

701 Atlantic Avenue • Alameda, California 94501-2161

IF YOU WISH TO ADDRESS THE BOARD: Please file a speaker's slip with the Executive Director, and upon 1. 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 510 (TDD: 522-8467) or dconnors@alamedahsq.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. REGULAR MEETING OF THE BOARD OF COMMISSIONERS AGENDA DATE & TIME Wednesday April 18, 2018 -Work Session on City of Alameda's Below Market Rate Homeownership Program – 5:30-6:30 p.m. Closed Session – 6:45 p.m. Regular Meeting - 7:00 p.m. LOCATION Independence Plaza, 703 Atlantic Avenue, Alameda, CA 78-6800 Alii Drive, #3, Kailua-Kona, HI 96740 (by telephone: 808-322-9413)

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. <u>ROLL CALL</u> Board of Commissioners
- 2. Public Comment on Closed Session
- 3. Closed Session 6:45 p.m. Adjournment to Closed Session to Consider:
- 3-A. Conference with Real Property Negotiator (Gov. Code Sec. 54956.8) Agency Negotiator: Vanessa Cooper, Executive Director and Victoria Johnson, Director of Housing and Community Development

Property: APNs: APN 74-428-21 Seller: Alameda County Treasurer – Tax Collector

- 4. Adjournment of Closed Session
- 5. RECONVENE REGULAR MEETING 7:00
- 6. Announcement of Action Taken in Closed Session, if any.
- 7. Public Comment (Non-Agenda)
- 8. <u>CONSENT CALENDAR</u>
 - Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.
- 8-A. Approve Minutes of the Board of Commissioners Meeting held March 21, 2018– Page 5
- 8-B. Accept the Monthly Overview Report Operations, HR and IT Page 11
- 8-C. Accept the Monthly Overview Report Housing & Community Development Page 13
- 8-D. Accept the Monthly Overview Report Housing Programs Department Page 18
- 8-E. Accept the Monthly Overview Report Rent & Community Programs Page 20
- 8-F. Accept the Monthly Overview Report Property Operations Page 21
- 8-G. Accept the Monthly Development Report for Sherman & Buena Vista LP Project -Littlejohn Commons – Page 25
- 8-H. Accept the Monthly Development Report for Everett and Eagle LP Project -Everett Commons – Page 27
- 8-I. Accept the Monthly Development Report for North Housing Page 29



- 8-J. Accept Budget Variance Report for February 28, 2018 Page 46
- 8-K. Approve Out-of-State Travel Page 54
- 8-L. Authorize the Executive Director to approve an amendment to change the contract between the Alameda Housing Authority and Sterling Co's Inc. to reflect the new company name ISterling Inc. with the same amount not to exceed of \$300,000 for the contract effective July 1, 2017 for a term of 3 years with a maximum of two one-year extensions Page 56
- 8-M. Authorize the Executive Director to Negotiate and Execute a Memorandum of Understanding between the Housing Authority and the Alameda Unified School District for the Use of Successor Agency Pass-Through Funds for Housing Development – Page 59
- 8-N. Accept Report on the Housing Assistance Payments (HAP) and Administrative Fees for the Housing Choice Voucher Program for 2018 and Participation in HUD's Shortfall Program Page 71
- 8-O. Approve Contract Increase of \$40,000 for Anne Phillips Architecture for Design and Construction Administration Services at the Everett Commons Project for a New Contract Total of \$738,374 – Page 77
- 9. <u>AGENDA</u>
- 9-A. Accept the Audit Report for Fiscal Year Ending June 30, 2017 Page 79
- 9-B. Authorize the Executive Director to Negotiate Final Terms and Execute a Construction Contract with EF Brett and Company in the Amount of \$2,565,000, and a Project Budget of \$3.25mm for Accessibility Upgrades to 20 Units and Various Common Area Improvements at Independence Plaza Page 155
- 9-C. Award a Three-Year Contract for Auditing Services to Rubino & Company for an Amount Not to Exceed \$94,100 (\$30,400 for the First Year, \$31,300 for the Second Year and \$32,400 for the Third Year) Page 160
- 10. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
- 11. <u>COMMISSIONER COMMUNICATIONS</u>, (Communications from the Commissioners)
- 12. <u>ADJOURNMENT</u>

* * *

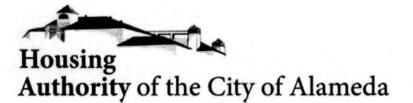
Note

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• 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.





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DRAFT MINUTES

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD WEDNESDAY March 21, 2017

The Board of Commissioners meeting was called to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

1. <u>ROLL CALL</u> -

Present: Commissioners Allen, Kay, Rickard, Vice Chair McCahan, and Chair Tamaoki

Absent: Commissioner Kurrasch

- 2. Public Comment on Closed Session CLOSED SESSION CANCELED
- 3. <u>Closed Session 6:00 p.m. Adjournment to Closed Session to Consider</u> <u>CLOSED SESSION CANCELED</u>
- 3-A. Conference with Real Property Negotiator (Gov. Code. Sec. 54956.8) Agency Negotiator: Vanessa Cooper, Executive Director and Victoria Johnson, Director of Housing and Community Development

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

- 4. Adjournment of Closed Session CLOSED SESSION CANCELED
- 5. <u>CONVENE REGULAR MEETING 7:00 p.m.</u>
- 6. <u>Announcement of Action Taken in Closed Session, if any.</u> CLOSED SESSION CANCELED
- 7. Public Comment (Non-Agenda) NONE
- 8. <u>CONSENT CALENDAR</u>

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.

Chair Tamaoki commented on Item 8-N and thanked staff for investigating the naming of this property. He is pleased that the background proved that Littlejohn is an acceptable name. Chair Tamaoki proposed that the property be named Littlejohn Commons and asked for comments from the Board. Commissioner Rickard agreed.

