is attached to this Agreement as Exhibit C.

Through June 30, 2021, the Alameda Police Department shall invoice the Authority on a monthly basis for additional services at the prices set forth on the attached Exhibit D. Payment shall be remitted in full within fourteen (14) calendar days of invoice date.

6. Authority Facilities, Equipment Usage and Related Administrative Expenses

The Authority agrees to provide office space and related administration for the staff charged with administration of the housing programs. City agrees to compensate Authority for such use as outlined in Exhibit B. The Authority shall invoice the City on a quarterly basis for use of Authority facilities and equipment at the prices set forth in Exhibit B. Payment shall be remitted in full within fourteen (14) calendar days of invoice date.

7. Indemnification

City shall indemnify, defend and hold harmless Authority, its officers, employees, and agents from and against any and all claims, expenses, liabilities, or costs for personal injury, property damage, legal proceedings, or of whatsoever nature as may arise as a result of or in connection with any act, omission, or negligence of City or its officers,' employees,' or agents' performance under this Agreement.

Authority shall indemnify, defend and hold harmless City, its officers, employees, and agents from and against any and all claims, expenses, liabilities, or costs for personal injury, property damage, legal proceedings, or of whatsoever nature as may arise as a result of or in connection with any act, omission, or negligence of Authority or its officers,' employees,' or agents' performance under this Agreement.

8. Workers' Compensation Insurance

In accordance with the provisions of the California Labor Code and all applicable law, City shall secure at its own expense and maintain during the contract term, workers' compensation insurance coverage for its employees as necessary to protect City and its employees under the Workers' Compensation Insurance and Safety Act. Such insurance shall be in a standard form and sufficient to relieve Authority for such claims and/or liability.

In accordance with the provisions of the California Labor Code and all applicable law, Authority shall secure at its own expense and maintain during the contract term, workers' compensation insurance coverage for its employees as necessary to protect Authority and its employees under the Workers' Compensation Insurance and Safety Act. Such insurance shall be in a standard form and sufficient to relieve City for such claims and/or liability.

9. Liability Insurance

City shall at its own expense, maintain and keep effective during the contract term, insurance and/or self-insurance to cover comprehensive public liability for bodily injury, including death, and property damage in an amount not less than \$1,000,000 for any one occurrence.

Authority shall at its own expense, maintain and keep effective during the contract term, insurance and/or self-insurance to cover comprehensive public liability for bodily injury, including death, and property damage in an amount not less than \$1,000,000 for any one occurrence.

10. Records

City and Authority shall maintain complete and accurate records that relate to performance of services under this Agreement. Records shall be maintained in sufficient detail to permit an evaluation of service rendered under this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Free access shall be provided to the representatives of each party at all proper times to audit books and records. Such records, together with supporting documents, shall be maintained for a period of six years and three months after receipt of final payment.

11. Notices

All notices, demands, requests, or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or through email, fax, or the interoffice mail delivery system. All such notices, demands, requests, or approvals shall be addressed to:

Authority: Executive Director, Housing Authority
701 Atlantic Avenue
Alameda, CA 94501

City: City Manager, City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501

12 Attorneys' Fees

In the event that legal action is brought by either party against the other in connection with this Agreement, the prevailing party in any such litigation shall be entitled to receive reimbursement from the other of its legal costs, in addition to whatever other sums may be due as a judgment or as an agreed settlement amount. Such legal costs

shall include, but not be limited to, reasonable attorneys' fees, court costs, expert witness fees, and other documented expenses.

13. Assignment and Delegation

Neither party shall assign nor delegate its rights and/or duties under this Agreement without first obtaining prior written consent to the assignment and/or delegation. Any assignment or delegation made by one party without prior written consent will render the Agreement voidable at the sole discretion of the other party.

14. Severability

The provisions of this Agreement shall be severable to the extent that should any of its provisions or terms be declared void whole or in part by operation of law or agreement of the parties, the remainder of the provisions or terms not expressly declared void shall remain enforceable and in full effect.

15. Integration and Modification

This Agreement represents the entire integrated Agreement between City and Authority, supersedes all prior negotiations, representations, or agreements, either written or oral, between the parties, and may be amended only by written instrument signed by the authorized representatives of City and Authority.

16. Termination

Authority or City may terminate this Agreement upon 180 days written notice to the other party. Upon termination of this Agreement, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

17. Compliances

City and Authority shall comply with all applicable State and Federal laws and regulations.

18. Conflict of Law

This Agreement shall be interpreted under, and enforced by the laws of the State of California excepting any law or regulation required by Federal funding. The Agreement and obligations of the parties are subject to all valid laws, orders, rules and regulations of the authorities having jurisdiction over this Agreement, or the successors of those authorities.

IN WITNESS WHEREOF, the parties have caused the Services Agreement to be executed on the day and year first above named.

CITY OF ALAMEDA

HOUSING AUTHORITY
OF THE CITY OF ALAMEDA

Eric J. Levitt
City Manager

Vanessa M. Cooper
Executive Director

Date

Date

FY2019-20 Expense Detail	CDBG Administration (236-6135)
Total Personnel	\$ 133,774
Space Rental	\$ 7,000
Financial Audit	\$ 5,000
Fixed Costs	\$ 12,000
Legal and Professional Services	\$ 31,000
City Data Services	\$ 5,040
Notices and Publications	\$ 18,000
Quadel	\$ 12,000
IT	\$ 5,000
Everyone Home	\$ 9,260
Total Contractual Services	\$ 80,300
Supplies & Materials	\$ 3,000
Total Materials & Supplies	\$ 3,000
Training/Conference/Mtg. etc.	\$ 12,000
Total Training/Conference/Mtg. etc.	\$ 12,000
ADMIN Expense Grand Total	\$ 241,074

DRAFT

FY2019-20 Expense Detail	CDBG Program Delivery (236-6235)	
Total Personnel	\$	192,232
Space Rental	\$	3,200
Fixed Costs	\$	3,200
Legal and Professional Services	\$	6,000
GIS Subscription	\$	300
Notices and Publications	\$	1,000
Total Contractual Services	\$	7,300
Materials & Supplies	\$	2,500
Total Materials & Supplies	\$	2,500
Training/Conference/Mtg. etc.	\$	4,768
Total Training/Conference/Mtg. etc.	\$	4,768
PD Expense Total	\$	210,000

DRAFT

FY2019-20 Expense Detail	HOME (235)	
Total Personnel	\$	12,463
Total Materials & Supplies	\$	-
Total Training/Conference/Mtg. etc.	\$	-
Monitoring Services	\$	1,985
Total Contractual Services	\$	1,985
Projects	\$	230,711
Fixed Costs	\$	230,711
HOME Expense Grand Total	\$	245,159

DRAFT

In Lieu FY2019-20 Expense Detail	In-Lieu (228)
Total Personnel	\$ 192,109
Total Materials & Supplies	\$ -
Total Training/Conference/Mtg. etc.	\$ 5,000
County MCC program	\$ 1,000
Hello Housing	\$ 66,215
Total Contractual Services	\$ 67,215
Consulting/Professional Services	\$ 25,000
IN LIEU Expense Grand Total	\$ 289,324

DRAFT

FY2019-20 Expense Detail	Affordable Hsg. (266)
Total Personnel	\$ 27,662
Materials & Supplies	
Total Materials & Supplies	\$ 500
Total Training/Conference/Mtg. etc.	
Consulting Services	\$ 5,000
Total Contractual Services	\$ 5,000
Fixed Costs	\$ -
Affordable Hsg Expense Grand Total	\$ 33,162

DRAFT

EXHIBIT B
HOUSING SERVICES SCOPE OF WORK

The Authority shall:

- 1) Administer affordable housing programs and housing-related services on behalf of the City of Alameda, as defined by the Agreement, and the programs set forth herein. Programs, and related services, include implementing the Community Development Block Grant Program (“CDBG”), HOME Program, Down Payment Assistance/First Time Homebuyer Program, Inclusionary Housing Program, Administering Affordable Housing Unit/Fee and Affordable Housing In-Lieu Funds, developing affordable housing, managing the affordable housing loan portfolio and providing general oversight of the Legally-Binding Agreements while in force.
- 2) Procure services and approve payment of invoices related to the described activities.
- 3) Provide affordable housing information resources to private and public parties, represent the City at the regional, state and federal levels to promote housing programs and advocate for funding.
- 4) Prepare and administer the bi-annual Housing Department budget and approve contracts up to \$75,000. Prepare City Council agenda items for contracts above this amount.
- 5) Complete steps required by the United States Department of Housing and Urban Development (“HUD”) for the Community Development Block Grant (“CDBG”) program. This includes needs assessment, public hearings, and the appropriate staff reports, in consultation with the City Manager’s and City Attorney’s Offices, to recommend to the City Council the annual proposal for the CDBG program, including authorization for program expenditures. Once the City Council approves the CDBG program, the Authority will implement it pursuant to the terms of this Agreement.

The City shall:

- 1) Delegate authority to the Authority Executive Director or designee to administer the housing programs and to approve and incur expenses related to tasks outlined above.
- 2) Provide reimbursement for salaries and benefits, including workers' compensation coverage, pension, medical insurance, life insurance, long-term disability insurance, dental insurance, and all other salaries and benefits for the Housing Authority employees that administer the City housing programs.
- 3) Compensate and reimburse Authority for all expenses for the use of Authority office space provided to administer the Housing Department within the Authority offices, including rent and utilities, use of equipment, postage, etc. Rent and utilities are based on the proportion of office space provided to administer the housing programs and other supply and training costs are based on actual expenses.

EXHIBIT C POLICE SERVICES SCOPE OF WORK

The Police Department will designate and assign two officers to the Authority. The designated officers and the Police Department shall:

- a. Provide community policing services for residents of Authority units;
- b. Coordinate efforts to solve youth problems, such as truancy, vandalism, and graffiti;
- c. Provide advice concerning personal security and crime prevention advice and/or training for Authority clients;
- d. Investigate suspected criminal activity of or in any way related to Authority clients;
- e. Provide testimony in unlawful detainer actions of the Authority when requested by Authority and provide expert witness testimony in other judicial or administrative proceedings at which the Police Department's provisions of these special law enforcements services to the Authority is an issue, when requested by Authority;
- f. Investigate suspected program fraud and reporting to the Authority, including complaints of unauthorized household members living in Section 8 and Authority-owned units (i.e., identifying unauthorized household members and obtaining proof of residence), complaints involving alleged criminal activity such as drug activity occurring in or around Section 8 tenants and landlords, monitoring homes of possible business-related activities, running checks to confirm or deny addresses listed in verifying residency of applicants, assisting in verifying income of applicants and clients;
- g. Enforce, through citations or warnings, parking rules at Authority properties concerning Vehicle Code violations, such as vehicles parked in red zones, etc. The Authority will be responsible for posting proper signage concerning no parking regulations, e.g., red zones, resident parking, etc. on Authority property and Authority will arrange for all tow requests from Authority property other than vehicles towed related to criminal activity;
- h. Attend monthly meetings of the Board of Commissioners until 9:30 p.m. (3rd Wednesday of the month), annual Town Hall meetings with tenants (4 meetings at various sites), Rent Review Advisory Committee meetings until 9:30 p.m. (2 per month), bi-weekly meetings with Property Management department, resident activities at Authority-owned sites and other meetings upon Authority staff or Board requests;
- i. Walk Authority-owned properties at least twice a week, respond to welfare checks requested by Authority staff (requests are to be made to APD Dispatch, not the individual officers), provide patrols each day from July 1 through July 4 and, as to the Authority office building and on a year round basis, at least once a night.
- j. Submit reports detailing policing activities, both verbal and written, including at least one verbal report biweekly, one written report per month showing statistics by complex/program for budgeting purposes and citations issued at Authority-owned sites by the officers assigned to the Authority, and one written quarterly report which

compiles the monthly statistics and compares them with the City population as a whole;

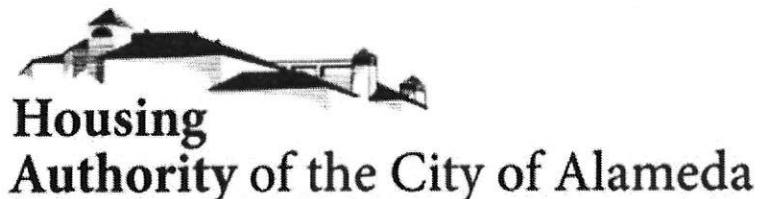
- k. Maintain records of all reports for a minimum of two (2) years, in accordance with the City's Records Retention Schedule, and maintaining access to those records for Authority staff or personnel of the U. S. Department of Housing and Urban Development, or similar Authority in the event of audit of the policing services being provided;
- l. Provide management support, training, equipment and supplies, and other employee-related services to the officers assigned to provide services for the Authority;
- m. Provide criminal background checks of applicants who are offered Authority employment;
- n. Provide finger printing services for Authority personnel as needed; and
- o. The City and Authority recognize that the scheduling and deployment of police officers contemplated in this Agreement must be set and may need to be adjusted periodically based on the experience and conditions which exist at any given time. Further, the parties recognize that Police Department billing for services rendered hereunder must conform to Federal and State regulations applicable to the Authority. Accordingly, the Police Chief of the City and the Executive Director of the Authority are empowered to enter into a Police Department Deployment and Scheduling Plan consistent with this Agreement which will detail the deployment of City Police Department personnel, services and billing formats consistent with this Agreement.

EXHIBIT D
POLICE SERVICES COMPENSATION

The Authority shall compensate the Police Department for services rendered per this Agreement the sum of two hundred ten thousand dollars and zero cents (\$210,000.00) annually.

The Police Department shall invoice the Authority monthly in monthly increments of seventeen thousand five hundred dollars and zero cents (\$17,500.00).

The Authority shall remit payment within 14 calendar days from the date the invoice is received.



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tonya Schuler-Cummins, Senior Management Analyst

Date: April 17, 2019

RE: Accept the Revised Housing Authority of the City of Alameda Procurement Policy

BACKGROUND

The Procurement Policy outlines the methods by which the Agency will obtain goods and services. It was last revised in January 2016. Since that revision, many of the limits for the different types of procurement have increased and legal counsel has reviewed it to offer suggestions on changes.

DISCUSSION

This revision to the policy includes increasing the limits of each spending type (micro, small, or formal) to the levels allowed by the Office of Management and Budget (OMB), the Department of Housing and Urban Development (HUD) and state law. This revision increases the micro level from \$2,000 to \$10,000 as allowed by OMB in the June 20, 2018 *Memorandum for Chief Financial Officers and Heads of Small Executive Agencies* which made the changes effective upon issuance of the memo. It also allows small procurement methods to be used up to \$250,000 and requires formal procurement methods above \$250,000. The Housing Authority is also revising the Procurement Procedure and intends to put a smaller dollar threshold for certain types of procurement such as construction contracts in that document.

This revision also shifts the responsibility of two decisions. The first is to change the decision of the level of sanction for a non-compliant contractor from just General Counsel to the General Counsel and the Human Resources Director in collaboration. The second decision change was suggested by legal counsel which is to allow the Executive Director to determine that an emergency exists and to use a noncompetitive proposal procurement method. This revision would then require that any expenditures made under this provision over \$250,000 (the Executive Director's dollar threshold in non-emergencies) would be reported at the next Board of Commissioner meeting. The recent wildfires nearby have illustrated the need for quick action by executive management without a resolution by the Board when board members may not be able to meet due to an overwhelming emergency.



Honorable Chair and
Members of the Board of Commissioners

April 17, 2019
Page 2 of 2

This revision includes numerous small revisions such as: removing mention of administrative fees from the policy as these fees are earned and not procured; removing redundant language in the Exclusions section that is included in the General section; removing the reference to an incorrect law and to clarify as allowed by law; removing language in Appeals and Remedies that is contained elsewhere to avoid a conflict as policies and procedures are updated; and clarifying the use of other local government procurements.

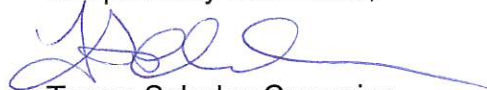
FINANCIAL IMPACT

There is no direct financial impact of these policy revisions, but the policy revisions will change how staff procures services and materials in the future.

RECOMMENDATION

Accept the revised Housing Authority of the City of Alameda Procurement Policy.

Respectfully submitted,



Tonya Schuler-Cummins
Senior Management Analyst

Attachments:

- Attachment A –Housing Authority of the City of Alameda Procurement Policy

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

PROCUREMENT POLICY

Established for the Housing Authority of the City of Alameda (hereinafter, "Housing Authority") by Adoption of the Board of Commissioners, this Procurement Policy (Policy) complies with the Annual Contributions Contract (ACC) between the Housing Authority and the United States Department of Housing and Urban Development (HUD), Federal Regulations at 2 CFR §200.317 through §200.326, Procurement Standards, and applicable State and Local laws.

The Housing Authority has used the HUD Procurement Handbook as a guide in developing this Procurement Policy.

GENERAL

The Housing Authority will:

- Provide a procurement system of quality and integrity;
- Make all feasible efforts to ensure that small and minority-owned businesses, women's business enterprises, and disabled veteran businesses are used when possible;
- Provide for the fair and equitable treatment of persons or firms involved in Housing Authority procurements;
- Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to the Housing Authority;
- Promote competition in contracting; and
- Assure that Housing Authority purchasing actions are in compliance with applicable [HUD regulations and all applicable](#) federal, ~~and HUD regulations,~~ state and local laws.

APPLICATION

This Policy applies to all procurement actions of the Housing Authority, regardless of the source of funds, except as noted under "exclusions" below. Nothing in the Policy will prevent the Housing Authority from complying with the terms and conditions of any grant (e.g., CDBG), contract, gift or bequest that is otherwise consistent with the law.

EXCLUSIONS

This policy does not govern the following:

- ~~Administrative fees earned under the Section 8 voucher program,~~
- Award of vouchers to tenants under the Section 8 program,

PROCUREMENT POLICY

- Execution of landlord Housing Authority Payments contracts under the Section 8 Housing Choice Voucher Program, or
- Execution of Agreements to Enter into Housing Assistance Payment (AHAP) contracts under the Section 8 Project-based Voucher Program.

~~The Housing Authority will comply with state and local procurement rules.~~

CHANGES IN LAWS AND REGULATIONS

In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation will, to the extent inconsistent with this Policy, automatically supersede this Policy.

Most procurement information that is not proprietary is a matter of public record and will be available to the public to the extent allowed by law. ~~provided in the Freedom of Information Act.~~

PRINCIPLES

Members of the Board of Commissioners, Housing Authority employees, and any others serving in an official position or acting as an agent of the Housing Authority will discharge their duties impartially to ensure fair competitive access to procurement opportunities by responsible contractors. In addition, officers, employees and agents will conduct themselves in such a manner as to foster the public's confidence in the integrity of the Housing Authority's procurement organization and process. Any attempt to realize personal gain through Housing Authority employment or to serve as an officer or agent of the Housing Authority through actions inconsistent with the proper discharge of duties is a breach of public trust.

ETHICS IN PUBLIC CONTRACTING

The Housing Authority hereby establishes this code of conduct regarding procurement issues and actions and will implement a system of sanctions for violations.

Conflict of Interest

No Housing Authority officer, employee, or agent will participate directly or indirectly in the selection, award, or administration of a contract if a conflict of interest, either real or apparent, would be involved. Such a conflict would arise when a one of the persons listed below has a financial or any other type of interest in a firm competing for the award:

1. A member of the Board of Commissioners, employee, or agent involved in making the award;
2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law,

PROCUREMENT POLICY

daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or domestic partner and equivalent relationships);

3. His/her partner; or
4. An organization which employs or is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

None of the persons mentioned above nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under an ACC with HUD or funded through any other Housing Authority source in which they have an interest, direct or indirect, during his/her tenure and for one year thereafter.

If the conflict is arising from an organizational conflict of interest, such as with an affiliate of the Housing Authority, the award process shall be reviewed by a 3rd party agency, including consultants, other Housing Authority staff, or HUD.

GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION

To protect the integrity of the procurement system and to ensure that contracts are awarded fairly based on merit, without improper influence, all Housing Authority solicitations and contracts above the small purchase threshold will include clause(s) advising prospective contractors of the prohibitions against gratuities and kickbacks.

No Housing Authority officer or agent will ask for or accept gratuities, favors, or items of any value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

No current employee, or former employee within one year of employment, will ask for or accept gratuities, favors, or items of any value from any contractor, potential contractor, or party to any subcontract, and shall not knowingly use confidential information for actual or anticipated personal gain.

Prohibition Against Contingent Fees

Contractors wanting to do business with the Housing Authority must not hire a person to solicit or secure a contract for a commission, percentage, brokerage, or contingent fee, except for bona fide established commercial selling agencies.

Sanctions

Federal, state and local laws will be enforced by the Board of Commissioners and Executive Director. Appropriate sanctions for violations of the standards of conduct outlined in this policy will be imposed.

The appropriate sanction of Housing Authority officials and employees will be determined in cooperation with the General Counsel and the Human Resources Director. Sanctions may include civil and administrative remedies, up to and including termination.

PROCUREMENT POLICY

For Contractors, the Contractors found in violation may be referred to the Housing Authority General Counsel. The level of sanction will be determined in cooperation with the General Counsel and the Human Resources Director based upon the severity of the violation, but could include actions up to and including debarment from all local and federal procurements.

The Housing Authority will recover the value of anything received by an employee or a former employee in breach of the ethical standards by confiscating the items or by charging the violator for any and all gratuities received. All procedures will be in accordance with due process requirements as outlined in the Housing Authority's Personnel Policy, and existing law. Remedies against contractors may include suspension or debarment.

PURCHASING AUTHORITY AND METHODS

The following dollar amounts determine who has the authority to authorize purchases, including awarding contracts, and what type of procurement method will take place:

DOLLAR THRESHOLD AHA's Policy	AUTHORITY	TYPE OF PROCUREMENT
Over \$250,000	Board of Commissioners	Formal (Sealed Bids) or Competitive Proposals
\$250,000 and less	Executive Director	Formal /Small
\$25,000 and less	Department Directors	Small/Micro
\$100 and less	All Employees subject to supervisor approval	Petty

The regulation defines procurement in the following manner: ~~\$210~~,000 or less = "micro", ~~\$250~~,000 or less = "small", above ~~\$4250~~,000 = "formal".

Petty Cash Purchases

Purchases under \$100 may be handled through the use of a petty cash account. The Housing Authority will ensure that security is maintained and only authorized individuals have access to the account. The account will be reconciled and replenished periodically.

Small and Micro Purchases

For purchases over ~~\$210~~,000 and not exceeding ~~\$4250~~,000, the Housing Authority may use small purchase procedures. Under small purchase procedures, the Housing Authority may obtain a reasonable number of quotes and the means of submittal can be informal. The Housing Authority will award the purchase to the qualified vendor that provides the best value to the Housing Authority.

PROCUREMENT POLICY

Purchases of supplies and services costing less than \$~~210~~,000 may be made without soliciting competitive quotations if the Manager considers the price to be reasonable (e.g., based on recent research, experience, or purchases). To the extent practicable, the Housing Authority will distribute micro purchases equitably among qualified vendors. Nothing precludes a manager from obtaining informal quotes for micro purchases to ensure that the purchase is made at the best price.

A cost analysis is required for all projects greater than \$~~1~~250,000.

Formal (Sealed Bids)

Sealed bidding will be used for all contracts that exceed the small purchase threshold and that are not competitive proposals or non-competitive proposals, as these terms are defined in this document. Under sealed bids, the Housing Authority will solicit bids publicly; and award a firm fixed-price contract (e.g., lump sum or unit price) to the responsible bidder whose bid, conforming with all material terms and conditions of the Invitation for Bids (IFB), is the lowest in price.

Sealed bidding is the preferred method for procuring ~~construction, supply,~~ and noncomplex service contracts that are expected to exceed \$~~1~~250,000. Sealed bidding is the preferred method for procuring construction contracts.

Cooperative Purchasing/Intergovernmental Agreements

The Housing Authority may participate in federal, State of California, or local cooperative or intergovernmental agreements to purchase or use common supplies, equipment, or services. The Housing Authority may also contract directly with a firm that has a competitively-solicited contract with a local government agency. The decision to use an intergovernmental agreement or competitively-solicited contract with a local government agency instead of conducting a direct procurement will be based on economy and efficiency.

Competitive Proposals

The competitive proposal method permits consideration of technical factors other than price (e.g., technical expertise, past experience, quality of proposed staffing, etc.). The price, schedule, technical requirements, type of contract and other terms are negotiable. Contract award will be made on the basis of the proposal that represents the best overall value to the Housing Authority, considering price and other factors.

The ~~C~~ompetitive proposals process, utilizing, ~~more commonly called a~~ Request for Proposals (RFP) or a Request for Qualifications (RFQ) is the preferred method for procuring professional and other services that will exceed the small purchase threshold.

PROCUREMENT POLICY

Noncompetitive Proposals

Procurement by noncompetitive proposals (sole-source) may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, cooperative purchasing, or competitive proposals, and if one of the following applies:

1. The item is available only from a single source, based on a good faith review of available sources;
2. The ~~Board of Commissioners by resolution~~Executive Director has determined that an emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the Housing Authority, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any of the other procurement methods, and the emergency procurement will be limited to those supplies, services, or construction necessary to meet the emergency and any expenditures over \$250,000 will be reported at the next Board of Commissioners meeting; or
3. After solicitation of a number of sources, competition is determined inadequate.

Contract Modifications

The Executive Director is authorized to approve contract modifications (i.e., change orders, addendums) not to exceed the cumulative authorization limit. A contract modification that raises the cumulative total of the procurement to an amount exceeding the Executive Director's authorization limit, requires approval by the Board of Commissioners. For example, an \$80,000 change order to a \$200,000 contract would bring the cumulative procurement to \$280,000. This change order would require approval by the Board of Commissioners.

CREDIT CARD PURCHASING

Credit card usage will follow the rules for all other small purchases. Safeguards are in place to assure that cards are used only for intended purposes (i.e., dollar limits, limits on types of purchases, etc.).

CONTRACTOR QUALIFICATIONS

The Housing Authority will not award any contract until the lowest bid or most highly qualified proposal has been determined to be responsive and the contractor determined to be responsible. In general, to be responsible, the contractor must have adequate financial resources to perform the contract or the ability to obtain them; be able to comply with the required delivery or performance schedule; have a satisfactory performance record, have the necessary organization, experience, construction and technical

PROCUREMENT POLICY

expertise, equipment and facilities; and not be suspended, debarred, or under a HUD-imposed Limited Denial of Participation (LDP).

CONTRACT CLAUSES

All contracts above the small purchase limit or where the standard contract, approved by the Housing Authority General Counsel, is not used will be approved as to form by the Housing Authority General Counsel. All HUD-required clauses and certifications for contracts of more than \$~~10~~250,000, as well as any forms/clauses as required by HUD for small purchases, shall be used in all corresponding solicitations and contracts when required by the funding source. [HUD-required](#) Contract clauses can be found at Appendix II to Part 200 under Part 2 of the Code of Federal Regulations.

APPEALS AND REMEDIES

The Housing Authority's Bid Protest and Appeals procedure is available to all contractors and delineates how to make an appeal based on the dollar amounts involved. ~~It includes an informal in-house process for appeals involving dollar amounts up to and including \$100,000. A formal appeal may be made involving solicitations over \$100,000 to the Executive Director or designee.~~

DELEGATION OF AUTHORITY


While the Executive Director is responsible for ensuring that the Housing Authority's procurements comply with this policy, the Executive Director may delegate procurement authority as is necessary and appropriate to conduct the business of the agency.

In accordance with this delegation of authority, the Executive Director will, where necessary, establish operational procedures to implement this Policy.

DOCUMENTATION

The Housing Authority will maintain records sufficient to detail the significant history of each procurement action. Records will be maintained for a period of not less than six years after final payment and all matters pertaining to the contract are closed.

Adopted by the Board of Commissioners on April 17, 2013.
 Revised by the Board of Commissioners on August 20, 2014.
 Revised by the Board of Commissioners on January 20, 2016.
Revised by the Board of Commissioners on April 17, 2019.



**Housing
Authority of the City of Alameda**

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners
From: Tonya Schuler-Cummins, Senior Management Analyst
Date: April 17, 2019
RE: Accept Report on Housing Authority Records Disposition

BACKGROUND

The Records Retention Policy and Procedure require the Executive Director to authorize the destruction of public and business records in accordance with Housing Authority policy. Approval for destruction does not need to be secured prior to disposing of working drafts and originals of documents that have been scanned and stored electronically. The Executive Director will provide a written list of records that have been destroyed to the Board of Commissioners on an annual basis. This list shall not include any names of tenants and/or participants.

DISCUSSION

The Housing Authority sets aside a day to review records in retention and dispose of any records that were allowed under the Records Retention Policy. Attachment A shows the records that were disposed of since the last report to the Board of Commissioners.

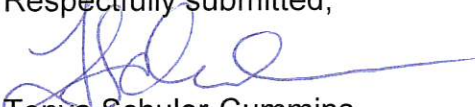
FINANCIAL IMPACT

There is no direct financial impact of these policy changes.

RECOMMENDATION

Accept report on Housing Authority records disposition.

Respectfully submitted,



Tonya Schuler-Cummins
Senior Management Analyst

Attachments: Attachment A - Records Destroyed Report 4-17-19



Description of Contents	Record Retention Date (year)	Date Disposed
2014 Annuals/Interims	2017	1/8/2018
2014 Waitlist Removals	2017	1/8/2018
Esperanza URA Records	2011	1/8/2018
2014 Annuals/Interims	2017	3/2/2018
2014 Annuals/Interims	2017	3/2/2018
2014 Annuals/Interims	2017	3/2/2018
RFPs from 2014-2015 (electronic copies kept)	2017-2018	3/25/2019
City Council File 2008 Resolutions; Community Development Reports 1989-1996		3/25/2019
BOC Packets 2014-2015 (have electronically)		3/25/2019
BOC Packets 2012-2013 (have electronically)		3/25/2019
2015 Interims	2018	3/25/2019
2015 Inspections	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2014 Interims and Initial paperwork	2017	3/25/2019
2015 Annuals	2018	3/25/2019
2015 HQS Inspections	2018	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2014 Annuals	2017	3/25/2019
2014 HQS and 2015 Rent Increases	2017/2018	3/25/2019
2014 and 2015 Annual Recertifications	2017/2018	3/25/2019
2012 Annuals & 2015 Wait List Removals	2015/2018	3/25/2019
2015 Annuals	2018	3/25/2019
2014 Annuals	2017	3/25/2019
2015 Annuals	2018	3/25/2019
2015 HQS Inspections	2018	3/25/2019
2015 HQS Inspections	2018	3/25/2019
2015 Interims	2018	3/25/2019
2015 Interims	2018	3/25/2019
2014 Annuals and interims	2017	3/25/2019
2015 Annuals	2018	3/25/2019
2015 Wait List Returned Mail	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2015 Annuals	2018	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2015 Annuals	2018	3/25/2019
2014 & 2015 Annuals and Interims	2017/2018	3/25/2019
2013 -2015 Wait List removals	2016/2018	3/25/2019
2015 Annual & Interims	2018	3/25/2019
2015 Interims	2018	3/25/2019
2015 Annual and Interims	2018	3/25/2019
2015 New Admissions & Unit transfer paperwork	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2014 & 2015 Annuals and interims	2017/2018	3/25/2019
2015 Initial paperwork	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2015 HQS Inspections	2018	3/25/2019
2015 HQS Inspections	2018	3/25/2019
2003, '06 FH Booklets & '07 504 training	2005-2009	3/25/2019
2015 Annuals and interims	2018	3/25/2019
2014 & 2015 Annuals	2017/2018	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2015 Reasonable Accommodations	2018	3/25/2019
2015 Waitlist	2018	3/25/2019
2014 Annuals and PIC reports	2017	3/25/2019
2015 Interims and annuals	2018	3/25/2019
2015 Interims	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2015 Interims	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2015 Waitlist documents	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2015 Annuals	2018	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2009 Moveouts	2012	3/25/2019
2007 - 2009 Monthly Police Reports	2010/2012	3/25/2019
2008 Safety Inspection Reports	2013	3/25/2019
2008 -2009 Vacancy Reports	2011/2012	3/25/2019
2006 Moveouts	2009	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2008 Moveouts	2011	3/25/2019
2005 Moveouts	2008	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2011 Moveouts	2014	3/25/2019
2011 Moveouts	2014	3/25/2019
2011 Moveouts	2014	3/25/2019
2011 Moveouts	2014	3/25/2019
2011 Moveouts	2014	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2008 Rent Compositions	2011	3/25/2019
2007 Inspections	2010	3/25/2019
2006 Consolidation Reviews	2009	3/25/2019
2008 Town Hall Meetings	2011	3/25/2019

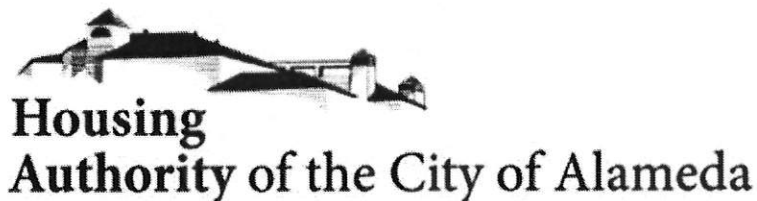
Description of Contents	Record Retention Date (year)	Date Disposed
2007 - 2008 Vacany Reports	2010/2011	3/25/2019
2008 Managed Housing Tenant Files	2011	3/25/2019
2011 Managed Housing Miscellaneous Documents	2014	3/25/2019
2009 - 2010 Inspections	2012/2013	3/25/2019
2011 Managed Housing Tenant Files	2014	3/25/2019
2008 Inspections Billing	2011	3/25/2019
2008-2009 Maintenance Billing	2011/2012	3/25/2019
2011 Moveouts	2014	3/25/2019
2011 Annual Exams	2014	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2012 Annual Exams	2015	3/25/2019
2012 Exams	2015	3/25/2019
2012 Annual Exams	2015	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2012 Exams	2015	3/25/2019
2012 Exams	2015	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2011 - 2012 Annual Exams	2014/2015	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2012 Annual Exams	2015	3/25/2019
2012 Exams	2015	3/25/2019
1998 - 1999 Tenant Files	2001/2002	3/25/2019
2013 HQS Inspections	2016	3/25/2019
2012 Annual Exams	2015	3/25/2019
2011 Annual Exams	2014	3/25/2019
2011 Annual Exams	2014	3/25/2019
2011 Annuals & Interims	2014	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2000 - 2012 Work Orders	2003 - 2015	3/25/2019
2011 Annual Exams	2014	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2011 Annual Exams	2014	3/25/2019
2011 Annual Exams	2014	3/25/2019
2011 - 2012 Rent Increases	2014/2015	3/25/2019
2009 - 2010 Inspections	2012/2013	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2011 Annual Exams	2014	3/25/2019
2012 Annual Exams	2015	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2012 HQS Inspections	2015	3/25/2019
2012 HQS Inspections	2015	3/25/2019
2012 HQS Inspections	2015	3/25/2019
2012 HQS Inspections	2015	3/25/2019
2012 Annual Exams	2015	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2013 HQS Inspections	2016	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2011 Annual Exams	2014	3/25/2019
2011 HQS Inspections	2014	3/25/2019
2012 HQS Inspections	2015	3/25/2019
2006 -2008 Inspections	2009/2011	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2012 HQS Inspections	2015	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2012 Annual Exams	2015	3/25/2019
2012 Annual Exams & Micellaneous Documents	2015	3/25/2019
2011 Annual Exams	2014	3/25/2019
2012 Annual Re-Exams	2015	3/25/2019
2013 HQS Inspections	2016	3/25/2019
2011 Unit Transfers & Port-Ins	2014	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2011 Tenant Documents	2014	3/25/2019

Description of Contents	Record Retention Date (year)	Date Disposed
2011 Annual Exams	2014	3/25/2019
2012 Annual Exams	2015	3/25/2019
2011 Section 8 HCVP	2014	3/25/2019
2011 HCVP Annuals	2014	3/25/2019
1980 -1990 Tenant Documents	1983 - 1993	3/25/2019
2011 Moveouts (not scanned)	2014	3/25/2019
2011 Annual Exams	2014	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2011 Tenant Documents & Miscellaneous Documents	2014	3/25/2019
2012 Annuals & Miscellaneous Documents	2015	3/25/2019
2012 Annuals & Unscanned Tenant Documents	2015	3/25/2019
2011 Tenant Documents	2014	3/25/2019
2011 New Move-Ins	2014	3/25/2019



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To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa M. Cooper, Executive Director

Date: April 17, 2019

RE: Accept an Update of the Housing Authority Two-Year Work Plan for Fiscal Years July 1, 2017 to June 30, 2019

BACKGROUND

Staff has presented a Two-Year Work Plan for the past several years and has provided regular semi-annual updates at Board of Commissioners meetings.

DISCUSSION

The Two-Year Work Plan for the period from July 1, 2017 to June 30, 2019 is attached, along with an update in the final column. It is an ambitious work plan for these two years based on foreseeable activities.

The Board will be kept informed of all significant changes to this plan. The Two-Year Work Plan will be reviewed again after the Strategic Planning measurables have been completed and approved by the Board, and the tasks listed will be aligned with AHA's Strategic Goals.

RECOMMENDATION

Accept an Update of the Housing Authority Two-Year Work Plan for Fiscal Years July 1, 2017 to June 30, 2019.