Commissioner Kay asked what steps are taken in the Budget Comparisons before an item is written-off. Ms. Cooper explained the process.

Ms. Cooper suggested that 8-M and 8-N be taken as separate votes.

Chair Tamaoki asked for a vote on Items 8-A through 8-L

Commissioner Kay moved to accept the consent calendar Items 8-A through 8-L and Commissioner Weinberg seconded. The motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

Victoria Johnson, Director of Housing and Community Development, presented an overview on Item 8-M and answered questions from the Board. There was lengthy discussion.

Commissioner Rickard moved to approve staff recommendation on page 48 and Commissioner Allen seconded. The motion carried unanimously.

Chair Tamaoki inquired staff for comments on the naming the project Littlejohn Commons, Item 8-N. Ms. Johnson said that staff spoke to the family and the family is pleased to have their name recognized so she thinks this is fine.

Commissioner Rickard moved that the staff recommendation on page 50 be modified to name the property Littlejohn Commons and Commissioner Allen seconded. The motion carried unanimously.

Ms. Cooper thanked Mr. Rasheed Shabazz for his input on this item and on the work he has been doing on the history of the Housing Authority in general.

- *8-A. Approve Minutes of the Board of Commissioners Meeting held February 21, 2018– Page 4
- *8-B. Accept the Monthly Overview Report Administration/I.T./H.R.- Page 10
- *8-C. Accept the Monthly Overview Report Housing & Community Development Page 12
- *8-D. Accept the Monthly Overview Report Housing Programs Department Page 15
- *8-E. Accept the Monthly Overview Report Rent & Community Programs Page 19
- *8-F. Accept the Monthly Overview Report Property Operations -Page 20
- *8-G. Accept the Monthly Development Report for Sherman & Buena Vista LP– Page 24
- *8-H. Accept the Monthly Development Report for 2437 Eagle Avenue Page 26
- *8-I. Accept the Budget Variance Report Page 28



Regular Meeting of the Board of Commissioners

- *8-J. Authorize the Executive Director to Negotiate and Approve a Second Extension of Amount (and Term) for the Contract between the Housing Authority of the City of Alameda and Nan McKay and Associates Up to a Total Not to Exceed Amount of \$320,000 to Extend the End Date to December 31, 2018 Page 34
- *8-K. Accept Report on Quarterly Investment Report for Period Ending December 31, 2017– Page 37
- *8-L. Create an Adhoc Committee of the Board to Support the Creation of the Strategic Plan; Nominate up to Two Members to Serve on the Strategic Plan Adhoc Committee– Page 45
- *8-M. Approve Additional Purchase Funds for One Below Market Rate Unit at 2101 Eagle Avenue (Mulberry)– Page 47
- *8-N. Select Property Name for the New Construction Development at 1301 Buena Vista– Page 49

Ms. Cooper introduced new staff, Marco Calderon, Maintenance Supervisor and Kani Lin, Controller.

Ms. Cooper asked for at least one appointment to the Strategic Planning Committee. Commissioner Kay has expressed an interest. Board members who are also interested were asked to please contact Vanessa Cooper.

9. <u>AGENDA</u>

ITEM 9-A WAS MOVED TO THE END OF THE AGENDA

9-B. Public Hearing to Hear Comments on Housing Authority Significant Amendment Effective July 1, 2018 – Page 139

Tonya Schuler, Senior Management Analyst, gave a summary of the Significant Amendment in the packet. Comments and Public Noticing has been done and we received no comments during the comments period.

Chair Tamaoki asked if there are any comments on this item. There were no public comments. Chair Tamaoki Closed the Public Hearing.

9-C. Public Hearing to Hear Comments on Housing Authority Annual Plan for Fiscal Year Starting July 1, 2018 – Page 150

Veronica Jefferson, Management Analyst, spoke on the Annual Plan and some highlights of the Annual Plan progress.

Chair Tamaoki asked for comments from the Board and from the Public.

Richard Neveln said that the maps and indicators on each floor throughout the building of Independence Plaza need updating.



Regular Meeting of the Board of Commissioners

Chair Tamaoki Closed the Public Comment Period

9-D. Adopt Significant Amendment to Annual Plan – Page 166

Chair Tamaoki asked for comments from the Board. No Comments. Chair Tamaoki moved for the Board to Adopt Significant Amendment to the Annual Plan recommendation on page 167 and Commissioner Allen seconded.

Roll Call Vote: Commissioners Allen yes, Rickard yes, Weinberg yes, Chair Tamaoki yes, Vice Chair McCahan yes, Commissioner Kay yes.

9-E. Adopt Annual Plan for Fiscal Year 2018 - 2019 - Page 168

Ms. Jefferson said that she is requesting the Board to Adopt the Annual Plan. She said that she has gone through the process for public comments and no comments were received.

Chair Tamaoki asked for comments from the Board. No Comments. Commissioner Rickard moved to accept the staff recommendation on page 169 and Commissioner Allen seconded. The motion carried unanimously.

Roll Call Vote: Commissioners Kay yes, Allen yes, Rickard yes, Weinberg yes, Vice Chair McCahan yes, Chair Tamaoki yes.

Ms. Cooper thanked Veronica Jefferson for her work on the Annual Plan and said that this has been a very smooth process.