Respectfully submitted,

Vanessa M. Cooper
 Executive Director

VMC:vm

Attachments:

Attachment A: Two-Year Work Plan July 1, 2017 to June 30, 2019



Dept.	Task	Deadline	New Deadline: June 2018	April 2019 Update	New Deadline	Strategic Plan Goal
All	Update and maintain written procedures for all departments	ongoing				
All	Rebid all contracts that expire during the period as needed	ongoing				
All	Purge storage areas and organize paper documents every 12 months	ongoing				
All	Develop Quality Control measures for all departments	Q2 2019				
Exec	Manage Board activities including recruitment, onboarding and ongoing compliance and training	ongoing				
Exec	Participate in regional efforts to expand MTW; seek flexibility options as needed for AHA through waivers where possible.	ongoing				
Exec	Advocate for housing policies locally and at the state and federal level that expand housing options in Alameda for low income families	ongoing				
Exec	Hire, onboard and train Finance Director	Q1 2018		Newly hired Director resigned; recruit again	Q2 2019	
Exec	Hire, onboard and train Deputy Executive Director	Q1 2018	Q4 2018	In process	Q2 2019	
Exec	Train Rent Program Director	Q1 2018		Director has almost completed his first year		
Exec	Provide board memo updating Succession Plan	Q1 2018		Done. Provide periodic updates to Board (ie, turnover and promotion data, strategies)		
Exec	Complete Lead MOU with County Health dept.	Q2 2018		On hold with county		
Exec	Review options for streamlined cost allocation and propose a revised Cost Allocation Plan method for 2018-19	Q2 2018	Q2 2019	Delayed to 2020-2021 budget		
Exec	Develop AFFH plan for AHA and City in coordination with other Alameda County entities	Q3 2018		On hold with county		
Exec	Complete RFP process for auditors	Q4 2017		Re-issued February 2019 and evaluating selection		
Exec	Conduct Vision and Strategic Planning Process	Q4 2018		Completed and draft strategic plan submitted to Board		
Exec	Develop measures for Strategic Plan and Vision; implement measurement systems	Q4 2018		Im process	Q4 2019	
Finance	Complete audit process and final FADS submission each year by March 30	ongoing		Done for 2017-18		
Finance	Implement Yardi budget module for 2018-19 budget and reporting.	Q1 2018	Q2 2019	Not done	Q4 2019	
Finance	Hire staff, train and develop cohesive team	Q2 2018		Re-start recruitment for Director and Contoller; add third Specialist	Q1 (Contoller), Q2 (others)	
Finance	Provide financial stability information for Strategic Plan	Q2 2018				
Finance	Present a memo to the Board re prefunding of GASB 68 (unfunded pension liabilities)	Q2 2018	Q4 2018	First memo done December 2018. Follow up due May 2019	Q2 2019	
Finance	Complete and implement recommendations of Nan McKay review of Finance Department	Q4 2018		In progress		
Finance	Complete revision of chart of accounts	Q1 2018		Done		
HCD	Manage CIPs in accordance with the approved budgets and capital needs	Ongoing		2019-2020 projects to be included in budget cycle that is approved in May	Ongoing	
Public Works	North Housing Site: Complete environmental assessment; update site survey; gain site control; complete demolition.	Q1 2019		Transfer is anticipated by April 30. Environmental Clearance from Regulators in May. RFP for Demolition contractors after clearance is certain.	Q2 2019	
Public Works	Rosefield: Complete planning process, provide financial options	Q2 2018		Building Permit Application in July; Funding applications for MHP and 4% TCAC	Q3 2019	
Public Works	Establish Asset Management Policy including cliff schedule, rehabilitation plan and review of reserves	Q2 2018		Update REO, Cliff Schedule, and Reserve Strategy	Q2 2019	
Public Works	Complete creation of non-profit instrumentality; transfer properties to new entity	Q2 2018		N/A		

HCD	Present a memo to the Board outlining a range of options for use of third parties for development work	Q2 2018	N/A		
HCD	BMR: Present annual report to Board; summarize updates & revisions to homeownership programs.	Q2 2018	N/A		
HCD	Review and renew City Service Agreement; include assessment of pension liabilities for City funded positions	Q2 2019	Renewal in process and going for Board Approval in May		Q2 2019
PM	Review and implement ADA requirements for office buildings and 10 units of accessible features at Independence Plaza	Q3 2018	In process and expected completion in August of 2019. Task was updated to include 20 unit of accessible features at Independence Plaza.		Q3 2019
HCD	Identify and implement green initiatives: change out 100% of toilets to low-flow; expand water sub-metering to additional properties where feasible or with sub rehab	Q3 2018	Same as last year		Ongoing
HCD	Present updated Development/Acquisition Plan to Board annually	Q3 2018; Q3 2019	Track Pipeline Projects and present at annual Board retreat		Q2 2019
HCD	Eagle & Everett site: Complete development, lease up and stabilization. Convert to Perm financing.	Q3 2019	Perm Conversion anticipated May 2019		Q3 2019
HCD	Independence Plaza: Present a memo to Board on an income, rehab and refinancing plan to meet 2026 deadline	Q3 2019	N/A		
HCD	Del Monte site: Complete development, lease up and stabilization. Convert to Perm financing.	Q4 2018	Final Project Closeout and 9 m Inspection		Q2 2019
HCD	China Clipper: Present analysis of tax credit rehabilitation	Q4 2018	Develop a conceptual project plan and financing strategy for Board approval in October.		Q4 2019
HPD	Manage section 8 funding to maximize leasing and to avoid shortfall where possible	ongoing	Successfully completed shortfall. Continue to monitor HAP spending on-going		
HPD	Determine ways to reduce Section 8 administrative costs to meet admin fee income	ongoing	Staff position was eliminated, and continue to look for ways to streamline admin cost.		
HPD	Complete review of FSS Program; determine future funding	Q1 2018	Review was completed by Quadel changes are in process. Received HUD funding for 2018-2019		
HPD	Close out Quaid report recommendations in HPD	Q1 2018	Completed and implemented admin plan updates and staff and procedure changes		
HPD	Ensure timely and complete Annual Plan submission to HUD each year	Q1 2018; Q1 2019	Completed for 19-20		
HPD	Implement Yardi Rent Cafe for annual submission and management of applications	Q2 2018	Limited launch January 2019		
HPD	PBV: execute PBV renewals with new non-profit	Q3 2018	Completed for four properties		Ongoing
HPD	Implement VASH PBV program; implement VASH HCV program if selected	Q3 2018	Leased five VASH PBV. Leased first five VASH HCV and working on next five.		
HPD	Develop paperless procedures for all aspects of HPD processing.	Q3 2018	Ongoing		
HPD	Evaluate online landlord portal	Q3 2018	Will review after full launch of RentCafe in June 2019.		
HPD	Attain SEMAP High Performer status each year	Q3 2018; Q3 2019	Completed for 2017-18.		
HR & Ops	Hire for vacant positions as necessary and as they arise; plan for retirements	ongoing	Ongoing; Completed supervisor trainings Q1 2019		
HR & Ops	Provide targeted training for staff (including supervision, IT skills and customer service)	ongoing			
HR & Ops	Update Agency/Administrative Procedures for Staff	ongoing			
FR & Ops	Research employee recognition programs	Q1 2019	Expand to include low cost enhancements to benefits package		Q4 2019
FR & Ops	Review and implement changes to the performance evaluation tool. Train staff.	Q4 2018	Delayed		Q3 2019

HR & Ops	Run annual intern program	Q2 and ongoing		Ongoing for summer 2019	
HR & Ops	Rebid vision, dental, and ancillary HR benefits	Q3 2018			Q3 2019
HR & Ops	Review and implement an HRIS system	Q4 2018	Q2 2019	Coordinate with new Director of Finance	Q4 2019 or Q1 2020
HR & Ops	Align staff schedules	Q4 2018		Completed; all office staff will be on flex schedule by end of Q2	
HR & Ops	Complete off-boarding system.	Q4 2018		Ongoing - continue to add components to both offboarding and onboarding	
Prop. Ops	Ongoing management of JSCO at Rosefield, Eagle, and DelMonte new developments	ongoing		Ongoing	
Prop. Ops	Manage social services partnerships to minimize terminations and maximize resident well being	ongoing		Ongoing	
Prop. Ops	Complete Emergency Planning; present plan to Board and staff, including physical properties, IT systems and resident safety.	Q1 2018		Testing phase in progress	Q2 2019
Prop. Ops	Develop reporting mechanism for JSCO managed sites	Q1 2018		In progress; PM reporting in board packet. JSCO submits monthly financials for each managed site monthly.	ongoing
Prop. Ops	Implement new lease and house rules at all sites	Q1 2019		In progress; Attorney reviewing lease and providing feedback for changes.	Q2 2019
Prop. Ops	Update all forms for Property Operations, including application process	Q1 2019		Draft with attorney	Q2 2019
Prop. Ops	Implement check scanning at ABD and Esperanza	Q2 2018		Completed in May of 2018.	
Prop. Ops	Implement Yardi affordable for PM dept.	Q2 2018		In progress; Four properties have been transitioned to affordable with two more to be completed by June 2019.	Q3 2019
Prop. Ops	Conduct a review of property operations (including maintenance) cost/income analysis and compare with third party management options.	Q3 2018		Delayed due to staff changes	Q3 2019
Prop. Ops	Hire and train two supervisors	Q4 2017		One hired in Q3 2018; other in progress	
Rent Prog.	Manage Rent Program in accordance with services agreement with city.	ongoing		Ongoing provisions of services agreement may change in the future, due to upcoming changes to the Ordinance.	ongoing
Rent Prog.	Train new staff to complete key activities	Q1 2018		Onboarded three new staff members since May 2018, will fill last vacant position and onboard new staff person in Q2.	Q2 2019
Rent Prog.	Establish new office location and related policies/procedures	Q1 2018		Office location is established and policies and procedures have been updated.	Q1 2019
Rent Prog.	Research, procure and implement database for Rent Program	Q2 2018		Contract awarded to vendor 3DI and we are starting the initial phase of joint project planning and product development.	Q2 2019
Rent Prog.	Expand outreach service; update all materials to reflect 3148 only	Q2 2018		Outreach plan complete and materials updated. Website and workshop presentations have been updated. Tenant and Landlord Pocket Guides have been developed. Mass mailing of program informational brochures will be completed by Q2.	Q4 2018
Rent Prog.	Conduct a review of Rent Program as an ongoing business for AHA	Q4 2018		Draft report is in progress.	Q2 2019

Rent Prog.	Conduct customer satisfaction survey	Q4 2018		Customer feedback is solicited and gathered through the program website on an ongoing basis. A more targeted and proactive customer satisfaction survey, for recent clients, is being developed and will be distributed via mail and/or email by May of 2019.	Q2 2019	
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Housing Authority of the City of Alameda

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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 17, 2019
RE: Accept the Final Audit Report for Fiscal Year Ending June 30, 2018

BACKGROUND

The financial statements of the Housing Authority of the City of Alameda for the fiscal year ending June 30, 2018, were prepared in the format prescribed by the requirements of Government Accounting Standards Board Statement 34 (GASB 34).

The firm of Citrin Cooperman & Company LLP, has produced the draft audited financial statements of the Housing Authority for the fiscal year ending June 30, 2018. This incorporates the audited statements for Island City Development (ICD), which is presented as a discrete component. AHA's nonprofit affiliate, the Alameda Affordable Housing Corporation (AAHC), is a blended component with AHA and is not presented separately. The audit report and related schedule is due to HUD by March 31 each year.

The audit was presented in draft form by audit partner J. Michael Stephens for the Board's review at the March 20, 2019 regular meeting. This presentation was to discuss the draft report and Mr. Stephens is available by phone if needed for the April 17, 2019 Board meeting.

DISCUSSION

This report submits the annual Financial Statements for the fiscal year ending June 30, 2018. The auditors, Citrin Cooperman & Company, LLP, opined that the financial statements present fairly, in all material respects, the financial position of the Housing Authority of the City of Alameda as of June 30, 2018. The respective changes in financial position and cash flows for the year ended are in conformity with accounting principles generally accepted (GAAP) in the United States of America.

There was one finding in the report that related to complex journal entries being entered incorrectly. The management response includes (1) changes in personnel, (2) implementation of an automated journal entry approval system in Yardi which will prevent staff from entering journal entries above certain thresholds without review, (3) a new year end close system, and (4) additional training and coordination with the other departments. Since the March Board meeting, the draft audit was submitted to the Citrin



Honorable Chair and
Members of the Board of Commissioners

April 17, 2019
Page 2 of 2

Cooperman & Company LLP internal review process. In that process, the firm increased the finding from a significant deficiency to material weakness.

The other change from the draft relates to the presentation of the investments. Based on review of the LAIF and CAMP portfolios, and the incorrect prior year presentation of investments in the cash flow, under GASB 40, the auditor renamed these "investments" cash equivalents. It does not change the disclosure, etc. but renames the investments so that the balances can be correctly presented on the cash flow report properly.

The audit includes the Federal Data Schedule (FDS) as a supplemental schedule. The FDS report was submitted to HUD prior to March 31, 2019.

The list of adjusting journal entries is attached as required. OPEB and pension entries are always adjusting journal entries because the necessary data generally comes from CalPERS too late to be entered before the year end.

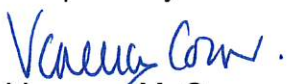
BUDGET CONSIDERATION/FINANCIAL IMPACT

For information only.

RECOMMENDATION

Accept the Final Audit Report for Fiscal Year Ending June 30, 2018.

Respectfully submitted,


Vanessa M. Cooper
Executive Director

Attachments:

- Final Audit Report for Fiscal Year Ending June 30, 2018
- Adjusting Journal Entries Post Year End Close



**HOUSING AUTHORITY OF THE CITY OF
ALAMEDA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FOR THE YEAR ENDED JUNE 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the fiduciary fund of the Housing Authority of the City of Alameda (the "Authority"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Island City Development, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Island City Development, is based solely on the report of the other auditors. We did not audit the OPEB Trust Fund, which represent 100 percent of the assets, net position, and revenues of the fiduciary fund. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the OPEB Trust, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary fund of the Housing Authority of the City of Alameda, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 4 through 10, and the pension and OPEB schedules on pages 50 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards on page 64 is required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the accompanying financial data schedule on pages 55 through 59 is required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The Schedule of Expenditures of Federal Awards and the Financial Data Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Schedule of Expenditures of Federal Awards and the Financial Data Schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

Bethesda, Maryland
March 29, 2019

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

This section of the Housing Authority of the City of Alameda's (the "Authority") annual financial report presents a discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our presentation to the Board of Commissioners.

The following management discussion and analysis (MD&A) will discuss the results of the Authority's operations. Key financial information for the current fiscal year will be compared with those of the prior year.

Financial Highlights

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of fiscal year 2018 resulting in a Net Position of \$65,831,910 at June 30, 2018, as opposed to \$64,073,928 at June 30, 2017.
- Total assets and deferred outflows of resources at June 30, 2018, were \$103,479,223. Of this, \$32,488,507 represents current assets, \$68,481,184 represents non-current assets, and \$2,509,532 represents deferred outflows of resources. Total assets and deferred outflows of resources at June 30, 2017, were \$101,103,917.
- Capital assets, net of accumulated depreciation at June 30, 2018, decreased by \$383,879 from \$40,793,553 at June 30, 2017 to \$40,409,674 at June 30, 2018. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Total liabilities and deferred inflows of resources at June 30, 2018, were \$37,647,313. Of this, \$3,293,715 represents current liabilities, \$31,846,279 represents non-current liabilities, and \$2,507,319 represents deferred inflows of resources. Net position increased from \$64,073,928 at June 30, 2017, to \$65,831,910 at June 30, 2018, an increase of \$1,757,982.
- **Total revenues** for the Authority for fiscal year 2018 were \$47,263,968 versus \$49,587,426 for fiscal year 2017; a decrease of \$2,323,458. The primary sources of revenue for 2018 were governmental grants including Housing Choice Voucher Program (Section 8) Housing Assistance Payment (HAP), and rents collected from the Authority's owned units.
- **Total expenses** for the Authority for fiscal year 2018 were \$44,004,175 versus \$41,277,811 for fiscal year 2017; an increase of \$2,726,364. The major program expenditure, as reflected on the Combined Statement of Revenues, Expenses, and Changes in Net Position, was for Housing Assistance Payments. There was \$29,612,706 of Housing Assistance Payment expenses for fiscal year 2018. This represents an increase of \$3,040,249 of the \$26,572,457 amount for fiscal year 2017. The increase is due to additional funds provided by the United States Department of Housing and Urban Development ("HUD") to meet new Project Based Vouchers at two new properties and to address a shortfall in HAP as rents for existing vouchers increased over the year.
- **Operating revenues** for the Authority for fiscal year 2018 were \$46,830,312 and operating expenses were \$42,790,802. Operating revenues and expenses for fiscal year 2017 were \$41,424,076 and \$40,187,716 respectively.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of a statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements report information of the Authority as a whole, net of inter-program activity.

The *statement of net position* presents information on the Authority's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *statement of cash flows* presents the change in the Authority's cash and cash equivalents during the most recent fiscal year.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some programs are required to be established by HUD. However, the Authority also administers other programs to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All of the funds of the Authority are classified on the face of the financial statements as one enterprise housing fund as a result of Government Accounting Standards Board ("GASB") Statement No. 34.

Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indication.

Notes to the Basic Financial Statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018

Component Unit

As is more fully described in Note 1.A., the government-wide financial statements includes the financial information of Island City Development (a California Nonprofit Corporation), a discrete component unit of the Authority. A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies, and may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California. In fiscal year ended June 30, 2018, the Authority created a new blended component unit, Alameda Affordable Housing Corporation (AAHC). The financial statements for AAHC are not presented separately.

Supplementary Information

The Schedule of Expenditures of Federal Awards, the pension and OPEB schedules, and the Financial Data Schedule are presented for purposes of additional analysis as required by the GASB Statements, the Uniform Guidance at 2 CFR 200 Subpart F, and the requirements of the HUD. These schedules can be found in the Supplementary Information sections of this report.

Financial Analysis

The Authority uses funds to help it control and manage money for particular purposes. A portion of the Authority's net position reflects the investment in capital assets (e.g., land, buildings and improvements, furniture, equipment and machinery), net of any debt incurred to finance the acquisition of those assets. The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Budgetary Highlights

An agency-wide budget was prepared for the fiscal year ended June 30, 2018. The budget was primarily used as a management tool. Budgets are prepared in accordance with the accounting procedures prescribed by the applicable funding agency and revised during the year as appropriate.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Comparative Statement of Net Position

The following table reflects the statement of net position at June 30, 2018, compared to the prior fiscal year. The June 30, 2017 net position does not reflect the cumulative change in accounting principle, as further detailed in Note 13, related to the adoption of certain new GASB standards in fiscal year 2018. The Authority is engaged only in business-type activities.

**Housing Authority of the City of Alameda
Comparative Statement of Net Position
June 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current assets	\$ 32,488,507	\$ 27,730,611	\$ 4,757,896	14.64 %
Notes receivable	28,071,510	29,036,034	(964,524)	(3.44)%
Capital assets, net of accumulated depreciation	<u>40,409,674</u>	<u>40,793,553</u>	<u>(383,879)</u>	<u>(0.95)%</u>
Total assets	<u>100,969,691</u>	<u>97,560,198</u>	<u>3,409,493</u>	<u>3.38 %</u>
Deferred outflow of resources	<u>2,509,532</u>	<u>3,543,719</u>	<u>(1,034,187)</u>	<u>(41.21)%</u>
Current liabilities	3,293,715	3,153,797	(139,918)	(4.25)%
Noncurrent liabilities	<u>31,846,279</u>	<u>32,572,414</u>	<u>726,135</u>	<u>2.28 %</u>
Total liabilities	<u>35,139,994</u>	<u>35,726,211</u>	<u>(586,217)</u>	<u>(1.67)%</u>
Deferred inflow of resources	<u>2,507,319</u>	<u>1,303,778</u>	<u>(1,203,541)</u>	<u>48.00 %</u>
Net investment of capital assets	13,595,106	13,154,931	440,175	3.24 %
Restricted	1,059,609	1,111,713	(52,104)	(4.92)%
Unrestricted	<u>51,177,195</u>	<u>49,807,284</u>	<u>1,369,911</u>	<u>2.68 %</u>
Total net position	<u>\$ 65,831,910</u>	<u>\$ 64,073,928</u>	<u>\$ 1,757,982</u>	<u>2.67 %</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Comparative Statement of Revenues, Expenses, and Changes in Net Position

The following table presents the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2018, compared to the prior fiscal year. The prior year net position does not reflect the change in accounting principle. See Note 13 for more information.

**Housing Authority of the City Alameda
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating revenues:				
Grants	\$ 38,819,160	\$ 36,418,954	\$ 2,400,206	6.59 %
Rents	3,957,598	3,598,210	359,388	9.99 %
Others	4,053,554	1,406,912	2,646,642	188.12 %
Non-operating revenues:				
Interest income	427,034	164,841	262,193	159.06 %
Gain on sale of fixed assets	6,622	6,569	53	0.81 %
Pension gain (Note 6)	-	981,940	(981,940)	(100.00)%
Del Monte Senior Housing	-	7,010,000	(7,010,000)	(100.00)%
Total revenues	<u>47,263,968</u>	<u>49,587,426</u>	<u>(2,323,458)</u>	<u>(4.69)%</u>
Operating expenses:				
Administration	7,168,854	6,858,729	310,125	4.52 %
Utilities	1,251,579	679,694	571,885	84.14 %
Maintenance	2,130,543	2,859,549	(729,006)	(25.49)%
Protective services	210,000	1,284,379	(1,074,379)	(83.65)%
General	331,735	253,244	78,491	30.99 %
Tenant services	573,801	210,000	363,801	173.24 %
Housing assistance payments	29,612,706	26,572,457	3,040,249	11.44 %
Depreciation	1,511,584	1,469,664	41,920	2.85 %
Non-operating expenses:				
Interest expense	1,184,230	1,090,095	94,135	8.64 %
Extraordinary maintenance	<u>29,143</u>	<u>-</u>	<u>29,143</u>	<u>100.00 %</u>
Total expenses	<u>44,004,175</u>	<u>41,277,811</u>	<u>2,726,364</u>	<u>6.60 %</u>
Change in net position	<u>3,259,793</u>	<u>8,309,615</u>	<u>(5,049,822)</u>	<u>(60.77)%</u>
Net position, beginning - as previously reported	64,073,928	55,764,313	8,309,615	14.90 %
Change in accounting principle	<u>(1,501,811)</u>	<u>-</u>	<u>(1,501,811)</u>	<u>100.00 %</u>
Net position, beginning - as adjusted	<u>62,572,117</u>	<u>55,764,313</u>	<u>6,807,804</u>	<u>12.21 %</u>
Net position, ending	<u>\$ 65,831,910</u>	<u>\$ 64,073,928</u>	<u>\$ 1,757,982</u>	<u>2.74 %</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Analysis of the Authority's Overall Financial Position and Results of Operations

As indicated in the above comparative statements, the Authority's net position at June 30, 2018 increased by \$1,757,982 from the June 30, 2017 balance.

Changes in Capital Assets

The following presents the changes in fixed assets (net of accumulated depreciation) at June 30, 2018, versus the prior fiscal year.

**Housing Authority of the City of Alameda
Changes in Capital Assets
(Net of Accumulated Depreciation)
June 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 22,022,054	\$ 22,022,054	\$ -	- %
Construction in progress	8,718	286,032	(277,314)	(96.95)%
Buildings and improvements	44,826,293	43,421,275	1,405,018	3.24 %
Equipment	<u>367,025</u>	<u>386,385</u>	<u>(19,360)</u>	<u>(5.01)%</u>
Total capital assets	<u>67,224,090</u>	<u>66,115,746</u>	<u>1,108,344</u>	<u>1.68 %</u>
Accumulated depreciation	<u>(26,814,416)</u>	<u>(25,322,193)</u>	<u>(1,492,223)</u>	<u>5.89 %</u>
Capital assets, net of accumulated depreciation	<u>\$ 40,409,674</u>	<u>\$ 40,793,553</u>	<u>\$ (383,879)</u>	<u>(0.94)%</u>

Additional information pertaining to capital assets is found in Note 3 to the financial statements.

Changes in Long-Term Debt

The following presents the changes in long-term debt at June 30, 2018, versus the prior fiscal year.

**Housing Authority of the City of Alameda
Changes in Long-Term Debt
June 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>\$ Variance</u>	<u>% Variance</u>
Notes and bonds payable	<u>\$ 26,814,568</u>	<u>\$ 27,638,622</u>	<u>\$ (824,054)</u>	<u>(2.98)%</u>

Additional information pertaining to long-term debt is found in Note 4 to the financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2018**

Economic Factors

The Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Authority is affected more by the federal budget than by state or local economic conditions. Changes in HUD grants affect the number of households that can be assisted under these federally funded programs on an ongoing basis.

The Authority's annual revenues for the Housing Choice Voucher Program is based primarily upon the amounts received each year from HUD, which does not correlate directly to the amounts expended each year for administrative costs and housing assistance payments expenses associated with the Housing Choice Voucher Program. Therefore, for any given fiscal year the Authority's revenues for the Housing Choice Voucher Program may be more or less than the expenses for the program. For the fiscal year ended June 30, 2018, the Authority's expenses associated with the Housing Choice Voucher Program exceeded its revenues by \$1,166,765. For the previous 2017 fiscal year, the Authority's expenses for the Housing Choice Voucher Program exceeded its revenues by \$8,700. These excesses of expenses over revenues were funded by a reduction in the Authority's net position for the Housing Choice Voucher Program.

Requests for Information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Director at the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, California 94501.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF NET POSITION
JUNE 30, 2018

	<u>Primary Government</u>	<u>Component Unit</u>	<u>OPEB Trust Fund</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents - unrestricted	\$ 29,967,717	\$ 3,110,810	\$ -
Cash and cash equivalents - restricted	<u>1,730,883</u>	<u>-</u>	<u>-</u>
Investments	-	-	1,051,622
Due from other agencies	408,118	227,599	-
Tenant accounts receivable, net	110,565	-	-
Accounts receivable - other, net	52,049	196,464	-
Interest receivable	149,233	-	-
Prepaid expenses and other current assets	62,926	3,773,717	-
Inventory	<u>7,016</u>	<u>-</u>	<u>-</u>
Total current assets	<u>32,488,507</u>	<u>7,308,590</u>	<u>1,051,622</u>
Noncurrent assets:			
Notes receivable	28,071,510	-	-
Capital assets, net of accumulated depreciation of \$26,814,416	<u>40,409,674</u>	<u>15,201,861</u>	<u>-</u>
Total noncurrent assets	<u>68,481,184</u>	<u>15,201,861</u>	<u>-</u>
Total assets	<u>100,969,691</u>	<u>22,510,451</u>	<u>1,051,622</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension and OPEB plans	<u>2,509,532</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 103,479,223</u>	<u>\$ 22,510,451</u>	<u>\$ 1,051,622</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2018

	<u>Primary Government</u>	<u>Component Unit</u>	<u>OPEB Trust Fund</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable - other	\$ 556,304	\$ 32,630	\$ -
Accounts payable - other agencies	7,864	-	-
Tenant security deposits	552,522	-	-
Other accrued liabilities	75,071	3,521,057	-
Interest payable	961,855	252,302	-
Compensated absences	135,827	-	-
Notes and bonds payable	<u>1,004,272</u>	<u>2,751,085</u>	<u>-</u>
Total current liabilities	<u>3,293,715</u>	<u>6,557,074</u>	<u>-</u>
Noncurrent liabilities:			
Compensated absences	100,813	-	-
FSS escrows	118,752	-	-
Unearned revenue	3,466,717	-	-
Net pension liability	2,127,040	-	-
Net OPEB liability	222,661	-	-
Notes and bonds payable	<u>25,810,296</u>	<u>15,142,354</u>	<u>-</u>
Total noncurrent liabilities	<u>31,846,279</u>	<u>15,142,354</u>	<u>-</u>
Total liabilities	<u>35,139,994</u>	<u>21,699,428</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension and OPEB plans	<u>2,507,319</u>	<u>-</u>	<u>-</u>
<u>NET POSITION</u>			
Net investment in capital assets	13,595,106	(2,691,578)	-
Restricted	1,059,609	-	-
Unrestricted	<u>51,177,195</u>	<u>3,502,601</u>	<u>1,051,622</u>
Total net position	<u>65,831,910</u>	<u>811,023</u>	<u>\$ 1,051,622</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 103,479,223</u>	<u>\$ 22,510,451</u>	<u>\$ 1,051,622</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Primary Government</u>	<u>Component Unit</u>	<u>OPEB Trust Fund</u>
Operating revenues:			
Grants	\$ 38,819,160	\$ -	\$ -
Rents	3,957,598	-	-
Other	<u>4,053,554</u>	<u>80,298</u>	<u>77,712</u>
Total operating revenues	<u>46,830,312</u>	<u>80,298</u>	<u>77,712</u>
Operating expenses:			
Administration	7,168,854	161,888	520
Utilities	1,251,579	-	-
Maintenance	2,130,543	-	-
Protective services	210,000	-	-
General	331,735	2,505	1,292
Tenant services	573,801	-	-
Housing assistance payments	29,612,706	-	-
Depreciation	<u>1,511,584</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>42,790,802</u>	<u>164,393</u>	<u>1,812</u>
Operating income (loss)	<u>4,039,510</u>	<u>(84,095)</u>	<u>75,900</u>
Non-operating revenues (expenses):			
Interest income	427,034	-	-
Gain on sale of fixed assets	6,622	-	-
Interest expense	(1,184,230)	-	-
Contributions	-	1,258,151	-
Extraordinary maintenance	<u>(29,143)</u>	<u>-</u>	<u>-</u>
Net non-operating revenue	<u>(779,717)</u>	<u>1,258,151</u>	<u>-</u>
Change in net position	<u>3,259,793</u>	<u>1,174,056</u>	<u>75,900</u>
Total net position, beginning, as previously reported	64,073,928	(363,033)	-
Change in accounting principle (Note 13)	<u>(1,501,811)</u>	<u>-</u>	<u>975,722</u>
Total net position, beginning - as adjusted	<u>62,572,117</u>	<u>(363,033)</u>	<u>975,722</u>
Total net position, ending	<u>\$ 65,831,910</u>	<u>\$ 811,023</u>	<u>\$ 1,051,622</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Primary Government	Component Unit
Cash flows from operating activities:		
Grants received	\$ 38,666,887	\$ -
Cash received from tenants	3,876,085	-
Other miscellaneous cash receipts	4,004,793	4,015,903
Cash payments to suppliers and landlords	(34,705,918)	-
Cash payments to employees	<u>(5,471,485)</u>	<u>-</u>
Net cash provided by operating activities	<u>6,370,362</u>	<u>4,015,903</u>
Cash flows from capital and related financing activities:		
Interest paid on long-term debt	(1,124,101)	-
Principal paid on notes payable	(985,346)	-
Extraordinary maintenance	(29,143)	-
Acquisition of fixed assets	(1,127,706)	(14,298,661)
Gain on sale of fixed assets	6,622	-
Issuance of debt	175,000	-
Proceeds from notes payable	<u>-</u>	<u>8,136,576</u>
Net cash used in capital and related financing activities	<u>(3,084,674)</u>	<u>(6,162,085)</u>
Cash flows from investing activities:		
Collection of notes receivable	1,264,524	-
Mortgage interest income	7,131	-
Issuance of notes receivable	(300,000)	-
Contributions	-	1,258,151
Interest received from investments	<u>340,681</u>	<u>-</u>
Net cash provided by investing activities	<u>1,312,336</u>	<u>1,258,151</u>
Net increase (decrease) in cash	4,598,024	(888,031)
Cash and cash equivalents - beginning	<u>27,100,576</u>	<u>3,998,841</u>
Cash and cash equivalents - end	<u>\$ 31,698,600</u>	<u>\$ 3,110,810</u>
Cash reconciliation as reported on the statements of net position:		
Cash and cash equivalents - unrestricted	\$ 29,967,717	\$ 3,110,810
Cash and cash equivalents - restricted	<u>1,730,883</u>	<u>-</u>
	<u>\$ 31,698,600</u>	<u>\$ 3,110,810</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Primary Government	Component Unit
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 4,039,510	\$ (84,095)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,511,584	-
Pension and OPEB expense	833,407	-
Loan forgiveness	(13,708)	-
<i>(Increase) decrease in assets</i>		
Due from other agencies	(163,000)	(227,599)
Tenant accounts receivable, net	(54,571)	-
Other accounts receivable, net	(11,915)	(192,554)
Prepaid expenses	150,773	925,560
Inventory	(1,933)	-
<i>Increase (decrease) in liabilities</i>		
Accounts payable	356,994	(10,145)
Accounts payable to other agencies	(357)	-
Tenant security deposits	4,402	-
Accrued liabilities	(319,801)	3,604,736
Accrued compensated absences	51,376	-
Unearned revenue	3,430,309	-
Other noncurrent liabilities	(3,442,708)	-
Net cash provided by operating activities	\$ 6,370,362	\$ 4,015,903

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Alameda (the "Authority") conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to governmental entities. The following is a summary of the more significant procedures:

A. Definition of Reporting Entity

The Authority was established on August 8, 1940, by a resolution of the City of Alameda City Council. The Authority is governed by a seven-member Board of Commissioners which is appointed by the Mayor of the City of Alameda, California (the "City"). However, the Authority is not considered to be a component unit of the City or any other primary government. Two members of the Board of Commissioners are participants in programs administered by the Commission. The members of the Commission are selected to serve for either two-year or four-year terms.

The basic financial statements includes the financial activities of the Authority, its blended component unit, Alameda Affordable Housing Corporation, its discretely presented component unit, Island City Development, and its fiduciary fund, the OPEB Trust Fund.

Discretely Presented Component Unit - Island City Development

Island City Development (a California nonprofit corporation) was established in 2014 primarily to engage in acquiring, developing, rehabilitating, owning, and managing affordable housing for low-income and moderate-income individuals and families in the City of Alameda, California. The executive director of the Authority appoints the members of the nonprofit corporation's board of directors. The nonprofit corporation has a year end of December 31, 2017, and the financial activity is reported as a separate column on the financial statements.

Island City Development is the sole member of Del Monte Senior LLC, the 0.01% managing general partner of Sherman and Buena Vista LP, created June 23, 2016, for the purposes of developing and owning a 31-unit Low-Income Housing Tax Credit property at 1031 Buena Vista Avenue in Alameda. This property was completed in August 2018.

Additionally, Island City Development is the sole member of 2437 Eagle Avenue LLC, the 0.01% managing general partner of Everett and Eagle LP, created November 22, 2016, for the purposes of developing and owning a 20-unit Low-Income Housing Tax Credit property at 2437 Eagle Avenue in Alameda. This property is under construction and is expected to be completed in 2019. Finally, Island City Development is the 0.1% special limited partner for Stargell Commons LP created February 20, 2015 to own and operate a 32-unit Low-Income Housing Tax Credit property at 2700 Bette Street in Alameda.

The Authority reports a Fiduciary Trust Fund for its Other Post Employment Benefits ("OPEB") Trust Fund. The OPEB trust accounts for the assets are held in trust by the Authority for the beneficiaries of the plan.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Definition of Reporting Entity (Continued)

A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies, and may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California.

Related Organizations - Blended Component Units

The Authority is the sole member of AHA Islander GP, LLC which is the 0.05% general partner of the Alameda Islander LP. This limited partnership owns and operates a 62-unit Low-Income Housing Tax Credit property at 2428 Central Avenue in Alameda. The financial statements include the financial information of AHA Islander GP, LLC.

The Authority is the sole member of 2216 Lincoln AHA, LLC which is the 0.0049% General Partner of the Jack Capon Villa, LP. This limited partnership owns and operates a 19-unit Low-Income Housing Tax Credit property at 2216 Lincoln Avenue in Alameda. The financial statements include the financial information of 2216 Lincoln AHA, LLC.

Alameda Affordable Housing Corporation ("AAHC") was established November 1, 2017, as a supporting organization of the Authority. Its primary role is to be a title holding entity for Authority-owned properties. AAHC received federal tax exempt status under Section 501(c)3 in 2017. The board of directors is comprised of all of the current Authority's board of commissioners and the directors' terms run concurrent with the commissioners'. AAHC has a fiscal year end on June 30 and the financial activity is not reported separately on the financial statements. During 2018, the Authority sold four of its properties to AAHC and both notes receivable and notes payable were created between the two parties. As these notes were between a primary government and its blended component unit, these notes were eliminated from the financial statements.

B. Government-wide Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows) report the financial information of the Authority's operations as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business-type activity in a single enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board ("GASB").

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Non-exchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

When the Authority incurs an expense for which both restricted and unrestricted resources may be used, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* activities. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise housing fund are grants from federal funding agencies for housing assistance payments earned, administrative and developer fees, and rental income from its owned housing units. The Authority is party to services agreements with the City to provide various housing-related services. The cost of these services is reimbursed on an actual cost basis, plus a fixed fee. Operating expenses include employee services and supplies, administrative expenses, management fees, utilities, housing assistance payments to landlords, and depreciation of its capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority applies all applicable Financial Accounting Standards Board ("FASB") pronouncements issued before November 30, 1989, in accounting and reporting for its proprietary operations.

Separate statements are also included in the Discretely Presented Component Unit and the Fiduciary Fund as shown on the financial statements. The Discretely Presented Component Unit and the Fiduciary Fund are separate legal entities from the Authority.

D. Assets, Liabilities, and Net Position

a. Cash and cash equivalents

For purposes of the accompanying statement of cash flows, all highly liquid cash and investments with a maturity of three months or less when purchased and cash restricted by federal governmental requirements are considered cash and cash equivalents.

Cash and cash equivalents include amounts in demand deposits and savings accounts. All of the Authority's cash equivalents can be converted to cash in a relatively short amount of time. Therefore, all cash and cash equivalents, including restricted amounts, are reported in the statement of cash flows.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position (Continued)

b. Restricted assets

Restricted cash and cash equivalents represent deposits that are used for replacement reserves, security deposit payable amounts to tenants and amounts that are required by grants from HUD to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

c. Receivables

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable.

d. Inventories and prepaid assets

All inventories are valued at cost using the first-in/first-out ("FIFO") method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

e. Capital assets

Capital assets which include land, buildings, improvements, and furniture and equipment, are reported at historical cost. Contributed capital assets are recorded at fair value at the time received. Interest expense during any development periods is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts. Depreciation is charged to operations using the straight-line method based on the estimated useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	40 years
Improvements	15 years
Furniture and Equipment	5 to 10 years

f. Compensated absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred or at separation. Unpaid sick balances are not paid at separation.

g. Taxes

The Authority is exempt from federal and state income taxes, and county property taxes.

h. Encumbrances

Encumbrance accounting is not employed by the Authority.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position (Continued)

i. Net position

Net position represents the differences between assets and liabilities. Net position consists of investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position invested in capital assets, net of related debt, consists of capital assets, net of depreciation, reduced by the outstanding balances of borrowing used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

j. Deferred outflows/inflows of resources

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (revenues) or inflows (expenses) until that time.

k. Pensions

For purposes of measuring the net pension liability ("NPL") and deferred outflows/inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Authority's California Public Employees' Retirement System ("CalPERS") plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. New GASB Pronouncements

During fiscal year 2018, the Authority implemented GASB Statements No. 74 and 75, *Financial Reporting for Post employment Benefit Plans Other Than Pension Plans* and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, respectively. The primary objective of these statements is to improve accounting and financial reporting information for postemployment benefits other than pensions for the plan and state and local government employers that sponsor these plans. Implementation of these statements resulted in changes in presentation and disclosures of the OPEB plan in the financial statements. See Note 13 for effect on the financial statements.

F. Future GASB Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* ("GASB No. 83"). GASB No. 83 addresses accounting and financial reporting for certain asset retirement obligations ("ARO"). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in GASB No. 83.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Future GASB Pronouncements (Continued)

GASB No. 83 will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have previously reported. GASB No. 83 will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of GASB No. 83 are effective for reporting periods beginning after June 15, 2018. The Authority does not believe that there will be any financial statement effect related to GASB No. 83.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* ("GASB No. 84"). The objective of which is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of GASB No. 84 will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The requirements of GASB No. 84 are effective for reporting periods beginning after December 15, 2018. The Authority does not believe that there will be any financial statement effect related to GASB No. 84.

In June 2017, GASB issued Statement No. 87, *Leases* ("GASB No. 87"). The objective of GASB No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB No. 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB No. 87 will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. GASB No. 87 also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

The requirements of GASB No. 87 are effective for reporting periods beginning after December 15, 2019. The Authority does not believe that there will be any financial statement effect related to GASB No. 87.

G. Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Budgets and Budgetary Accounting

Each year the Authority's Board of Commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of the adoption of the annual budget.

I. Loans Issued During the 2018 Fiscal Year

There were no new loans issued during fiscal year 2018 aside from the notes between the Authority and AAHC previously mentioned in Section A.

NOTE 2. CASH AND CASH EQUIVALENTS

A. Policies

California law requires banks and savings loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Authority's name and places the authority ahead of general creditors of the institution.

The Authority and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the Authority employs the Trust Department of a bank as the custodian of certain managed investments, regardless of their form.

The Authority's cash equivalents are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of cash equivalents to reflect their fair value at each fiscal year end, and it includes the effects of those adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets with original maturities of 90 days or less for purposes of measuring cash flows.

B. Classification

Cash and cash equivalents are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agency agreements. Cash and cash equivalents as of June 30, 2018, are as follows:

Unrestricted	\$ 29,967,717
Restricted	<u>1,730,883</u>
Total cash and cash equivalents	<u>\$ 31,698,600</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Classification (Continued)

The \$31,698,600 of cash and cash equivalents consists of \$5,267,867 maintained on deposit in banks, \$934,499 maintained by loan servicing agencies, \$14,898,006 deposited in the State of California Local Agency Investment Fund ("LAIF"), \$10,597,978 deposited in the California Asset Management Program ("CAMP"), and \$450 in petty cash. Of the amounts on deposit with banks, \$250,000 is covered by federal deposit insurance. The remaining \$5,017,867 is required by California law to be collateralized by governmental securities with a market value of 110% of the deposit or with first deed mortgages with a value of 150% of the uninsured amount.