9-F. North Housing Project Update; Authorize the Executive Director to Negotiate a Demolition Funding Agreement, to Issue a Public Bid and to Approve Two Contracts for Demolition in a Total Amount Not to Exceed \$1.5 Million - Page 173

Ms. Johnson said that for many months we have been working with Carmel Partners and the City of Alameda to come up with a strategy and mechanism to demolish the buildings that are in the way of the construction at Singleton and Mosley. Ms. Johnson reminded the Board of their previous approvals and authorization to administer a Community Development Block Grant for the demolition of the three Mosley buildings. Ms. Johnson provided the Board with the new information related to this project. Ms. Johnson spoke on the ongoing negotiations between the City and Carmel. She said that as of today the City is proposing to completely fund the demolition of Singleton right of way, the demolition and construction without the Housing Authority participation at all. Ms. Johnson said that the Executive Director would still like the Board to authorize the work just in case things swing back the other way.

Ms. Cooper commented that these efforts were to demonstrate our good faith to move ahead. There was some discussion to amend the motion to require a meeting of the Adhoc Committee prior to contract execution.



Regular Meeting of the Board of Commissioners

Commissioner Weinberg moved to authorize the Executive Director to execute the contracts, subject to a meeting of the Adhoc Committee and Commissioner Kay seconded. The motion carried unanimously.

9-G. Rosefield Project Update; Authorize Resubmission of Applications for Alameda County Rental Housing Development/A-1 Bond Funds; Authorize Executive Director to Execute Related Documents- Page 177

Speaker, Mr. Rasheed Shabazz introduced himself and thanked staff for the assistance they are providing with his research. Mr. Shabazz asked about tenant considerations and said that he is interested in knowing if it is being tracked where people are moving. He said that it states that people will be able to return under certain circumstances and he asked what those circumstances are.

Ms. Caldwell said that since the onset of the project six households have moved. Two moved to Stargell Commons, one to China Clipper, two are in process of going to Eagle House and one going to John Stewart Properties and we will track where they go within John Stewart Property. AHA pays for relocation costs subject to state published moving schedule. If tenant moves into another AHA property, they do not have the opportunity to return. If they move into private owned property or another City they can come back when the property first opens, not years down the road. They would have the highest priority on the waitlist to return.

Ms. Johnson gave a brief update on the Rosefield Project and timeline. Ms. Johnson talked about the funding strategy and possible closing timeline. Today's action is for the purpose of applying for Alameda County bond funds. Chair Tamaoki asked about tenants who wanted to move out of Alameda and take their voucher with them and asked if this is still true even though we are under the shortfall rule. Ms. Cooper answered yes unless the tenant is going to a higher-cost area, in which case HUD must approve. There was some discussion on how the voucher could be used.

Commissioner Weinberg moved to accept the staff recommendation on page 179 and Vice Chair McCahan seconded. The motion carried unanimously.

Roll Call Vote: Commissioner Kay yes, Allen yes, Rickard yes, Weinberg yes, Vice Chair McCahan yes and Chair Tamaoki yes.

Item 9-A moved:

9-A. Accept the Audit Report for Fiscal Year Ending June 30, 2017– Page 66

Finance Director, Joyce Boyd, gave an update and talked about what is included in the Draft Audit. Ms. Boyd talked about and reviewed the summary of findings and directed the Board to those pages. She said there were no findings and this was a clean audit. Supplemental Schedule for HUD has been sent out to the Auditors for



their final review. Ms. Boyd reviewed the separate report of the Final Changes to Audited Numbers for June 30, 2017 and identified the changes.

Chair Tamaoki thanked staff for their work on the audit.

Commissioner Allen moved to accept the staff recommendation on page 67 and Commissioner Weinberg seconded. The motion carried unanimously.

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

None

11. <u>COMMISSIONER COMMUNICATIONS</u>, (Communications from the Commissioners)

Commissioner Kay commented on the training class on customer service being presented at AHA. Ms. Kay commented that she sat in the AHA lobby and was pleased to see that people coming in were being treated very respectfully and given the information they needed.

Vice Chair McCahan asked that this meeting be closed in honor of previous Vice Mayor and City Council Member Lil Arnerich who passed away on March 9, 2018.

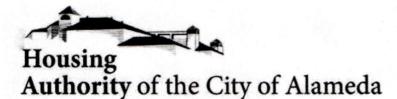
12. ADJOURNMENT OF REGULAR MEETING

There being no further business, Chair Tamaoki adjourned the meeting at 8:18 p.m.

Kenji Tamaoki, Chair

Vanessa M. Cooper Executive Director/Secretary





701 Atlantic Avenue • Alameda, California 94501-2161

Го:	Honorable Chair and
	Members of the Board of Commissioners

From: Janet Basta Director of Human Resources and Operations

Date: April 18, 2018

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

BACKGROUND

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

Human Resources and Operations

After an extensive search and interview process, Agency management has decided to put the Deputy Executive Director recruitment on hold for several months. While we had some strong candidates apply, we were not successful in identifying a candidate for hire in this competitive job market (and high cost of living area).

Several other positions have been filled, however, including the Rent Stabilization Program Director who will start in early May. Other newly-staffed positions include the Program Assistant position for the Administration department, and two part-time Resident Managers who will live on-site at Eagle Village and China Clipper. Initial interviews are being conducted for the Senior Accounting Technician position, and the Property Management Supervisor position is now posted.

Various administrative contracts will be up for renewal in the upcoming months, starting with general counsel and HR counsel contracts. RFP's will be developed and posted, with proposal reviews conducted through the summer months.

Information Technology/Administration

Regular meetings with Yardi staff continue to roll out Rent Café and the Yardi Affordable module. It is anticipated that both systems will be online before the end of this fiscal year.

In my last report, I mistakenly stated that the onsite server and network infrastructure was upgraded on March 10, 2018. The network infrastructure was upgraded in March and the onsite server will be upgraded in April. On March 30, 2018, the server experienced some operating difficulties resulting in a couple of hours without computers or internet, which helped illustrate why a server upgrade and redundancy in the server is important. The upgrade@os

April 18, 2018 Page 2 of 2

include redundancy, so if the same thing happened after the completion of the upgrade, the Agency would not have experienced any downtime. Staff took this opportunity to complete tasks such as reviewing stored paperwork or organizing documents for long term storage.