The \$934,499 of cash equivalents maintained by loan servicing agencies reflects amounts held by trust departments of two lending agencies. These amounts will be used for future rehabilitation and operating costs for some of the Authority's housing complexes.

C. Investments Authorized by the California Government Code and the Authority's Investment Policy

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided rating of the issuers are acceptable to the Authority; and approved percentages and maturities are not exceeded. Each January, the Board of Commissioners approves the Authority's Investment Policy. The table below also identifies certain provisions of the California Government Code or the Authority's Investment Policy where the Authority's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Repurchase Agreements	N/A	N/A	N/A	N/A
California Local Agency Investment Fund (LAIF)	On Demand	N/A	N/A	N/A
U.S. Treasury Bonds, Notes & Bills	N/A	N/A	N/A	N/A
U.S. Agency & U.S. Government Bankers Acceptances	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit	180 Days	N/A	40%	30%
Time Certificates of Deposit	N/A	A	30%	N/A
Medium Term Corporate Notes	N/A	N/A	30%	N/A
Money Market Mutual Funds	5 Years	A	30%	N/A
County Agency Investment Fund	N/A	AAA	15%	10%
Reverse Repurchase Agreement	On Demand	N/A	30%	N/A
	N/A	N/A	20%	N/A

In the period under review, the Authority removed investments placed in government securities and divided its investments between LAIF and CAMP.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Investments Authorized by Debt Agreements and Governmental Grants

The Authority must maintain required amounts of cash and investments or fiscal agents under terms of certain debt issues and governmental grants. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issuances or governmental grants. The California Government Code requires these funds to be invested in accordance with Authority policies, bond indentures or State Statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Quality Credit</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
<u>For U.S. Department of Housing and Urban Development Funds</u>				
State of California Local Agency Investment Funds (LAIF)	No Limit	N/A	No Limit	No Limit
Repurchase Agreements	N/A	N/A	No Limit	No Limit
U.S. Government Obligations & Agencies	No Limit	N/A	No Limit	No Limit
Sweep Account	No Limit	N/A	No Limit	No Limit
Insured Super NOW Accounts	No Limit	N/A	No Limit	No Limit
Insured Money Market Deposit	No Limit	N/A	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	30%	No Limit
Insured Demand & Saving Deposits	N/A	N/A	No Limit	No Limit
STRIPS, Principal Only	No Limit	N/A	No Limit	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
<u>For Non-U.S. Department of Housing and Urban Development Funds</u>				
Prime Commercial Paper	180 Days	N/A	10%	30%
City of Alameda Bonds	N/A	N/A	No Limit	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit
Local Agency's Obligations within CA State, including LAIF	No Limit	N/A	No Limit	No Limit
U.S. Government obligations and Agencies	No Limit	N/A	No Limit	No Limit
Collateralized Bank Deposit	No Limit	N/A	No Limit	No Limit
Bankers Acceptances	180 Days	N/A	40%	30%
Negotiable Certificates of Deposit	No Limit	N/A	30%	No Limit
Repurchase Agreements	92 Days	N/A	20%	No Limit
Money Market Mutual Funds	N/A	N/A	15%	10%
Trust Indentures	N/A	N/A	No Limit	No Limit
Medium Term Notes	5 Years	A	30%	No Limit
Mortgage & Equipment Lease Obligations	5 Years	AA	20%	No Limit

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)E. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

<u>Cash Equivalent Type</u>	<u>12 Months or Less</u>	<u>One to Five Years</u>	<u>More than Five Years</u>	<u>Total</u>
LAIF	\$14,898,006	\$ -	\$ -	\$14,898,006
CAMP	<u>10,597,978</u>	<u>-</u>	<u>-</u>	<u>10,597,978</u>
Total Investments	<u>\$25,495,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$25,495,984</u>

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2018, for each Authority cash equivalent type as provided by Standard and Poor's except as noted:

<u>Cash Equivalent Type</u>	<u>Amount</u>
Not Rated:	
LAIF	\$14,898,006
CAMP	\$10,597,978

G. Concentration of Credit Risk

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer, held by individual Authority Funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. At June 30, 2018, there were no investments of this type.

H. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Authority's deposits may not be returned. As previously stated the Authority's bank deposits are either covered by Federal Deposit Insurance Corporation ("FDIC") insurance or are collateralized.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3. CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2018:

	Balance 6/30/2017	Additions	Adjustments and Deletions	Balance 6/30/2018
Non-depreciable assets:				
Land	\$ 22,022,054	\$ -	\$ -	\$ 22,022,054
Construction in progress	<u>286,033</u>	<u>438,871</u>	<u>(716,186)</u>	<u>8,718</u>
Total non-depreciable assets	<u>22,308,087</u>	<u>438,871</u>	<u>(716,186)</u>	<u>22,030,772</u>
Depreciable assets:				
Buildings and improvements	43,421,274	688,834	716,186	44,826,294
Equipment	<u>386,385</u>	<u>-</u>	<u>(19,361)</u>	<u>367,024</u>
Total depreciable assets	43,807,659	688,834	696,825	45,193,318
Accumulated depreciation	<u>(25,322,193)</u>	<u>(1,511,584)</u>	<u>19,361</u>	<u>(26,814,416)</u>
Net depreciable assets	<u>18,485,466</u>	<u>\$ (822,750)</u>	<u>\$ 716,186</u>	<u>18,378,902</u>
Total capital assets, net	<u>\$ 40,793,553</u>			<u>\$ 40,409,674</u>

NOTE 4. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2018:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018	Current Portion
Bonds payable:					
PNC Bank	\$ 5,400,000	\$ -	\$(173,986)	\$ 5,226,014	\$ 184,413
Notes payable:					
Amerisphere	13,711,882	-	(221,423)	13,490,459	234,216
Amerisphere	5,974,243	-	(562,667)	5,411,576	584,134
City of Alameda	1,596,127	175,000	(27,258)	1,743,869	1,509
County of Alameda	956,370	-	(13,720)	942,650	-
Compensated Absences	<u>185,264</u>	<u>51,376</u>	<u>-</u>	<u>236,640</u>	<u>135,827</u>
	<u>\$ 27,823,886</u>	<u>\$ 226,376</u>	<u>\$ (999,054)</u>	<u>\$ 27,051,208</u>	<u>\$ 1,140,099</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4. LONG-TERM DEBT (CONTINUED)

The following is a schedule of debt payment requirements to maturity for long-term obligations other than compensated absences:

Year Ending June 30:	Principal Payments	Interest Payments	Total Payments
2019	\$ 1,004,272	\$ 1,058,844	\$ 2,063,116
2020	1,051,163	1,023,027	2,074,190
2021	1,100,346	981,007	2,081,353
2022	1,151,939	939,472	2,091,411
2023	1,206,065	895,924	2,101,989
Thereafter	<u>21,300,783</u>	<u>13,176,611</u>	<u>34,477,394</u>
	<u>\$ 26,814,568</u>	<u>\$ 18,074,885</u>	<u>\$ 44,889,453</u>

A description of the debt recorded at June 30, 2018, with the Authority is as follows:

Bonds Payable:

A deed of trust bond payable was issued on May 1, 2005, totaling \$6,800,000 for the Parrot Village and Eagle Village Apartments. The bonds payable are administered by PNC Bank. The bonds accrue interest at a variable rate based upon the weekly short-term bond interest rate. The bonds require annual payments in the amounts necessary to pay all principal of premium, if any, and interest on the bonds as they become due. The bonds mature May 15, 2035. The outstanding balance on the bonds totaled \$5,226,014 at June 30, 2018.

Notes Payable:

Lender	Original Note	Note Date
Alameda County	\$ 35,000	7/9/1996
City of Alameda	\$ 235,900	7/15/1996
City of Alameda	\$ 282,700	7/26/1996
Alameda County	\$ 14,190	2/10/1997
City of Alameda	\$ 570,000	6/18/1998
Alameda County	\$ 380,000	9/1/2009
Alameda County	\$ 536,400	9/1/2009
City of Alameda	\$ 96,000	11/21/2013
Amerisphere	\$ 14,291,000	6/30/2014
Amerisphere	\$ 7,500,000	6/30/2014
City of Alameda	\$ 575,000	3/30/2016
City of Alameda	\$ 25,000	4/15/2016

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

The Authority assumed a loan, originally entered into by the Filipino American Community Services Agency on July 9, 1996, payable to the County of Alameda on September 8, 2009, for the Lincoln House property at 745 Lincoln Avenue in the amount of \$35,000. This note bears no interest. However, if this note is not paid when due, the note will bear interest at 7% per annum for each day the note is not paid in full. The note is payable upon sale or transfer of the property whose deed of trust secures the note. The outstanding balance on this loan at June 30, 2018, was \$26,250.

A promissory note agreement for \$235,900 was entered into with the City of Alameda on July 15, 1996, for three condominiums at the following addresses: 2137 Otis Drive, 2209 Otis Drive, 1825 Shoreline Drive. This note bears no interest. Payment on this note was deferred until December 31, 2006, at which time semi-annual payments of principal are due based on an amortization schedule. The principal is due and payable on December 31, 2055. The outstanding balance on this note as of June 30, 2018, was \$220,169.

A promissory note agreement for \$282,700 was entered into with the City of Alameda on July 26, 1996, for four condominiums at the following addresses: 955 Shorepoint Court and 965 Shorepoint Court. This note bears no interest. Payment on this note is deferred until December 31, 2026, at which time semi-annual payments of principal are due based on an amortization schedule. The principal is due and payable on December 31, 2055. The outstanding balance on this note as of June 30, 2018, was \$282,700.

A promissory note agreement for \$14,190 was entered into with the County of Alameda on February 20, 1997, for the 1917 Stanford Street property. This note bears no interest. However, if this note is not paid when due the note will bear interest at 7% per annum for each day the note is not paid in full. The note is payable upon sale or transfer of the property whose deed of trust secures the note. This note was paid off during fiscal year 2018.

A promissory note agreement for \$570,000 was entered into with the City of Alameda on June 18, 1998, for the China Clipper property at 460 Buena Vista Avenue. This note bears interest at 3% per annum. Both interest and principal payments on this loan are deferred until the note's due date of June 30, 2057. The outstanding balance on this note at June 30, 2018, was \$570,000.

A promissory note agreement for \$380,000 was entered into with the County of Alameda on September 1, 2009, for the Lincoln House property at 745 Lincoln Avenue. The note bears simple interest at 3% per annum. The Authority also assumed the previously accrued interest in the sum of \$154,470. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The outstanding balance on this note at June 30, 2018, was \$380,000.

A promissory note agreement for \$536,400 was entered into with the County of Alameda on September 1, 2009, for the 1917 Sherman Street property. The note bears simple interest at 3% per annum. The Authority also assumed the previously accrued interest in the sum of \$184,735. The principal and accrued interest are due and payable

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued)

on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The outstanding balance on this note at June 30, 2018, was \$536,400.

A promissory note agreement for \$96,000 was entered into with the City of Alameda on November 21, 2013, for the Anne B. Diament property at 920 Park Street. The note bears no interest. The principal is deferred and forgivable until November 22, 2028. The outstanding balance on this note at June 30, 2018, was \$96,000.

On June 30, 2014, the Authority entered into a mortgage note totaling \$14,291,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Esperanza Apartments at 1903 Third Street. The note bears interest at 5.63% per annum and requires combined monthly principal and interest payments totaling \$82,312. The note matures and is payable in full on July 1, 2044. The outstanding balance on the note at June 30, 2018, was \$13,490,459.

On June 30, 2014, the Authority entered into a mortgage note totaling \$7,500,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Independence Plaza at 703 Atlantic Avenue. The note bears interest at 3.75% per annum and requires combined monthly principal and interest payments totaling \$64,758. The note matures and is payable in full on July 1, 2026. The outstanding balance on the note at June 30, 2018, was \$5,411,576.

A first amendment to a promissory note agreement for \$575,000 was entered into with the City of Alameda on April 1, 2017, retroactive to March 30, 2016, for property located at 738 Eagle Avenue, Alameda, CA. This note bears simple interest at 2.33% per annum. The principal, together with accrued interest, is due and payable on April 1, 2074, and the loan can be forgiven on March 30, 2031. The outstanding balance on this note at June 30, 2018, was \$575,000.

A promissory note agreement for \$25,000 was entered into with the City of Alameda on April 15, 2016, for the China Clipper property at 460 Buena Vista Avenue. The note bears interest at 2.33% compounded annually. The principal and accrued interest are due and payable on April 15, 2074. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. This note was paid off during fiscal year 2018.

NOTE 5. COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave up to a maximum of their annual accrual rate plus 10 days, up to a maximum of 250 hours at any time. This leave will be used in future periods or paid to employees upon separation from the Authority. Accrued vacation leave has been valued by the Authority and has been recorded as current compensated absences of \$135,827 and noncurrent compensated absences of \$100,813 for a total of \$236,640 as of June 30, 2018.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5. COMPENSATED ABSENCES (CONTINUED)

It is the Authority's policy to permit employees to accumulate earned but unused sick leave, however, the value of unused sick leave is not payable upon separation from the Authority.

NOTE 6. PENSION PLAN

Pensions:

For purposes of measuring the NPL and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position ("FNP") of the Authority's Retirement System ("CalPERS") plans ("Plans") and additions to/deductions from the Plans' FNP have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. In addition to CalPERS Plans, the Authority adopted the Public Agency Retirement Services ("PARS") Plan effective April 22, 2012, as an alternative plan to Social Security for their employees who otherwise are not eligible for participation in the Authority's other retirement system(s).

GASB No. 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.

The objective of this statement, issued December of 2015, is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple employer defined pension plans and to state or local government employers whose employees are provided with such pensions.

The Authority is required to implement the provisions of this statement for the fiscal year ended June 30, 2018 (effective for periods beginning after December 15, 2015). This statement resulted in a change in current practice and had a material effect on the financial statements of the Authority.

General Information about the Pension Plan:

Plan Descriptions - The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under "Forms and Publications". All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple employer defined benefit pension plans administered by CalPERS. Benefit provisions under the Plans are established by State statute and the Authority's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued):

All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing agent multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the Plans are established by State statute and Authority's resolution.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan is applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Miscellaneous Plans</u>	
	<u>Prior To January</u>	<u>On or After</u>
Hire date	1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting formula	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.886%	6.500%
Required employer contribution rates	9.558%	6.930%

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued):

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The plan's actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The Authority's contribution rates may change if plan contracts are amended. Payments made by the Authority to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2018 (the measurement date), the active employee's contribution rates are 6.886% (First Level/Classic Members) and 6.500% (PEPRA New Members) of annual payroll, and the average employer's rates are 9.558% and 6.930% of annual payroll.

For the fiscal year ended June 30, 2018, the contributions recognized as part of pension expense for each plan were as follows:

	Miscellaneous Plan	Classic	PEPRA
Contributions - employer	\$ 366,127	9.558%	6.930%
Contributions - employee	<u>263,343</u>	6.886%	6.500%
Total	<u>\$ 629,470</u>		

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The following table shows the plan's proportionate share of the miscellaneous risk pool collective net pension liability over the measurement period:

Proportionate Share of Net Pension Liability

	Net Pension Liability	
Balance at 6/30/2016	\$ 1,684,952	0.019472%
Balance at 6/30/2017	<u>2,127,040</u>	0.021448%
Net Pension Liability Year-to-Year Increase	<u>\$ 442,088</u>	

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued):

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The Authority's net pension liability of \$2,127,040 is measured as the proportionate share of the net pension liability of \$3,942,047,621 (or 0.021448%). The net pension liability is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The Authority paid down \$366,127 during the year ended June 30, 2018. Since the pension liability is based on the measurement date of June 30, 2017, the outstanding pension liability here does not reflect the pay down of contributions made during the year ended June 30, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2018, the Authority recognized pension expense of \$812,404 for the plan. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 381,436	\$ -
Differences between actual and expected experience	5,296	75,868
Changes in assumptions	657,042	50,101
Differences in contributions and proportionate share of contributions	593,843	109,907
Net differences between projected and actual earnings on pension plan investments	680,612	532,016
Adjustments due to differences in proportions	<u>175,217</u>	<u>444,191</u>
Total	<u>\$ 2,493,446</u>	<u>\$ 1,212,083</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued):

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The \$381,436 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019 (measurement period ended June 30, 2018). These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows (Inflows) of Resources
2018	\$ 342,782
2019	396,430
2020	248,939
2021	(88,224)
Thereafter	-

The amounts above are the net of outflows and inflows recognized in the measurement period ended June 30, 2018.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. Both the June 30, 2016 total pension liability and the June 30, 2017 total pension liability were determined using the following actuarial methods and assumptions:

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued):

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

	Miscellaneous Plan
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions Discount Rate	7.15%
Inflation	2.70%
Payroll Growth	3.00%
Projected Salary Increase	Varies by entry age and service Derived using CalPERS' Membership Data for all funds
Mortality Rate (1)	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies 2.75% thereafter
Post Retirement Benefit Increase	thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details on this table, please refer to the 2017 Experience Study Report (based on CalPERS' demographic data from 1997 to 2015) that can be found on the CalPERS' website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Long-Term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued):

Discount Rate (Continued)

The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Year 1-10 (a)	Real Return Years 11+ (b)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00 %	2.00 %	2.62 %
Inflation Assets	- %	0.77 %	1.81 %
Private Equity	8.00 %	6.30 %	7.23 %
Real Estate	13.00 %	3.76 %	4.93 %
Liquidity	1.00 %	- %	(0.92)%
Total	<u>100.00 %</u>		

In the system's Comprehensive Annual Financial Report ("CAFR"), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(a) An expected inflation of 2.5% is used for this period.

(b) An expected inflation of 3.0% is used for this period.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability (asset), calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	Discount Rate less 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate plus 1% (8.15%)
Plan's net pension liability	\$ 4,292,835	\$ 2,127,040	\$ 333,289

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

Payable to the Pension Plan - At June 30, 2018, there was no outstanding account payable for contributions to the pension plan required for the year ended June 30, 2018.

Subsequent Events - There were no subsequent events that would materially affect the results presented in this disclosure.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB)

Plan description - The Authority participates in the CalPERS 2% at 55 Public Agency Miscellaneous Employees' pension plan for all regular employees hired before January 1, 2013, and 2% at 62 for those hired on or after January 1, 2013.

Employees who retire with a CalPERS pension (at least age 50, or age 52 for employees hired on or after January 1, 2013, with five years of services) are eligible for post-employment medical benefits.

The Authority contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act (\$125 per month in 2016, increasing to \$128 in 2017). Retirees must contribute any premium amounts in excess of the Authority's contributions described above. Amounts paid by the Authority continue for the lifetime of the retiree and any surviving spouse, subject to CalPERS' eligibility requirements.

Employees Covered by the Plan

Active employees	49
Inactive employees or beneficiaries currently receiving benefit payments	<u>4</u>
Total	<u><u>53</u></u>

During the July 1, 2016 to June 30, 2017 measurement period, the Authority entered into an agreement with CalPERS whereby the Authority participates in the California Employers' Retiree Benefit Trust Fund Program ("CERBT"), an agent-multiple employer postemployment health plan, to prefund other postemployment benefits through CalPERS. The financial statements for CERBT may be obtained by writing the California Public Employees' Retirement System, Constituent Relations Office, CERT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709 or by calling 888-225-7377.

Requirements of GASB 75 – GASB Statement No. 75 has mandated disclosure of other post-employment benefit (OPEB) liabilities for all government employers beginning in 2009. During fiscal years prior to 2012, the Authority's employees were actually employees of the City and not employees of the Authority itself, therefore there was no OPEB obligation or expense recognized in fiscal years prior to 2012. The provisions of GASB 75 are effective for fiscal years beginning after June 15, 2017.

Funding Policy – Prior to July 1, 2016, the Authority financed the OPEB retiree health plan on a pay-as-you-go basis. For the measurement period ended June 30, 2017, the Authority made a pay-as-you-go payment of \$30,988 plus a one-time special contribution in the amount of \$981,940 to CERBT. The Authority intends to make annual payments equal to the actuarially determined contribution.

As of June 30, 2017, the fair value of the Authority's investments in the CERBT was \$975,722. This balance is net of all plan activity during the measurement period ending June 30, 2017, including net annual investment earnings amounting to (\$6,213) and pay-as-you-go benefit payments of \$30,988.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

The following table summarizes the sources used to satisfy measurement period 2016/2017 contributions to the plan:

Employer Contribution to CERBT	\$ 981,940
Pay-as-you-go Payments unreimbursed by trust	1,833,461
Active Implicit Rate Subsidy Transferred to OPEB	<u>20,989</u>
Total Defined Benefit Pay-as-you-go Costs	<u>\$ 2,836,390</u>

Net OPEB Liability

Net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date October 31, 2016 that was rolled forward to determine the June 30, 2017 total OPEB liability based on the following actuarial methods and assumptions.

<u>Description</u>	<u>Method/Assumption June 30, 2017</u>
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Discount Rate	7.28%
Inflation	2.00%
Salary Increases	3.25%
Investment Rate of Return	7.28%
Healthcare Cost Trend Rates	8.00% pre-65 and 5.50% post-65 initial trend rates for 2018. Decreasing 0.25% per year until ultimate rate of 5.00% is reached in 2030 pre-65 and 2020 post-65.
Mortality	Pre-retirement CalPERS 2014 Mortality for pre-retirement Post-retirement: CalPERS 2014 Mortality for post-retirement.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past experiences and new estimates are made about the future. Actuarial calculations were performed based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing cost between the Authority and plan members through June 30, 2017. Additionally, actuarial calculations reflect a long-term perspective and include methods and assumptions that were designed to reduce short-term volatility of actuarial accrued liabilities and actuarial value of assets. The Authority has relied on the work of the Authority's actuary to determine the Authority's net OPEB liability, and considers the underlying assumptions used by the actuary to be reasonable.

Long-Term Expected Rate of Return

The valuation uses a discount rate of 7.28% per year, net of investment expenses and including inflation. This is a long-term rate of return assumption on plan assets. This rate is based on the general inflation rate and expected real rate of return required for

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Long-Term Expected Rate of Return (Continued)

CalPERS reporting for use by employers who elect certain investment strategies as participants in CERBT. The target allocation and best estimates for long-term expected real rates of return for each major asset class, as of June 30, 2017, the measurement date, are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Real Rate of Return</u>
Equity	60.00 %	5.62%
Fixed Income	32.00 %	1.70%
REITs	8.00 %	5.06%
Total	<u>100.00 %</u>	

Changes in the Net OPEB Liability

The following table shows the changes in the Net OPEB Liability recognized over the measurement period.

	Increase/Decrease		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance at June 30, 2017	\$ 2,477,261	\$ -	\$ 2,477,261
Service Cost	162,835	-	162,835
Interest	74,812	-	74,812
Change in benefit terms	-	-	-
Differences between Expected and Actual Experience	(3,275)	-	(3,275)
Changes in Assumptions	(1,482,802)	-	(1,482,802)
Contributions - Employer	-	1,012,388	(1,012,388)
Contributions - Employee	-	-	-
Benefit Payments	-	(6,213)	6,213
Administrative Expenses	(30,448)	(30,448)	-
Net Changes	<u>-</u>	<u>(5)</u>	<u>5</u>
Balance at June 30, 2018	<u>\$ 1,198,383</u>	<u>\$ 975,722</u>	<u>\$ 222,661</u>

The required schedule of changes in the net OPEB liability and related ratios immediately following the notes to the financial statements presents the beginning and ending balances of the total OPEB liability, the plan fiduciary net position available for OPEB benefits, and the net OPEB liability, as well as the itemized changes in those amounts during the fiscal year. The schedule also reports a ratio of plan fiduciary net position as a percentage of the total OPEB liability, the payroll amount for current employees in the plan (covered employee payroll), and a ratio of the net OPEB liability as a percentage of the covered employee payroll. One year of information is presented and will build to 10 years of information on a prospective basis.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability (Continued)

The required schedule of employer contributions immediately following the notes to the financial statements presents the actuarially determined contribution to the OPEB Plan, the actual contribution, the difference between the actual and actuarially determined contributions, and a ratio of actual contributions as a percentage of covered employee payroll.

Sensitivity of the Net OPEB Liability Due to Changes in the Discount Rate – Pursuant to GASB 75, the following table represents the net OPEB liability, calculated using the current discount rate of 7.28%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.28)%	Current Discount Rate (7.28)%	1% Increase (8.28)%
Net OPEB Liability	\$ <u>407,228</u>	\$ <u>222,661</u>	\$ <u>73,594</u>

Sensitivity of the Net OPEB Liability Due to Changes in the Health Care Cost Trend Rate – Pursuant to GASB 75, the following table represents the net OPEB liability of the Authority, calculated using the current health care cost trend rate of 8.00% /5.50% as well as what it would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	(7.00% pre-65/ 4.50% post-65 decreasing to 4.00% Pre-65/post-65)	(8.00% pre-65/ 5.50% post-65 decreasing to 5.00% Pre-65/post-65)	(9.00% pre-65/ 6.50% post-65 decreasing to 6.00% Pre-65/ post-65)
Net OPEB Liability	\$ <u>52,958</u>	\$ <u>222,661</u>	\$ <u>435,922</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLANS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability (Continued)

OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the Authority recognized OPEB expense of \$36,938. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ -	\$ -
Net Difference Between Expected and Actual Experience in the Measurement of the TOL	-	2,854
Assumption Changes	-	1,292,382
Net Difference Between Projected and Actual Investment Earnings	16,086	-
Total	\$ 16,086	\$ 1,295,236

Pursuant to GASB 75, amounts reported as deferred outflows of resources related to OPEB contributions made subsequent to the measurement date of June 30, 2017, will be recognized as a reduction of the net OPEB Liability in the fiscal year ending June 30, 2019. These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized OPEB expense as follows:

Fiscal Year Ending June 30:	Amount
2019	\$ (186,820)
2020	(186,820)
2021	(186,820)
2022	(186,818)
2023	(190,841)
Thereafter	(341,031)
Total	\$ (1,279,150)

NOTE 8. NOTES RECEIVABLE

At June 30, 2018, the Authority had \$28,071,510 of notes receivable due to them, the balance being comprised of \$24,777,795 of loans.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. NOTES RECEIVABLE (CONTINUED)

A summary of the Authority's loans is outlined below:

<u>Borrower</u>	<u>Original Note</u>	<u>Note Date</u>
Playa del Alameda	\$243,109	1/31/2000
Breakers at Bayport LP	\$2,015,000	1/4/2004
Taplin, Tarriko	\$23,600	3/9/2007
Nebeker, Bud	\$31,800	12/18/2007
Moore, Annalisa	\$31,800	1/23/2008
Shinsei Gardens Apartments LP	\$4,000,000	3/24/2008
Alameda Islander LP	\$8,600,000	9/27/2011
Jack Capon Villa LP	\$225,000	11/1/2013
Jack Capon Villa LP	\$1,400,000	11/1/2013
Jack Capon Villa LP	\$200,000	11/1/2013
Rojas, Ana	\$4,148	4/16/2013
Assefa, Fikre	\$4,148	6/10/2013
Petochis, Nicola	\$7,676	8/1/2013
Island City Development - 2437 Eagle	\$1,000,000	8/10/2015
Island City Development - Rosefield	\$1,000,000	2/10/2016
Stargell Commons LP	\$2,000,000	11/24/2015
Sherman and Buena Vista LP	\$3,600,000	12/1/2016
Sherman and Buena Vista LP	\$3,410,000	12/1/2016
Island City Development - Operating Capital	\$250,000	4/28/2017
Everett and Eagle LP	\$4,250,000	6/21/2017
Island City Development - North Housing	\$300,000	10/23/2017

Effective January 31, 2000, Playa del Alameda Associates entered into an amended and restated promissory note with the Authority for \$243,109 for the Playa del Alameda property located at 148 Crolls Garden Court. The interest accrues at 1% per annum. The full principal and interest are due on January 31, 2055, or upon the occurrence of a default as defined in the loan agreement. The loan was paid off during fiscal year 2018.

Effective January 5, 2004, Resource for Community Development entered into a promissory note with the Authority for an amount not to exceed \$2,015,000 for the Breakers at Bayport property located at 459 Neptune Gardens Avenue. This loan was assigned to the Breakers at Bayport LP on October 14, 2004. This loan accrues no interest. Payments shall be deferred until January 5, 2059. The outstanding balance on the note at June 30, 2018, was \$1,408,790.

Effective March 9, 2007, Tarriko L. Taplin and Anthony Taplin entered into a promissory note with the City (and therefore the Successor Agency per ROPS) for \$23,600 for the property at 338 Ansel Avenue. A balloon payment is due on March 9, 2021. If the principal amount is paid after March 9, 2011, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance on the note at June 30, 2018, was \$23,600.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. NOTES RECEIVABLE (CONTINUED)

Effective December 18, 2007, Bud D. and Jennifer S. Nebeker entered into a promissory note with the City of Alameda (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 2 Bertero Court. A balloon payment is due on December 18, 2022. If the principal amount is paid after December 19, 2012, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance of the note at June 30, 2018, was \$31,800.

Effective January 23, 2008, Annalisa Moore entered into a promissory note with the City (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 101 Kingfisher Avenue. A balloon payment is due on January 23, 2023. If the principal amount is paid after January 23, 2013, the borrower must also pay a share of the appreciation of the property, as calculated in the note. The outstanding balance on the note at June 30, 2018, was \$31,800.

Effective March 24, 2008, Resources for Community Development entered into a promissory note with the Community Improvement Commission of the City (and therefore the Successor Agency per ROPS) for an amount not to exceed \$4,000,000 for the Shinsei Gardens property, located at 401 Willie Stargell Avenue. The loan was assigned to Shinsei Gardens Apartments LP on March 24, 2008, and was modified on March 24, 2008, and modified again on May 14, 2010. This loan accrues no interest. Payments shall be deferred until March 23, 2063. The outstanding balance on the note at June 30, 2018, was \$1,391,739.

Effective September 27, 2011, Alameda Islander LP entered into a promissory note with the Community Improvement Commission of the City of Alameda (and therefore the Successor Agency per ROPS) for \$8,600,000 for the Park Alameda property located at 2428 Central Avenue. This loan accrues no interest. Payments shall be deferred until September 27, 2068. The outstanding balance on the note at June 30, 2018, was \$8,600,000.

Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$225,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Interest accrues at 5% per annum. Monthly installments of \$2,386 (principal and interest) are due based on a 10-year amortization schedule. The entire unpaid principal and interest shall be due and payable on April 1, 2024. The outstanding balance on the note at June 30, 2018, was \$156,743.

Effective January 11, 2013, Jack Capon Villa LP entered into an amended and restated promissory note with the Authority for an amount not to exceed \$1,400,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Payments shall be deferred until January 17, 2068. The outstanding balance on the note at June 30, 2018, was \$1,400,000.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. NOTES RECEIVABLE (CONTINUED)

Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$200,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Principal and interest shall be due and payable on January 13, 2070. The outstanding balance on the note at June 30, 2018, was \$201,066.

Effective April 16, 2013, Ana M. Rojas entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2018, was \$4,148.

Effective June 10, 2013, Fikre Assefa entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2018, was \$4,148.

Effective August 1, 2013, Nicola Petochis entered into a promissory note with the Authority for the amount of \$7,676, for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower. The outstanding balance on the note at June 30, 2018, was \$7,676.

Effective February 10, 2016, Island City Development entered into a promissory note with the Authority for the amount of \$1,000,000 for the Rosefield project, located on the 700 block of Buena Vista Avenue. The note accrues simple interest at 3% per annum beginning January 1, 2018. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2018, was \$1,000,000.

Effective February 10, 2016, Island City Development entered into a promissory note with the Authority for the amount of \$1,000,000 for the 2437 Eagle project. The note accrues simple interest at 3% per annum beginning January 1, 2018. The principal and interest are due and payable on December 31, 2073. The note was paid off during fiscal year 2018.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. NOTES RECEIVABLE (CONTINUED)

Effective November 24, 2015, Stargell Commons LP entered into a loan agreement with the Authority for the amount of \$2,000,000 for the Stargell Commons property, located at 2700 Bette Street. The loan bears simple interest at 3% per annum. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 2, 2072. The outstanding balance on the note at June 30, 2018, was \$2,000,000.

Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,600,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2018, was \$3,600,000.

Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,410,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073. The outstanding balance on the note at June 30, 2018, was \$3,410,000. See related ground lease in Note 10.

Effective April 28, 2017, Island City Development entered into a promissory note with the Authority for the amount of \$250,000. The note accrues simple interest at 3% per annum beginning July 1, 2017. The principal and interest are due and payable on June 30, 2022. The outstanding balance on the note at June 30, 2018, was \$250,000.

Effective June 21, 2017, Everett and Eagle LP entered into a promissory note with the Authority for the amount of \$4,250,000 for the 2437 Eagle Avenue property. The note accrues interest at 2.68% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2074. The outstanding balance on the note at June 30, 2018, was \$4,250,000.

Effective October 23, 2017, Island City Development entered into a promissory note with the Authority for the amount of \$300,000 for the North Housing Project. The note accrues simple interest at 3% annually beginning of January 1, 2022. The entire amount of outstanding principal and accrued interest are due and payable on December 31, 2074. The outstanding balance on the note at June 30, 2018, was \$300,000.

NOTE 9. GUARANTEES

Related to the Del Monte Senior property located at 1301 Buena Vista Avenue, the Authority entered into a guaranty agreement dated December 1, 2016, and attached as Exhibit E to the amended and restated limited partnership agreement of Sherman and Buena Vista LP for all of its obligations under that agreement, including partnership management duties, development completion, operating deficits, tax credit delivery, and repurchase obligations. The operating deficit guaranty amount is \$245,668. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2020. As of June 30, 2018, the outstanding guarantee was \$917,283.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9. GUARANTEES (CONTINUED)

Related to the Del Monte Senior property located at 1301 Buena Vista Avenue, the Authority entered into an unlimited guaranty agreement with Compass Bank related to the construction loan agreement and promissory note for \$10,322,328, any costs required to achieve permanent loan closing, and any environmental claims pursuant to the Environmental Indemnity Agreement. As of June 30, 2018, the outstanding guarantee was \$671,615.

Related to the 2437 Eagle Avenue property, the Authority entered into a guaranty agreement dated June 27, 2017, and attached as Exhibit D to the first amended and restated limited partnership agreement of Everett and Eagle LP for performance of all their obligations under that agreement including construction completion, operating deficits, liquidity, and tax credit delivery. The operating deficit loan guarantee obligation is up to \$314,000. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2024. As guarantor, the Authority must also maintain liquid assets of at least \$850,000 in aggregate with Island City Development until all obligations are met.

Related to Everett Commons, formerly known as the 2437 Eagle Avenue property, the Authority entered into a payment and performance guaranty dated June 21, 2017, with JP Morgan Chase Bank NA related to construction loan in the amount of \$9,859,528 which will convert to a permanent loan in the amount of \$3,330,168 in 2019.

NOTE 10. GROUND LEASES

On December 1, 1998, the Authority entered into a ground lease agreement with Regent St. CLT Condominiums located at 1129-1131 Regent Street. The lease term is 99 years, ending in 2097.

On May 7, 2001, the Authority entered into a ground lease agreement with Santa Clara Ave CLT Condominiums located at 2201-2203 Santa Clara Avenue and 1502 Walnut Street. The lease term is 99 years, ending in 2100.

On March 14, 2003, the Authority entered into a ground lease agreement with Resources for Community Development ("RCD"), as amended by the First Amendment to Ground Lease dated October 14, 2004 for the Breakers at Bayport development located at 459 Neptune Gardens Avenue. The lease term is 75 years, ending March 31, 2081. On October 14, 2004, the lease was assigned to Breakers at Bayport, LP.

On October 4, 2006, the Authority entered into a ground lease agreement with RCD for the Shinsei Gardens Apartments, located at 401 Willie Stargell Avenue. The lease term is 75 years, ending March 31, 2081. On March 24, 2008, the lease was assigned to Shinsei Gardens Apartments, LP.

On May 25, 2012, the Authority entered into a ground lease agreement with Housing Consortium of the East Bay ("HCEB") and Satellite Housing, Inc. for the Jack Capon Villas, located at 2216 Lincoln Avenue. The rent for the entire lease term, \$100, was prepaid at lease signing. The lease term is 75 years, ending May 25, 2087. In November 2012, the lease was assigned to Jack Capon Villas, LP.

On November 14, 2015, the Authority entered into a ground lease agreement with Stargell Commons, LP for the property located at 2700 Bette Street. The lease term is

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10. GROUND LEASES (CONTINUED)

99 years, ending December 31, 2114. Initial rent of \$400,000 plus \$1 per year in prepaid lease payments for the entire term (\$99) was paid on December 2, 2015.

On December 1, 2016, the Authority entered into a ground lease agreement with Sherman and Buena Vista, LP, a subsidiary of Island City Development, for the property located at 1301 Buena Vista Avenue. The lease term is 99 years, ending December 31, 2115. Unearned rent for the entire lease term of \$3,410,000 was received on December 15, 2016. Unearned revenue will be amortized over the term of the life. See related note receivable in Note 8.

On June 1, 2017, the Authority entered into a ground lease agreement with Everett and Eagle LP, a subsidiary of Island City Development, for the property located at 2437 Eagle Street. The lease term is 99 years, ending June 1, 2116. Prepaid rent for the entire lease term of \$9,900 was paid on June 29, 2017.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Anne B. Diamant and located at 920 Park Street. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC for the property known as China Clipper Plaza and located at 460 Buena Vista Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Lincoln Willow Apartments and located at 2101-2103 Lincoln Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Stanford House and located at 1917 Stanford Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018.

At June 30, 2018, the future rental income required under the lease agreements entered into by the Authority are as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2019	\$ 45,324
2020	45,324
2021	45,324
2022	45,324
2023	45,324
Thereafter	<u>4,047,022</u>
	<u>\$ 4,273,642</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11. JOINT POWERS AGREEMENTS

Workers' Compensation Insurance

The Authority participates in a joint venture under a joint powers agreement ("JPA") with the California Housing Workers' Compensation Authority ("CHWCA"). CHWCA is a California joint powers insurance authority established in 1991 for purpose of providing workers' compensation coverage to California public housing authority members. CHWCA is a special district in the state of California providing its members with a comprehensive workers' compensation coverage program for the sharing of risk for self-insured losses, as well as jointly purchasing claims adjusting services, actuarial services, risk control services, and legal services connected with the program.

CHWCA is governed by a seven-member executive committee which is elected by the 33-member board of directors. Each of CHWCA's 33-member agencies appoint one primary and one alternate member to serve on the board of directors.

The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes. Further information can be found at www.chwca.org.

Property and Liability Insurance

The Authority participates in a joint venture under a JPA with the Housing Authorities Risk Retention Pool ("HARRP"). HARRP was formed to provide property and liability insurance coverage for member housing authorities. At December 31, 2017, there were 86 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes. Further information can be found at www.harrp.com.

ABAG Natural Gas JPA

The Authority participates in a joint venture under a JPA with ABAG POWER, an association of bay area governments service program. The joint powers agency formed in collaboration with many Bay Area cities, and special districts. Currently, ABAG POWER's primary objective is to conduct pooled purchasing of natural gas on behalf of local governments and special districts who voluntarily join the pool. The program enables members to achieve pricing suppliers who are interested in larger and more attractive combined loads. The pool is currently in its twentieth year of operation, and is serving 40 member agencies throughout Pacific Gas and Electric's service territory. There are 66 members in the program. Further information can be found at www.abag.ca.gov/services/power/gas.html

NOTE 12. CONTINGENT LIABILITIES

Federal Grants

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13. PRIOR PERIOD ADJUSTMENTS

Pursuant to the implementation of GASB Statement Nos. 74 and 75, the Authority was required to recognize a prior period adjustment of \$1,501,811 and the OPEB trust was required to recognize a prior period adjustment of \$975,722.