Some minor, routine IT operations are being transitioned to Techordia and a technician is coming onsite for a couple hours a week to help troubleshoot issues and perform routine computer maintenance.

RECOMMENDATION

For information only.

Respectfully submitted,

Janet Basta Director of Human Resources and Operations

JCB/TMSC



701 Atlantic Avenue • Alameda, California 94501-2161

- To: Honorable Chair and Members of the Board of Commissioners
- From: Victoria Johnson Director of Housing and Community Development
- Date: April 18, 2018
- Re: Update to the Board of Commissioners Housing and Community Development

BACKGROUND

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

DISCUSSION

Capital Projects

The attached table (Attachment 1) summarizes Housing Authority capital project work recently completed, currently underway and those planned to begin within the coming period.

The *Invitation to Bid* period for the ADA upgrade project at Independence Plaza has closed. A separate report on the project is attached.

Community Development Block Grant (CDBG)

The Congressional budget for FY18/19 has been passed by Congress and was signed by the President on Friday, March 23rd. HUD has 60 days (May 22nd) to develop its internal budget before announcing allocations. Staff will present the draft Action Plan including a summary of activities recommended for funding at the May 15 City Council meeting. Staff's current CDBG funding estimates are based on the FY17-18 grant amount and are proposed to be adjusted on a pro rata basis so that they may be updated upon receipt of notice of the actual CDBG allocation funding amount for FY18-19.

Inclusionary and Below Market Rate Programs

The loan documents for the last unit at Alameda Landing have been circulated and sent to title. The unit is expected to close in mid-April.



Two of the three for-sale, BMR units at Mulberry (2100 Clement) are under contract. Staff is currently reviewing applications from households numbered 9 and above (from the lottery) for the remaining unit.

Pre-development Loans

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

Rosefield Village

Pre-development Loan from AHA	\$ 1,000,000
Usage through March 2018	\$ 278,156
Balance	\$ 721,844

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

North Housing		
Pre-development Loan from	m AHA	\$ 300,000
Usage through March 2018	3	\$ 73,389
	Balance	\$ 226,611

Pre-development costs to date include legal, environmental, survey, and appraisal services. Project planning consultant charges are being expensed.

Pipeline

<u>Everett Commons Apartments</u> – Construction is on schedule and a separate report on the project is attached.

<u>Del Monte Senior</u> – Construction is on schedule and a separate report on the project is attached.

<u>North Housing</u> – The adhoc committee that includes the Board Chair and Vice-Chair met on March 16th to discuss the status of the MOU, proposed demolition and related matters. A separate report on the project is attached.

<u>Rosefield Village</u> – Staff continues to work with Dahlin Architects to prepare the Design Review drawings that will be submitted for Planning Board consideration in June. With respect to design, the City's recent direction to include the existing land and buildings in order to achieve the desired density makes it necessary to revise the site plan and add some services. Staff is working with Dahlin to revise the design contract and will bring this to the Board in May. Staff is procuring other consultants including green building consultant, joint trench services, and a pre-development construction manager to assist with design review.



<u>Catellus/Alameda Landing Future/Final Phase</u> – Catellus Development has contacted staff to discuss options to provide the inclusionary units at the final phase of Alameda Landing, located north of Mitchell. It is estimated that 13 very-low and low income units will be required. This small number of units are infeasible to develop separately as a tax-credit project, and Catellus plans to issue a RFP for residential developers who will be willing to build the market rate project as well as the affordable units. The developer will have the option to sell or rent the units directly, or to partner with AHA to purchase and then sell or rent the units. Depending on the residential developer selected by Catellus, that firm may be interested in working with AHA.

Asset Management

Staff is working with legal counsel on the AAHC property transfer requirements, approvals, and legal documents, which is expected to close on April 30, for Anne B. Diament, China Clipper, Lincoln Willow, and Stanford House. Staff met with lender PNC for the annual inspection at Parrot Village and Eagle Village without incident. Building on the extensive work from last June, staff finalized the proposed rent structure report for Independence Plaza with input from other AHA staff. A separate report is submitted to the Board on this matter. Staff continues to work on portfolio refinance scenarios and capital needs planning, per the Ad Hoc Committee schedule of activities, which will be presented at the May Board meeting.

Staff continues to oversee lease up coordination of 1301 Buena Vista Avenue with The John Stewart Company (JSC) and other AHA staff. The first move-ins are not expected until July.

Other Activities

Staff has completed the Homelessness Report in coordination with the City's Community Development Department. In February the Report was unanimously approved by SSHRB and recommended for adoption by City Council. The Report is on the City Council agenda for March 20, 2018.

Active recruitment for the 2018 AHA interns will commence in April.

Staff is actively coordinating with AC Transit, Tim Lewis Communities, and City staff to provide EasyPass transit passes to residents of Littlejohn Commons upon move-in. Both the TLC Development Agreement and the tax credit funding for the project require transit passes for residents and staff is finalizing an administrative process. Additionally, the City has awarded AHA with \$11,000 in grant funding from Measures B and BB to provide transit passes to low-income seniors or persons with disabilities. Staff is working on utilizing this funding in a pilot program at Anne B. Diament and the future Everett Commons.

April 18, 2018 Page 4 of 4

RECOMMENDATION For information only.