NOTE 14. SUBSEQUENT EVENTS

Management evaluated all activity of the Authority through the date of March 29, 2019, which is the date the financial statements were available to be issued, and concluded that the following subsequent events have occurred that would require disclosure in the notes to the financial statements:

1. The Authority entered into a joint contract of purchase and sale dated March 19, 2018, for the purchase of a below market rate townhouse at 1911 Mulberry Street, Alameda. This property was purchased on August 17, 2018.
2. The Authority entered into a joint contract of purchase and sale dated April 4, 2018, for the purchase of a below market rate townhouse at 2101 Eagle Avenue, Alameda. This property has not yet been purchased.
3. Island City Development became sole member of Rosefield LLC as of October 2018, formed for the purpose of rebuilding and renovating a 53-unit family property located in Alameda, California.
4. On October 17, 2018, the board of the Authority increased its loan commitment to Island City Development from \$5,700,000 to \$7,000,000 for the redevelopment of Rosefield Village.
5. Island City Development executed an amended and restated promissory note from the Authority for the North Housing Project on October 31, 2018, in the amount of \$3,700,000.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2018**

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement Date	6/30/2017	6/30/2016	6/30/2015	6/30/2015
Authority's proportion of the net pension liability	0.021448 %	0.019472 %	0.027020 %	0.030130 %
Authority's proportionate share of the net pension liability	\$ 2,127,040	\$ 1,684,952	\$ 1,854,640	\$ 1,871,494
Authority's covered-employee payroll	\$ 3,906,839	\$ 2,752,784	\$ 3,634,051	\$ 2,717,587
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	54.44 %	61.21 %	51.04 %	69.00 %
Plan fiduciary net position as a percentage of the total pension liability	75.39 %	88.01 %	107.30 %	83.00 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

See independent auditor's report.

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**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2018**

**SCHEDULE OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS
Last 10 Years***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 336,127	\$ 1,322,171	\$ 1,393,004	\$ 300,316
Contributions in relation to the actuarially determined contribution	<u>(336,127)</u>	<u>(1,322,171)</u>	<u>(1,393,004)</u>	<u>(505,233)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (204,917)
Contributions as a percentage of covered-employee payroll	9.37 %	48.03 %	38.33 %	18.66 %
Contributions as a percentage of covered-employee payroll	9.37 %	48.03 %	38.33 %	18.66 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

See independent auditor's report.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2018**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years***

Total OPEB liability	<u>2018</u>
Service cost	\$ 162,835
Interest	74,812
Differences between expected and actual experience	(3,275)
Changes of assumptions	(1,482,802)
Benefit payments, including refunds of employee contributions	<u>(30,448)</u>
Net change in total OPEB liability	(1,278,878)
Total OPEB liability - beginning	<u>2,477,261</u>
Total OPEB liability - ending	<u>\$ 1,198,383</u>
<u>Plan fiduciary net position</u>	
Contributions - employer	\$ 1,012,388
Net investment income	(6,213)
Benefit payments, including refunds of employee contributions	(30,448)
Administrative expense	<u>(5)</u>
Net change in plan fiduciary net position	975,722
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>\$ 975,722</u>
Authority's net OPEB liability	<u>\$ 222,661</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	81.42 %
Covered payroll	<u>\$ 3,906,839</u>
Authority's net OPEB liability as a percentage of covered payroll	5.70 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

JUNE 30, 2018

SCHEDULE OF THE AUTHORITY'S OPEB PLAN CONTRIBUTIONS

Last 10 Years*

	<u>2018</u>
Actuarially determined contributions	\$ 128,377
Contributions in relation to the actuarially determined contribution	<u>(1,012,388)</u>
Contribution deficiency (excess)	<u>\$ (884,011)</u>
Authority's covered-employee payroll	\$ 3,906,839
Contributions as a percentage of covered-employee payroll	25.91 %

*These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

See independent auditor's report.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2018

Actuarial assumptions for valuations performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Changes of benefit terms:

There were no changes to the benefit terms which impact the measurements provided in the pension plan.

There were no changes to the benefit terms which impact the measurements provided in the OPEB plan.

Changes in assumptions:

There were no changes in assumptions which impact the measurements provided in the pension plan.

There were no changes in assumptions which impact the measurements provided in the OPEB plan.

Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity Wide Balance Sheet
 6/30/2018

	14.871 Housing Choice Vouchers	14.896 PHH Family Self-Sufficiency Program	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Shelter Plus Care	2 State/Local	Alameda Affordable Housing Corporation	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
111 Cash - Unrestricted	\$	\$ 556	\$ 122,413	\$	\$ 4,907,550	\$ 265,357	\$ 4,395,876		\$ 4,395,876	\$ 3,110,810	\$	\$ 7,506,686
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted	125,110				834,499	100,000	1,059,609		1,059,609			1,059,609
114 Cash - Tenant Security Deposits					552,522		552,522		552,522			552,522
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	125,110	556	122,413		5,394,571	365,357	6,008,007		6,008,007	3,110,810		9,118,817
121 Accounts Receivable - PHA Projects	10,727						10,727		10,727	227,599		238,326
122 Accounts Receivable - HUD Other Projects		31,338					31,338		31,338			31,338
124 Accounts Receivable - Other Government		56		23,677	342,320		366,053		366,053			366,053
125 Accounts Receivable - Miscellaneous	7,186			320	43,818		51,324		51,324	196,464		247,788
126 Accounts Receivable - Tenants	45,311				127,084		172,395		172,395			172,395
126.1 Allowance for Doubtful Accounts - Tenants					(61,830)		(61,830)		(61,830)			(61,830)
126.2 Allowance for Doubtful Accounts - Other												
127 Notes, Loans, & Mortgages Receivable - Current												
128 Fraud Recovery					25,793		25,793		25,793			25,793
128.1 Allowance for Doubtful Accounts - Fraud					(25,068)		(25,068)		(25,068)			(25,068)
129 Accrued Interest Receivable	1,366				147,867		149,233		149,233			149,233
120 Total Receivables, Net of Allowances for Doubtful Accounts	64,990	31,394		23,997	599,984		719,965		719,965	424,063		1,144,028
131 Investments - Unrestricted	20,630				25,551,211		25,571,841		25,571,841		1,051,622	26,623,463
132 Investments - Restricted	118,752						118,752		118,752			118,752
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets					62,626	300	62,926		62,926	3,773,717		3,836,643
143 Inventories					7,016		7,016		7,016			7,016
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From		34,512	9	68,064	1,293,759		1,396,344	(1,396,344)				
145 Assets Held for Sale												
150 Total Current Assets	329,082	66,462	122,422	92,061	32,909,167	365,657	33,884,851	(1,396,344)	32,488,507	7,308,590	1,051,622	40,848,719
161 Land					22,022,054		22,022,054		22,022,054			22,022,054
162 Buildings					27,298,673	5,738,238	33,036,913		33,036,913			33,036,913
163 Furniture, Equipment & Machinery - Dwellings	36,429				318,646		355,075		355,075			355,075
164 Furniture, Equipment & Machinery - Administration					11,950		11,950		11,950			11,950
165 Leasehold Improvements	5,684				11,483,696		11,489,380		11,489,380			11,489,380
166 Accumulated Depreciation	(36,429)				(23,943,365)	(2,834,623)	(26,814,416)		(26,814,416)			(26,814,416)
167 Construction in Progress					8,718		8,718		8,718	15,201,861		15,210,579
168 Infrastructure												
160 Total Capital Assets, Net of Accumulated Depreciation	5,684				37,500,374	2,903,616	40,409,674		40,409,674	15,201,861		55,611,535
171 Notes, Loans and Mortgages Receivable - Non-Current					41,846,510		41,846,510	(13,775,000)	28,071,510			28,071,510
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due												
173 Grants Receivable - Non-Current												
174 Other Assets												
176 Investments in Joint Ventures												
180 Total Non-Current Assets	5,684				79,346,884	2,903,616	82,256,184	(13,775,000)	68,481,184	15,201,861		83,683,045
200 Deferred Outflow of Resources	777,955	25,095			1,706,482		2,509,532		2,509,532			2,509,532
290 Total Assets and Deferred Outflow of Resources	\$ 1,112,721	\$ 91,557	\$ 122,422	\$ 92,061	\$ 113,962,533	\$ 3,269,273	\$ 118,650,567	\$ (15,171,344)	\$ 103,479,223	\$ 22,510,451	\$ 1,051,622	\$ 127,041,296

See Accompanying Independent Auditor's Report

Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity Wide Revenue and Expense Summary
 6/30/2018

	14.871 Housing Choice Vouchers	14.896 PIH Family Self-Sufficiency Program	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	Shelter Plus Care	2 State/Local	Alameda Affordable Housing Corporation	Subtotal	ELIM	Total	Island City Development	OPEB Trust Fund	Grand Total
7060 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 3,949,385	\$ -	\$ 3,949,385	\$ -	\$ 3,949,385	\$ -	\$ -	\$ 3,949,385
7040 Tenant Revenue - Other	-	-	-	-	8,213	-	8,213	-	8,213	-	-	8,213
7090 Total Tenant Revenue	-	-	-	-	3,957,598	-	3,957,598	-	3,957,598	-	-	3,957,598
7060 HUD PHA Operating Grants	29,994,186	30,035	223,023	-	-	-	30,247,244	-	30,247,244	-	-	30,247,244
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-
70740 Front Lane Service Fee	-	-	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	29,994,186	30,035	223,023	-	-	-	30,247,244	-	30,247,244	-	-	30,247,244
70800 Other Government Grants	-	-	-	290,346	8,281,570	-	8,571,916	-	8,571,916	-	-	8,571,916
71100 Investment Income - Unrestricted	103	-	-	-	419,800	-	419,903	-	419,903	-	-	419,903
71200 Mortgage Interest Income	-	-	-	-	7,131	-	7,131	-	7,131	-	-	7,131
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	12	-	12	-	12	-	-	12
71500 Other Revenue	559,091	-	-	19,700	3,474,841	-	4,053,542	-	4,053,542	80,298	77,712	4,211,552
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	10,228,006	(10,221,384)	6,622	-	6,622	-	-	6,622
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-
70000 Total Revenue	\$ 30,553,290	\$ 30,035	\$ 223,023	\$ 310,046	\$ 26,368,958	\$ (10,221,384)	\$ 47,263,968	\$ -	\$ 47,263,968	\$ 80,298	\$ 77,712	\$ 47,421,978
91100 Administrative Salaries	\$ 1,282,344	\$ -	\$ 42,973	\$ -	\$ 2,068,600	\$ -	\$ 3,393,917	\$ -	\$ 3,393,917	\$ -	\$ -	\$ 3,393,917
91200 Auditing Fees	6,027	-	300	-	52,873	-	59,200	-	59,200	-	-	59,200
91300 Management Fee	-	-	-	-	40,248	-	40,248	-	40,248	-	-	40,248
91310 Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	-	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-
91500 Employee Benefit Contributions - Administrative	609,553	-	-	-	1,058,829	-	1,668,382	-	1,668,382	-	-	1,668,382
91600 Office Expenses	339,651	-	-	-	1,226,729	-	1,566,380	-	1,566,380	161,888	-	1,728,268
91700 Legal Expense	130,140	-	-	-	261,214	-	391,354	-	391,354	-	-	391,354
91800 Travel	-	-	-	-	-	-	-	-	-	-	-	-
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-
91900 Other	49,373	-	-	-	-	-	49,373	-	49,373	2,505	520	52,398
91000 Total Operating - Administrative	2,417,088	-	43,273	-	4,708,493	-	7,168,854	-	7,168,854	164,393	520	7,333,767
92000 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-
92100 Tenant Services - Salaries	-	23,767	-	-	165,611	-	189,378	-	189,378	-	-	189,378
92200 Relocation Costs	-	-	-	-	7,480	-	7,480	-	7,480	-	-	7,480
92300 Employee Benefit Contributions - Tenant Services	1,697	14,623	-	-	98,937	-	115,257	-	115,257	-	-	115,257
92400 Tenant Services - Other	-	1,052	-	-	260,632	-	261,684	-	261,684	-	-	261,684
92500 Total Tenant Services	1,697	39,444	-	-	532,660	-	573,801	-	573,801	-	-	573,801

See Accompanying Independent Auditor's Report
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Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity Wide Revenue and Expense Summary
 6/30/2018

93100 Water	1,358	-	-	-	281,009	-	282,367	-	282,367	-	-	282,367
93200 Electricity	5,153	-	-	-	143,560	-	148,713	-	148,713	-	-	148,713
93300 Gas	226	-	-	-	102,371	-	102,397	-	102,397	-	-	102,397
93400 Fuel	-	-	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-	-	-
93600 Sewer	261	-	-	-	286,853	-	287,114	-	287,114	-	-	287,114
93700 Employer Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	1,672	-	-	-	429,116	-	430,788	-	430,788	-	-	430,788
93000 Total Utilities	8,670	-	-	-	1,242,909	-	1,251,379	-	1,251,379	-	-	1,251,379
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-	616,249	-	616,249	-	616,249	-	-	616,249
94200 Ordinary Maintenance and Operations - Materials and Other	413	-	-	-	201,847	-	202,260	-	202,260	-	-	202,260
94300 Ordinary Maintenance and Operations Contracts	18,495	-	-	-	927,788	-	946,283	-	946,283	-	-	946,283
94500 Employer Benefit Contributions - Ordinary Maintenance	6	-	-	-	365,745	-	365,751	-	365,751	-	-	365,751
94000 Total Maintenance	18,914	-	-	-	2,111,629	-	2,130,543	-	2,130,543	-	-	2,130,543
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	210,000	-	210,000	-	210,000	-	-	210,000
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-
95500 Employer Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	210,000	-	210,000	-	210,000	-	-	210,000
96110 Property Insurance	537	-	-	-	89,534	-	90,071	-	90,071	-	-	90,071
96120 Liability Insurance	12,229	-	-	-	61,322	-	73,361	-	73,361	-	-	73,361
96130 Workmen's Compensation	6,976	128	-	-	32,951	-	40,055	-	40,055	-	-	40,055
96140 All Other Insurance	2,438	-	-	-	18,116	-	20,554	-	20,554	-	-	20,554
96100 Total Insurance Premiums	22,190	128	-	-	201,923	-	224,241	-	224,241	-	-	224,241
96200 Other General Expenses	64,519	-	-	-	11,976	-	76,495	-	76,495	-	1,292	77,787
96210 Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-
96400 Bad debt - Tenant Rents	-	-	-	-	30,999	-	30,999	-	30,999	-	-	30,999
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	64,519	-	-	-	42,975	-	107,494	-	107,494	-	1,292	108,786

See Accompanying Independent Auditor's Report
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Housing Authority of the City of Alameda
 Financial Data Schedule
 Entity Wide Revenue and Expense Summary
 6/30/2018

9670 Interest of Mortgage (or Bonds) Payable	-	-	-	-	1,184,230	-	1,184,230	-	1,184,230	-	-	1,184,230
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	-	1,184,230	-	1,184,230	-	1,184,230	-	-	1,184,230
96900 Total Operating Expenses	2,533,078	39,572	43,273	-	10,234,819	-	12,850,742	-	12,850,742	164,393	1,812	13,016,947
97000 Excess of Operating Revenue over Operating Expenses	28,020,212	(9,537)	179,750	310,046	16,134,139	(10,321,384)	34,413,226	-	34,413,226	(84,095)	75,900	34,405,031
97100 Extraordinary Maintenance	-	-	-	-	29,143	-	29,143	-	29,143	-	-	29,143
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	28,701,224	-	179,750	245,979	-	-	29,126,953	-	29,126,953	-	-	29,126,953
97350 HAP Portability-In	485,753	-	-	-	-	-	485,753	-	485,753	-	-	485,753
97400 Depreciation Expense	-	-	-	-	1,511,384	-	1,511,384	-	1,511,384	-	-	1,511,384
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-	-
96900 Total Expenses	\$ 31,720,955	\$ 39,572	\$ 223,023	\$ 245,979	\$ 11,775,546	\$ -	\$ 44,004,175	\$ -	\$ 44,004,175	\$ 164,393	\$ 1,812	\$ 44,170,380
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (1,166,765)	\$ (9,537)	\$ -	\$ 64,067	\$ 14,593,412	\$ (10,321,384)	\$ 3,259,793	\$ -	\$ 3,259,793	\$ (84,095)	\$ 75,900	\$ 3,251,598
10010 Operating Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
10020 Operating transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
10030 Operating Transfers from: to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-
10040 Operating Transfers from: to Component Unit	-	-	-	-	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain / Loss	-	-	-	-	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain / Loss)	-	-	-	-	-	-	-	-	-	1,258,151	-	1,258,151
10091 Inter-Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
10092 Inter-Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-
10100 Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	1,258,151	-	1,258,151
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(486,876)	(15,018)	-	-	(699,574)	(300,343)	(1,501,811)	-	(1,501,811)	-	975,722	(526,089)
Beginning Net Position	\$ (288,464)	\$ (1,738)	\$ 71,276	\$ 27,994	\$ 64,264,860	\$ -	\$ 64,073,928	\$ -	\$ 64,073,928	\$ (363,033)	\$ -	\$ 63,710,895
Ending Net Position	\$ (1,942,105)	\$ (26,295)	\$ 71,276	\$ 92,064	\$ 78,158,698	\$ (10,521,727)	\$ 65,831,910	\$ -	\$ 65,831,910	\$ 811,025	\$ 1,051,622	\$ 67,694,555

See Accompanying Independent Auditor's Report
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Alameda, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alameda's basic financial statements and have issued our report thereon dated March 29, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Alameda's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Alameda's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alameda's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness (2018-001).

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Alameda's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Housing Authority of the City of Alameda's Response to Finding

The Housing Authority of the City of Alameda's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Alameda's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citrin Cooperman & Company, LLP
 CERTIFIED PUBLIC ACCOUNTANTS

Bethesda, Maryland
 March 29, 2019



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Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

The Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Alameda's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Housing Authority of the City of Alameda's major federal programs for the year ended June 30, 2018. The Housing Authority of the City of Alameda's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Alameda's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Alameda's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of Alameda's compliance.



Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Alameda complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Alameda is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Alameda's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alameda's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Citrin Cooperman & Company, LLP
 CERTIFIED PUBLIC ACCOUNTANTS

Bethesda, Maryland
 March 29, 2019

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass through Identification Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD):			
Direct Programs:			
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	N/A	\$ 223,023
Section 8 Housing Choice Vouchers	14.871	N/A	29,994,186
Family Self-Sufficiency	14.896	N/A	<u>30,035</u>
			30,247,244
Pass-through from City of Alameda:			
Shelter Plus Care	14.238	CA0083L9T021609	<u>290,346</u>
U.S. Department of Housing and Urban Development (HUD)			<u>30,537,590</u>
Total Federal Expenditures			<u>\$ 30,537,590</u>

See accompanying notes to the schedule of expenditures of federal awards.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

1. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the City of Alameda (the "Authority") under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not present the financial position, changes in net position, or cash flows of the Authority.
2. The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting.
3. The Authority did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2018.
4. The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Section I: Summary of Auditor's Results***Financial Statements***

Type of auditor's report to be issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiencies identified?	None reported
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
Section 8 Housing Choice Vouchers	CFDA 14.871
Dollar threshold to distinguish between Type A and Type B programs	\$ 916,128
Auditee qualified as low risk auditee?	No

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2018**

Section II: Financial Statement Findings

Finding 2018-001: Internal control over financial reporting (Material Weakness)

Condition and Context: For the year ended June 30, 2018, adjusting journal entries were required to conform the financial statements to Generally Accepted Accounting Principles.

Effect or Potential Effect: Numerous accounts had incorrect balances prior to the audit.

Cause: The accounting personnel charged with recording the journal entries into the general ledger were either inexperienced or did not understand the effect of the information they were provided.

Criteria: Several material adjustments were required to cash, capital assets, and net position to conform the financial statements to Generally Accepted Accounting Principles.

Recommendation: Complex or infrequent journal entries should be reviewed by those with unique knowledge as part of the review/monitoring/communication process. It may be necessary for departments to work with accounting to accomplish this in a complete and timely manner.