Respectfully submitted,

Victoria John son de

Victoria Johnson Director of Housing and Community Development

CIP Phase	Project No.	Property	Descriprtion	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	% Complet e	Original Substantial Completion	Expected or Actual Substantial Completion	Notes
1A	HA2017.1	АНА	AHA ADA Door Installation	13,279	1	18,514	100	1/2018	3/2018	Change Order due to electrical code requirement
1A	HA2017.2	IP	IP 504 Upgrades	2,000,000	0	3,252,000	4	6/2018	6/2019	Pending Board approval
1B	HA2017.3	RV	Roof Repair/Tree Removal	11,783	0	11,783	100	4/2017	4/2017	Storm repair
1B	HA2017.4	СС	CC Pool Fill	52,136	0	52,136	100	12/2017	2/2018	Permit closed
1C	HA2017.5	сс	Soft Story Assessment	19,850	0	19,850	100	7/2017	7/2017	Asessment complete; no imminnen risk but rehab will include reinforcement
2A	HA2017.6	Portfolio	Roof Assessments	33,000	0	33,000	20	4/2018	7/2018	Inspections underway; roof work w be added to 18-19 CIP
2A	HA2017.8	АНА	Office Building Roof Installation	40,000	0	40,000	0	6/2018		Pending Final report to define scop of work
2A	HA2017.7	ABD	Roof Repairs	120,000	0	120,000	0	6/2018	12/2018	Inspection report gives life up to 5 years, will be combined with major rehab project

Attachment 1 - FY 2017-18 Capital Projects Update

ojects	Project No.	Property	Description	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	% Complet e	Original Substantial Completion	Current Substantial Completion	Notes
4	HA2016.1	RV	738 Eagle Sub Rehab	618,614	9	752,192	100	5/2017	3/2018	Unforeseen conditions (abatement, structural, underground pipe)
onal	HA2016.2	EV	Sub-Meter Install	22,382	0	22,382	100	4/2017	4/2017	Expect to implement after IT system test
dditior	HA2016.3	ESP	Groundwater Investigation	8,800	0	8,800	100	5/2017	5/2017	Identified and repaired longstanding leak
Ac	HA2017.11	AHA	Main Office Emergency Generator and Switch Panel	65,000	0	41,617	50	12/2017	3/2107	Electrical Work Complete. Generator on order.



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 18, 2018

Re: Monthly Overview Report to the Board Housing Programs

BACKGROUND

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

Shortfall Update

On Friday, March 23, 2018 the federal budget for FY 2018 was signed by the President, however, the HUD budget has not yet been finalized. PHAs were advised to change the Two-Year Projection Tool Proration to 100% for HAP funding based on 2017 expenditures, however the Administrative Fee Proration remains at 76%. Even with the 100% HAP funding, AHA is projected to be in a shortfall position for the year due to rising rents and the two new buildings with 37 Project Based (PBV) HCV Vouchers assigned at Littlejohn Commons and Everett Commons. See separate Board memo for more information.

HPD STATISTICS

Statistics	January	February	March
Annual	Due:	Due:	Due:
Re-examinations Processed	113	79	108
	Completed:	Completed	Completed
	105	78	105
Rent Increases	20	91	72
Interim	32	25	32
Re-examinations Processed			
HQS Inspections Conducted	38	34	38
Pass rate %	66%	68%	66%

HQS in AHA Owned units	45-Sherman,	20- Shinsei-	0 AHA
	CC,Lincoln	90%	
	Willow,Sr,	71-APC-83%	
	Condo,Stanfor	117-Esp-45%	
	d 66%	4-Lincoln- 90%	

Voucher issuance and lease up data

Statistics	Jan	Feb	Mar
Section 8 Continued	8	7	11
Movers seeking		4	
housing			
Port-in seeking housing	2	4	7
Voucher holders ported	4	3	6
out and seeking			
elsewhere			
Total voucher holders	14	14	24
seeking housing			
Non-Port Leased	3	5	1
Port Move-In Leased	0	4	2
Up			
Total vouchers leased	3	9	3
up in month in			
Alameda	÷		
New Vouchers Issued	0	0	0

Please note AHA is no longer issuing vouchers, or processing PBV to HCV conversions.

RECOMMENDATION

For information only.

Respectfully submitted,

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Lynette Jordan Director of Housing Programs

VC/all



701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Jennifer Kauffman, Management Analyst

Date: April 9, 2018

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

BACKGROUND

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

The following submissions were filed with our office for review:

Submission Type	Oct	Nov	Dec	Jan	Feb	Mar
Rent Increases	21	9	15	14	17	14
Rent Increases Reviewed by the RRAC	3	2	1	1	1	1
Terminations of Tenancy	12	11	11	11	10	10
Capital Improvement Plans	0	0	1	0	0	0

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

RECOMMENDATION

For information only.

Respectfully submitted,

hul for

Jennifer Kauffman Management Analyst, Rent and Community Programs



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 18, 2018
Re:	Monthly Overview Report to the Board for Property Operations

BACKGROUND

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

DISCUSSION

VACANCY - March

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

Property	Unit #	Vacancies end of March	Rate
Anne B. Diament Plaza	65	2	3%
China Clipper Plaza	26	1	4%
Eagle Village	36	1	2%
Esperanza	120	2	2%
Independence Plaza	186	5	3%
Parrot Village	50	0	0%
Combined Smaller Sites *	40	2	5%
Total	529	13	2%

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

The total unit count above includes the six (6) manager units located at Anne B. Diament Plaza, Esperanza, Parrot Village, Independence Plaza, China Clipper and Eagle Village.

Effective November 1, 2017 all upcoming vacant units at Independence Plaza will not be filled in order to accommodate upcoming ADA capital improvements to 20 units. Abitme

end of March there was five (5) vacant unit at Independence Plaza taken offline, these units are included in the vacancy numbers and rate listed above.

Rosefield Village is not included above as The John Stewart Company (JSCO) is handling the leasing of vacant units. In March, there were six (6) units at Rosefield that were permanently offline due to the upcoming rehabilitation of the property. Two other units were vacant due to a remodel of 738 Eagle and will be filled in April. As vacancies come up at other AHA owned sites, residents at Rosefield will be offered these units, where eligible, in order to accommodate as many current residents that want to remain housed in Alameda

RENT COLLECTIONS – March

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

All properties had a collection rate of 95% or above in March.

		China	Eagle			Parrot	*All Other	
Property	ABD	Clipper	Village	ESP	IP	Village	Sites	Total
			×		Tenant Rent Only			
Budgeted GPR	80,190	33,246	72,022	280,153	134,390	123,076	50,306	773,383
Collected	82,943	33,691	70,278	283,155	138,869	132,024	49,614	790,574
Collection Rate	103%	101%	98%	101%	103%	107%	99%	102%

GPR - Budget vs. Collected

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

Below are the collection rates for Rosefield Village for the month of February.

For the month of March, the collection rate was above 95%. As mentioned above there are currently six (6) units offline at Rosefield.

GPR - Budget vs. Collected				
Rosefield	March			
Budgeted GPR	79,531			
Collected	87,127			
4				
Collection Rate	110%			

Rent increase notices for 2018 are continuing to go out monthly. The rent increase notices are provided 60 days prior to the effective date. Rent increase notices will continue to be mailed out monthly. Many of the increases are to the contract rent for voucher holders and should not affect the tenant's portion. The exception will be to the households that are over housed and paying for an extra bedroom outside of the voucher size. Rent increases are below the current payment standards.

MAINTENANCE

Annual HQS inspections for 2017-2018 have been completed at Eagle Village, Anne B. Diament, Parrot Village, Parrot Gardens, the scattered sites, China Clipper and Esperanza. Staff is working on corrections for units that did not pass and required follow up. HQS inspections are currently underway at Independence Plaza. After the HQS inspections are completed at Independence Plaza that will wrap of the FY2017-2018 HQS inspections for all AHA managed sites. All other inspections at all other sites, except for one, have passed for this fiscal year. The inspection process will restart in the fall.

Upcoming capital improvement work at Independence Plaza includes ADA upgrades to 20 units and will take place over the upcoming year. The first tenant meeting for the units impacted took place in December and tenants were briefed again at their March resident council meeting. Staff is currently working on meeting with households in the 1st two phases (6 units) to schedule one time permanent moves within the property and to arrange offsite or temporary relocation as necessary. Residents will be able to access LifeSTEPS and a personal organizer to prepare for the moves.

Month	Goal	December	January	February
Emergency	24 Hours	Within 24 Hours	Within 24 Hours	Within 24 Hours
Urgent	3 Days	2.00 Days	3.00 Days	3.00 Days
Routine	7 Days	7.00 Days	7.00 Days	7.00 Days

Below is the average completion time for work orders through February 2018.

The work order report below shows the work orders completed through February.

Property Name	Units	December	January	February	Total
AHA OFFICE	N/A	9	9	3	21
SHERMAN STREET	9	2	15	6	23
LINCOLN HOUSE	4	3	1	2	6
ESPERANZA	120	50	68	81	199
PARROT VILLAGE	50	38	38	2	78
Detached Homes	3	1	3		4
ANNE B DIAMENT PLAZA	65	12	25	14	51
PARROT GARDENS	8	5	3	4	12
STANFORD HOUSE	4	4	7	1	12
LINCOLN/WILLOW	5	3	9	1	13
SENIOR CONDOS	7		7		7
CHINA CLIPPER PLAZA	26	39	13	1	53
EAGLE VILLAGE	42	10	9	3	22
INDEPENDENCE PLAZA	186	40	27	17	84
Total	529	218	234	135	587

Work Order	Analysis	by Completion	Month
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FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

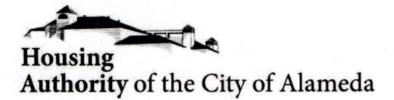
For information only.

Respectfully submitted,

aedwell

Lisa Caldwell Director of Property Operations

VMC/all



701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Vanessa M. Cooper, Executive Director
Prepared by	: Tobi Liebermann Housing and Community Development Sr. Project Manager
Date:	April 18, 2018
Re:	Sherman & Buena Vista LP Project Update (Littlejohn Commons)

BACKGROUND

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

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

# Unite	30	1			31
Bedroom Size	1	2	3	4	Total

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

DISCUSSION

Construction of the Project started on December 27, 2016. The current percent complete as of the end of March billing is 96.3%. To date, a total of 104 days of time extensions have been approved. The site infrastructure work that is to be performed by Tim Lewis is underway but delayed and expected to be complete by mid-April. Current construction activities include interior finishing and ongoing site work. The construction contract totals \$11,148,028. The development budget includes a 5% hard cost construction contingency in the amount of \$557,401. There are five owner approved prime contract change orders (PCCO) at this time. Approved PCCOs now total \$396,931 including both added costs and credits. Owner contingency funds are held separately from the contract and as change orders are approved, the original

Contingency Utilization						
	Original Budget	Current Revisions	Previous Revisions	Current Budget		
Construction Contract	11,148,028	234,872	162,059	11,544,959		
Construction Contingency	557,401	-234,872	-162,059	160,470		
Soft Cost Contingency	143,686	-9,584	-57,806	76,296		

construction contract value will increase accordingly as shown in the table below.