Responsible Official's Response: The accounting staff that did this work are no longer employed with the Authority. The Authority has hired a controller and is in the process of hiring a new finance director. The Authority also has the assistance of a fee accountant, the fee accountant intends to provide guidance and training to the new director of finance. As part of this guidance the fee accountant intends to implement a Balance Sheet Analysis (BSA) approach to the year-end financial statement preparation. The BSA approach requires that all fiscal year-end balance sheet accounts have proper documentation to support the balances reported in the year-end financial statements. This approach will provide the auditors documentation to support their audit field work and audit report. Additional automated IT checks in Yardi have been set in place to ensure that journal entries are approved over certain amounts. The Authority will require the director of finance to approve all journal entries not created by the director of finance directly and any journal entries prepared by the director of finance will be provided to the executive director for approval. Co-ordination with other departments will be strengthened to ensure timely accurate booking of complex transactions.

Section III: Federal Awards Findings and Questioned Costs

None noted.



Housing Authority of the City of Alameda

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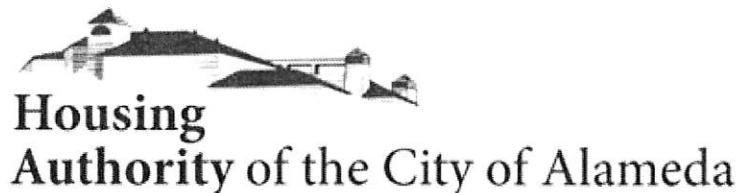
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 06/30/2018

Finding Number: 2017-001

Finding Summary: Journal entries were not properly recorded, including a material transaction of land and unearned revenue related to the development activities at the Authority. The accounting personnel charged with recording the journal entries into the general ledger either were inexperienced or unable to fully understand the information they were provided. There were a number of journal entries recorded, including client accommodation entries. One journal entry was material. The material transaction related to the donation of land and subsequent issuance of a loan note equal to the prepayment of the lease of land to Sherman and Buena Vista LP for the same property.

Status: Journal entries that were not properly recorded were primarily real estate journal entries relating to the receipt and leasing of land. There were a limited number of real estate related journal entries in 2017-18. A separate consultant will review all real estate transactions going forward.





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CORRECTIVE ACTION PLAN
06/30/2018

Finding 2018-001

Internal Control over Financial Reporting (Material Weakness)

Corrective Action Plan:

The Authority has hired a controller and is in the process of hiring a new finance director. The Authority also has the assistance of a fee accountant; the fee accountant intends to provide guidance and training to the new director of finance. As part of this guidance, the fee accountant intends to implement a Balance Sheet Analysis (BSA) approach to the year-end financial statement preparation. The BSA approach requires that all fiscal year-end balance sheet accounts have proper documentation to support the balances reported in the year-end financial statements. This approach will provide the auditors with documentation to support their audit field work and audit report. Additional automated IT checks in Yardi have been set in place to ensure that journal entries are approved over certain amounts. The Authority will require the director of finance to approve all journal entries not created by the director of finance directly and any journal entries prepared by the director of finance will be provided to the executive director for approval.

Name of Responsible Person: Vanessa Cooper, Executive Director

Anticipated Completion Date: June 30, 2019



Housing Authority of the City of Alameda
 Year End: June 30, 2018
 Adjusting journal entries
 Date: 7/1/2017 To 6/30/2018

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Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	6/30/2018	Notes, Loans and Mortgages Receivable - Non-Curren	171-SL						
1	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-SL			860,000.00	860,000.00		
		To add a Note Receivable/Payable to the Authority's books.							
2	6/30/2018	Deferred Outflow of Resources	200-SL	MM2			842,109.00		
2	6/30/2018	Accrued Pension and OPEB Liabilities	357-SL	MM2			92,062.00		
2	6/30/2018	Deferred Inflow of Resources	400-SL	MM2			750,585.00		
2	6/30/2018	Deferred Outflow of Resources	200-FSS	MM2		7,175.00			
2	6/30/2018	Accrued Pension and OPEB Liabilities	357-FSS	MM2			12,670.00		
2	6/30/2018	Deferred Inflow of Resources	400-FSS	MM2			16,695.00		
2	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-SL	MM2		1,021,232.00			
2	6/30/2018	Deferred Outflow of Resources	200-HCVP	MM2			199,252.00		
2	6/30/2018	Accrued Pension and OPEB Liabilities	357-HCVP	MM2			41,118.00		
2	6/30/2018	Deferred Inflow of Resources	400-HCVP	MM2			436,261.00		
2	6/30/2018	Employee Benefit contributions - Administrative	91500-SL	MM2		477,738.00			
2	6/30/2018	Employee Benefit Contributions - Tenant Services	92300-SL	MM2		39,811.00			
2	6/30/2018	Employee Benefit Contributions - Ordinary Maintena	94500-SL	MM2		145,975.00			
2	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-FSS	MM2		15,018.00			
2	6/30/2018	Employee Benefit Contributions - Tenant Services	92300-FSS	MM2		7,172.00			
2	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-HCVP	MM2		465,561.00			
2	6/30/2018	Employee Benefit contributions - Administrative	91500-HCVP	MM2		211,070.00			
		To adjust pension and OPEB related balances per updated amounts							
3	6/30/2018	Cash - Unrestricted	111-SL	A2		1,147,251.00			
3	6/30/2018	Accounts Receivable - Miscellaneous	125-SL	A2			1,147,251.00		
		To reclass cash and AR related to outstanding transfers							
4	6/30/2018	Cash - Other Restricted	113-SL	A2					
4	6/30/2018	Prepaid Expenses and Other Assets	142-SL	A2		93,710.00	93,710.00		
		To reclass restricted cash and other current assets to more accurately reflect cash at year end							
5	6/30/2018	Cash - Unrestricted	111-SL	A2		152,428.00			
5	6/30/2018	Cash - Other Restricted	113-SL	A2			107,567.00		
5	6/30/2018	Cash - Tenant Security Deposits	114-SL	A2			44,861.00		
5	6/30/2018	Cash - Other Restricted	113-HCVP	A2		37,872.00			
5	6/30/2018	Investments - Unrestricted	131-HCVP	A2		20,630.00			
5	6/30/2018	Investments - Restricted	132-HCVP	A2			58,502.00		
		To properly record restricted cash							
6	6/30/2018	Current Portion of Long-term Debt - Capital Projec	343-SL	AA2			631.00		
6	6/30/2018	Current Portion of Long-term Debt - Capital Projec	343-SL	AA2			1,003,641.00		
6	6/30/2018	Current Portion of Long-term Debt - Operating Borr	344-SL	AA2		631.00			
6	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-SL	AA2			1,003,641.00		

Housing Authority of the City of Alameda
 Year End: June 30, 2018
 Adjusting journal entries
 Date: 7/1/2017 To 6/30/2018

751-1

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
		To reclassify long-term debt to display the short-term portion of the debt							
7	6/30/2018	Inter Program Due From	144-SL			54,456.00			
7	6/30/2018	Accounts Payable <= 90 Days	312-SL		II1		54,456.00		
7	6/30/2018	Inter Program - Due To	347-HCVP		II1		54,456.00		
7	6/30/2018	Non-current Liabilities - Other	353-HCVP		II1	54,456.00			
		To true up FSS escrow balance at year end							
8	6/30/2018	Cash - Unrestricted	111-SL			300.00			
8	6/30/2018	Cash - Unrestricted	111-SL				265,657.00		
8	6/30/2018	Cash - Other Restricted	113-SL				100,000.00		
8	6/30/2018	Buildings	162-SL				5,738,238.00		
8	6/30/2018	Accumulated Depreciation	166-SL			2,834,622.00			
8	6/30/2018	Unearned Revenue	342-SL				300.00		
8	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-SL			13,125,000.00			
8	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-SL			666,000.00			
8	6/30/2018	Cash - Unrestricted	111-BCU			265,657.00			
8	6/30/2018	Cash - Unrestricted	111-BCU			100,000.00			
8	6/30/2018	Cash - Other Restricted	113-BCU			300.00			
8	6/30/2018	Prepaid Expenses and Other Current Assets	142-BCU						
8	6/30/2018	Buildings	162-BCU			5,738,238.00			
8	6/30/2018	Accumulated Depreciation	166-BCU				2,834,622.00		
8	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-BCU				13,125,000.00		
8	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-BCU				666,000.00		
8	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-SL			100,000.00			
8	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-SL			265,657.00			
8	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-SL				666,000.00		
8	6/30/2018	Gain or Loss on Sale of Capital Assets	71600-SL			10,221,384.00			
8	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-BCU				100,000.00		
8	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-BCU			666,000.00			
8	6/30/2018	Prior Period Adjustments, Equity Transfers and Cor	11040-BCU			10,221,384.00			
8	6/30/2018	Gain/Loss on Sale of Fixed Asset	71600-BCU				265,657.00		
		To record AAHC Financials as a blended component unit							
9	6/30/2018	Capital Grants	70610-SL			836,215.00			
9	6/30/2018	Other General Expenses	96200-SL				836,215.00		
		To adjust the capital grant revenue and capital grant expenses							
10	6/30/2018	Accrued Interest Payable	325-SL		AA2		961,846.00		
10	6/30/2018	Long-term Debt, Net of Current - Capital Projects/	351-SL		AA2	961,846.00			
		To reclass accrued interest payable out of debt							
11	6/30/2018	Accounts Payable <= 90 Days	312-SL		LL1	35,596.00			

Housing Authority of the City of Alameda
 Year End: June 30, 2018
 Adjusting journal entries
 Date: 7/1/2017 To 6/30/2018

751-2

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
11	6/30/2018	Inter Program - Due To	347-SL	LL1			35,596.00		
		To balance interprogram							
12	6/30/2018	Accounts Receivable - Miscellaneous	125-SL				608,294.00		
12	6/30/2018	Accounts Receivable - Miscellaneous	125-SL			85,430.00			
12	6/30/2018	Inter Program Due From	144-SL			608,294.00			
12	6/30/2018	Accounts Payable <= 90 Days	312-SL						
12	6/30/2018	Accounts Payable <= 90 Days	312-SL				85,430.00		
12	6/30/2018	Inter Program - Due To	347-SL				608,294.00		
		To reclass AR and AP to intercompany							
						42,934,660.00	42,934,660.00		

Net Income (Loss) 1,757,982.00



Housing Authority of the City of Alameda

PHONE (510) 747-4300
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TTY/TRS 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tonya Schuler-Cummins, Senior Management Analyst

Date: April 17, 2019

RE: Resolution Approving the Desire and the Submission of a Letter of Interest to Obtain MTW Designation Under the Second Cohort of the MTW Expansion, That the Housing Authority of the City of Alameda Will Comply With the Requirements of the Program, and Expressing Willingness to Evaluate Test Rent #1, Test Rent #2, and/or Test Rent #3

BACKGROUND

The Moving to Work (MTW) Demonstration Program allows Public Housing Authorities (PHA) to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families.

Section 239 of the fiscal Year 2016 Appropriations Act, P.L. 114-113 authorizes HUD to expand the MTW demonstration program by an additional 100 agencies over seven years. It was decided to do four cohorts of new agencies that test one reform. The first cohort was for small agencies (less than 1,000 vouchers and public housing units). The Housing Authority of the City of Alameda was not eligible to apply to this cohort.

The next three cohorts are to test rent reform, work requirements, and landlord incentives. A PHA can submit as many applications for the cohorts as it would like. These next three cohorts will select 47 PHAs that administer 1,001 to 6,000 aggregate public housing and Housing Choice Voucher (HCV) units and 3 PHAs that administer 6,001 to 27,000 aggregate public housing and Housing Choice Voucher units.

On March 14, 2019, Notice PIH-2019-04 was issued to request letters of interest under the MTW program for cohort #2 – rent reform. The first step of the application process is to submit a letter of interest packet, which must include a resolution by the Board of Commissioners. If confirmed eligible, the PHA will move to the second step of the application process.

DISCUSSION

The AHA's Board of Commissioners has expressed interest and invested resources in AHA becoming MTW for many years, so it is being proposed that the AHA applies for this cohort, even though there is a strong probability that AHA will be determined ineligible.



The notice states that the AHA must have 1,000 or more existing non-elderly (aged younger than 56), non-disabled public housing and/or HCV households that will be eligible for the rent reform evaluation, meaning that the household is not participating in VASH, or NED. At this time, the AHA does not meet this criterion; however, later in the notice, it is stated that HUD may adjust the full selection criteria to account for the number of eligible Letter of Interest Packages received. Based on that, the AHA proposes to submit a packet in case HUD changes this level of eligible households as AHA meets all the other eligibility criteria. HUD anticipates publishing a selection notice in the summer of 2019. Non-selection under this cohort will not preclude AHA from applying to a future cohort.

There are four rent reforms that a selected PHA may implement, if selected. The policies to test are 1) income-based tiered rents, 2) 5% stepped rent increases, 3) 3% stepped rent increases, and 4) proposed alternate tiered/stepped rent. The first policy would allow families with large income changes to change tiers. The second and third options would require rent increases (of 5% or 3%) per year while the family is on the program and would be unrelated to income.

AHA must state in the packet which policies it would be willing to implement and the order of preference. The AHA will state in its letter that it would be willing to implement the first through third options as this will increase the small probability of selection. The fourth option requires more than 4,000 eligible families, which the AHA could not supply.

The Letter of Interest Packet is due to HUD by 9 p.m. (PST) on June 12, 2019.

FINANCIAL IMPACT

None at this time. If the AHA was selected to participate in the MTW program, a new Annual Contributions Contract (ACC) would be required to be signed by AHA and HUD and would outline the terms that AHA would receive its funding from HUD.

RECOMMENDATION

Resolution approving the desire and the submission of a letter of interest to obtain MTW designation under the second cohort of the MTW expansion, that the Housing Authority of the City of Alameda will comply with the requirements of the program, and expressing willingness to evaluate Test Rent #1, Test Rent #2, and/or Test Rent #3.

Respectfully submitted,



Tonya Schuler-Cummins
Senior Management Analyst

Attachments:

- Resolution



Resolution No. _____

Approving the Desire and the Submission of a Letter of Interest to Obtain MTW Designation Under the Second Cohort of the MTW Expansion, That the Housing Authority of the City of Alameda Will Comply With the Requirements of the Program, and Expressing Willingness to Evaluate Test Rent #1, Test Rent #2, and/or Test Rent #3.

WHEREAS, the Housing Authority of the City of Alameda is interested in obtaining the designation of a Moving To Work (MTW) agency,

WHEREAS, HUD has issued a notice requesting letters of interest to participate under the MTW program to be submitted prior to June 20, 2019,

WHEREAS, HUD requires a resolution signed by the Board of Commissioners of a Housing Authority containing three items,

WHEREAS, the first item required by HUD is the approval of the Board of Commissioners for the Housing Authority of the City of Alameda's desire to obtain MTW designation under the second cohort of the MTW Expansion,

WHEREAS, the second item required by HUD is the Board of Commissioners intention for the Housing Authority of the City of Alameda to comply with the MTW objectives and statutory requirements and the Operations Notice for the program, and

WHEREAS, the last is that Board of Commissioners are willing for the Housing Authority of the City of Alameda to evaluate the following rent policies as outlined in PIH Notice 2019-04: Test Rent #1, Test Rent #2, and/or Test Rent #3.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the City of Alameda is hereby approving the desire and the submission of a letter of interest to obtain MTW designation under the second cohort of the MTW expansion, that the Housing Authority of the City of Alameda will comply with the requirements of the program, and expressing willingness to evaluate Test Rent #1, Test Rent #2, and/or Test Rent #3.

ATTEST:

Vanessa M. Cooper
Secretary and Executive Director

Kenji Tamaoki, 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: Lynette Jordan, Director of Housing Programs

Date: April 17, 2019

Re: Approve Revised Payment Standard Decrease for the Section 8 Housing Choice Voucher Program and Payment Standard Increase for Project Based Vouchers Effective June 2, 2019

BACKGROUND

HUD is required to annually review and publish Fair Market Rents (FMRs). Under the new regulations, HUD's proposed FMRs are published in the Federal Register, with an effective date of 30 days after the date of publication and Housing Authorities have 3 months to revise the payment standard. A payment standard is the maximum amount of subsidy that AHA can pay to an owner on behalf of a voucher holder.

Fair Market Rents (FMRs) are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program. The U.S. Department of Housing and Urban Development (HUD) annually estimates FMRs for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas and each nonmetropolitan county. HUD requires Housing Authorities to set Payment Standards between 90% and 110% of the FMR.

The following is a table showing the FMRs from last year and approved for this current year.

Bedroom	0	1	2	3	4
2018 FMR	\$1,540	\$1,855	\$2,329	\$3,219	\$3,946
Approved 2019 FMR	\$1,409	\$1,706	\$2,126	\$2,925	\$3,587



DISCUSSION

When the FMRs were released on August 31, 2018, Housing Authorities had until October 1, 2018 to submit a comment to the notice if a rent study would be conducted. The local Housing Authorities, government agencies, and non-profits collaborated together to commission a Rent Survey of the Fair Market Rents (FMR) for Alameda and Contra Costa Counties. The firm completed the survey and AHA submitted the survey to HUD by the January 11, 2019 deadline. The purpose of this survey was to keep the FMRs at the 2017 level rather than decreasing them by the 10% proposed in August 2018 by HUD. However, the study did not support the higher 2017 FMRs and as a result the FMRs need to be decreased in these two counties. On March 14, 2019, HUD published the new FMRs for the areas that submitted a rent survey. AHA would have 3 months to evaluate the FMRs and payment standards.

HUD regulations require AHA to decrease the Housing Choice Voucher (HCV) payment standards to the new lower levels. This will affect HCV participants at their second annual reexamination after the change is effective or at the time of a move. A notice will be sent out to HCV participants explaining the new payment standard and how and when they would be affected by this new payment standard. AHA staff are proposing raising the Project Based Voucher (PBV) Payment Standards to the current HCV at the same time. In the past, AHA has had two separate payment standards for HCV and PBV, but staff decided to return to the one payment standard for both programs. However, AHA staff does reserve the right to return to separate payment standards in the future should the need arise.

If the payment standard recommendation is approved, the new payment standards would go into effect June 2, 2019 for new admissions and transfers within the Housing Choice Voucher and Project-Based Voucher. PBV contracts would be affected based on their renewal date as these complexes are only able to change rent pricing at the contract anniversary date.

Below is a chart of the new payment standards.

HCV & PBV Proposed Payment Standards:

Unit Size	Proposed	Percentage
Studio	\$1549	109.94
1 Bedroom	\$1876	109.96
2 Bedrooms	\$2338	109.97
3 Bedrooms	\$3217	109.98
4 Bedrooms	\$3824	106.61



Honorable Chair and
Members of the Board of Commissioners

Current HCV Payment Standards Effective 10/2/16:

Studio	\$1,578
1 Bedroom	\$1,895
2 Bedrooms	\$2,390
3 Bedrooms	\$3,318
4 Bedrooms	\$3,824
5 Bedrooms	\$4,397

PBV Payment Standards Effective 11/2/17:

Studio	\$1,423
1 Bedroom	\$1,723
2 Bedrooms	\$2,173
3 Bedrooms	\$3,017
4 Bedrooms	\$3,552
5 Bedrooms	\$4,085

FINANCIAL IMPACT

The effect of the proposed decrease in the HCV Payment Standards would mean HCV participants' assistance would be dropped to the lower payment standard at the second annual recertification after the change or at the time of a move. This might have an adverse effect on the participant's ability to lease-up and may increase the participant's portion. This will decrease the amount of HAP being paid by the Housing Authority gradually over the next two years. The effect of the increase in the PBV Payment Standards will be phased in over the coming year as all affected PBV contracts meet their renewal date. Over time this would increase HAP for PBV as HCV decreases over time due to the delayed implementation in the reduced payment standard. Staff also intend to start issuing vouchers to try to avoid loss of HAP in the future.

RECOMMENDATION

Staff recommends that the Board of Commissioners:

Approve Revised Payment Standard Decrease for the Section 8 Housing Choice Voucher program, and Payment Standard increase for Project Based Vouchers effective June 2, 2019.

Respectfully submitted,



Lynette Jordan
Director of Housing Program