General Construction Contract Utilization					
Contract Total	Value of Work	Retention	Payments to	Balance to	
	Completed	Withheld	Date	Finish	
11,544,959	11,121,513	1,112,151	10,009,362	1,535,597	

FINANCIAL IMPACT

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

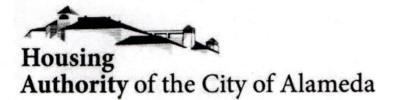
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land	3,435,000	3,435,000	100%	-
Hard Costs	11,705,429	10,009,362	86%	1,696,067
Soft Costs	4,059,874	2,555,383	63%	1,504,491
Total	19,200,303	15999,745	83%	3,200,558

Respectfully submitted,

tobilieb.

Tobi Liebermann dc Housing and Community Development Sr. Project Manager

VMC:tl



701 Atlantic Avenue • Alameda, California 94501-2161

- To: Honorable Chair and Members of the Board of Commissioners
- From: Vanessa M. Cooper Executive Director
- Prepared by: Tobi Liebermann Housing and Community Development Sr. Project Manager

Date: April 18, 2018

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

BACKGROUND

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

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

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

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

DISCUSSION

Construction of the Project started on July 7, 2017. The current percent complete as of the end of March billing is approximately 40%. Current GC activities include framing, rough plumbing, mechanical, electrical and stair and balcony construction.

The construction contract totals \$11,745,433 including 8 approved prime contract change orders for a total of \$189,167. The development budget includes a 5% hard cost construction contingency in the amount of \$577,813. Owner contingency funds are held

separately from the contract and as change orders are approved, the original construction contract value will increase accordingly as shown in the table below.

Contingency Utilization					
	Original Budget	Current	Previous	Current Budget	
		Revisions	Revisions		
Construction	11,556,266	38,861	150,305	11,745,433	
Contract					
Construction	577,813	-38,861	-150,305	388,647	
Contingency			200		
Soft Cost	148,371	-6,012	-72,918	69,441	
Contingency					

General Construction Contract Utilization					
Contract Total	Value of Work	Retention	Payments to	Balance to	
	Completed	Withheld	Date	Finish	
11,745,433	4,704,700	470,470	4,234,230	7,511,203	

Staff has submitted the 10% test to TCAC.

FINANCIAL IMPACT

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

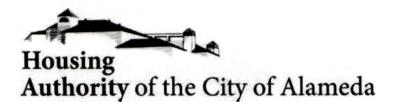
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land	34,900	15,833	45%	19,067
Hard Costs	12,134,079	4,234,230	35%	7,899,849
Soft Costs	2,759,942	1,848,023	67%	911,919
Total	14,928,921	6,098,086	41%	8,830,835

Respectfully submitted,

Tobi Liebermann de

Tobi Liebermann 🥙 Housing and Community Development Sr. Project Manager

VMC:tl



701 Atlantic Avenue • Alameda, California 94501-2161

 To: Honorable Chair and Members of the Board of Commissioners
 From: Vanessa M. Cooper, Executive Director
 Prepared By: Victoria Johnson, Director of Housing and Community Development
 Date: April 18, 2018
 Re: North Housing Project Update

BACKGROUND

In 2012, the Navy approved the transfer of 13 acres of land from the Navy to the Housing Authority at the former Coast Guard housing site known as North Housing. The 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. Habitat for Humanity has applied separately to HUD and the Navy to receive a two-acre parcel that is also a part of the North Housing area. The Navy has not confirmed the schedule to convey the site to AHA, but it staff expects the transfer to occur within the next six months.

The Navy will sell the 14-acre adjacent parcel of land to Carmel Partners. Prior to closing, the Navy must obtain a Certificate of Compliance through the State Lands Commission. Carmel expects to obtain this approval in April.

Over the past six months, the City has negotiated a MOU with Carmel partners to define Carmel's obligations with respect to infrastructure improvements. The final MOU was signed on March 30, 2018.

DISCUSSION

The key points of the MOU are as follows:

- Carmel obtains a license from Navy to perform work on the future AHA and Habitat sites while still owned by Navy
- Carmel demolishes the six buildings that lie in the path of proposed road extensions at Singleton and Mosley

- Mosley demolition is funded by City/CDBG; AHA administers CDBG grant in customary fashion but is otherwise not responsible for demolition work
- Carmel installs new water and sanitary sewer service to a capacity of at least 435 units
- Carmel constructs Singleton and Mosley (see Attachment A for road layout)
- Site is transferred from Navy to City, City makes lot line adjustment to remove 2005 Mayport Circle from the future AHA parcel (2005 Mayport Circle is the building that is bisected by the property line as shown in the IFB).

An exhibit that includes the final map and the milestone schedule from the MOU is attached. Staff continues to meet with Carmel Partners regularly to prepare for the demolition project.

FISCAL IMPACT

The Board has previously authorized \$750,000 of AHA funds for the demolition of the Singleton buildings. Instead, this work will now be managed by Carmel, and Carmel and/or the City will be wholly responsible for all demolition costs. Hence, no AHA funds will be used and the activity will not be budgeted in the coming year. Staff will return to the Board with further updates related to the demolition costs of the remaining 16 buildings. Typically, the costs of demolition and clearance are not recoverable as predevelopment costs through a tax credit transaction, but the costs may be reflected as owner equity in the overall deal.

In the prior fiscal year CDBG funds of approximately \$150,000 were approved to pay for surveys, environmental assessments and related costs. Incurred costs to CDBG total to approximately \$85,000 and are not included below. The Board has previously authorized a \$300,000 loan to ICD be used to pay for planning, engineering and other related services.

North Housing		
Pre-development Loan from AHA	\$ 300,000	
Usage through March 2018	\$ 73,389	
Balance	\$ 226,611	

RECOMMENDATION

This report is for information only.

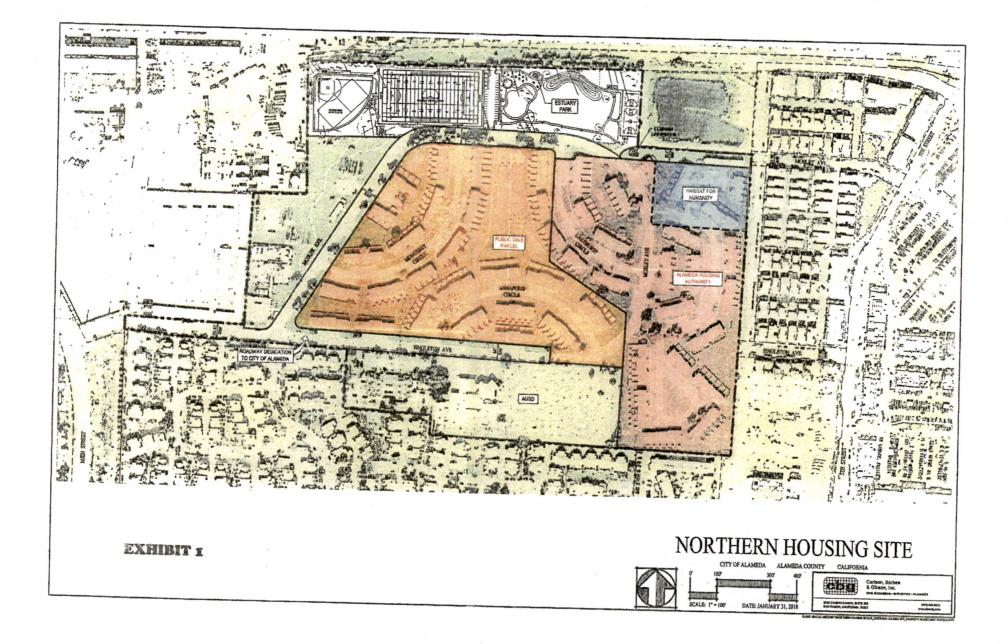
April 18, 2018 Page 3 of 3

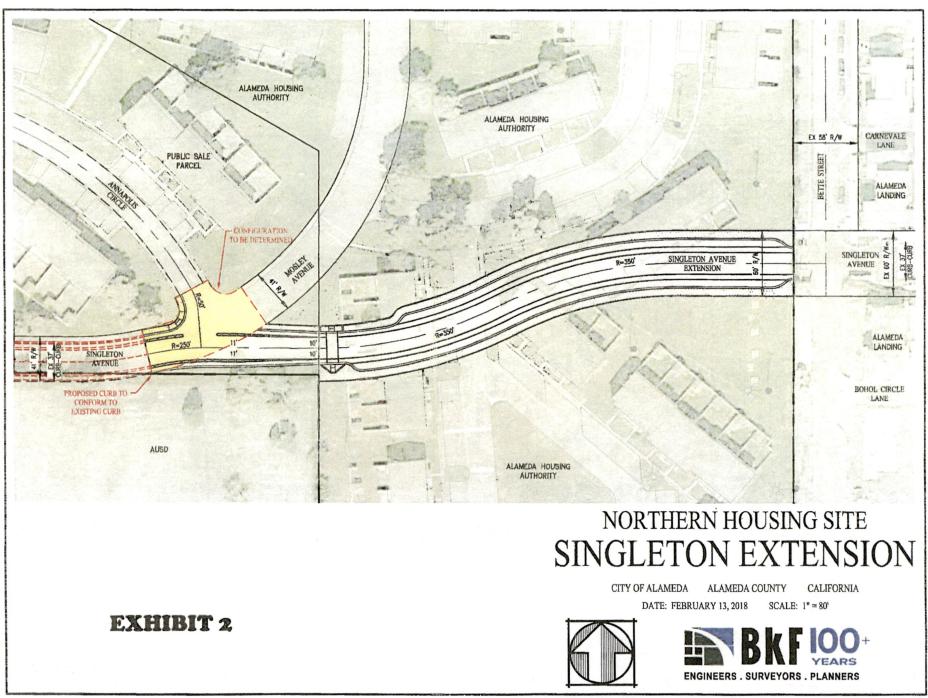
Respectfully submitted,

Vaneces -

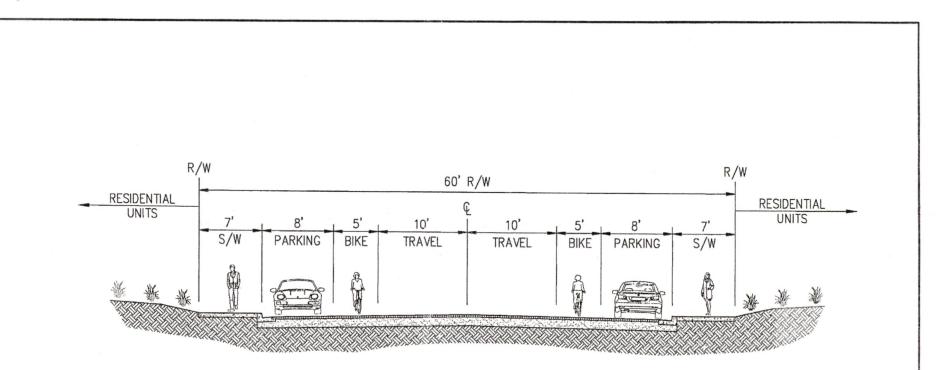
Vanessa M. Cooper Executive Director

Exhibit 1 – North Housing MOU Maps and Milestone Schedule





G:11087-10/ACAD-10/EXHIBITS/NORTHERN HOUSING SITE/XB_SINGLETON & MOSLEY EXTENSIONS_FINAL.DWG 33 of 180



SINGLETON AVENUE NOT TO SCALE

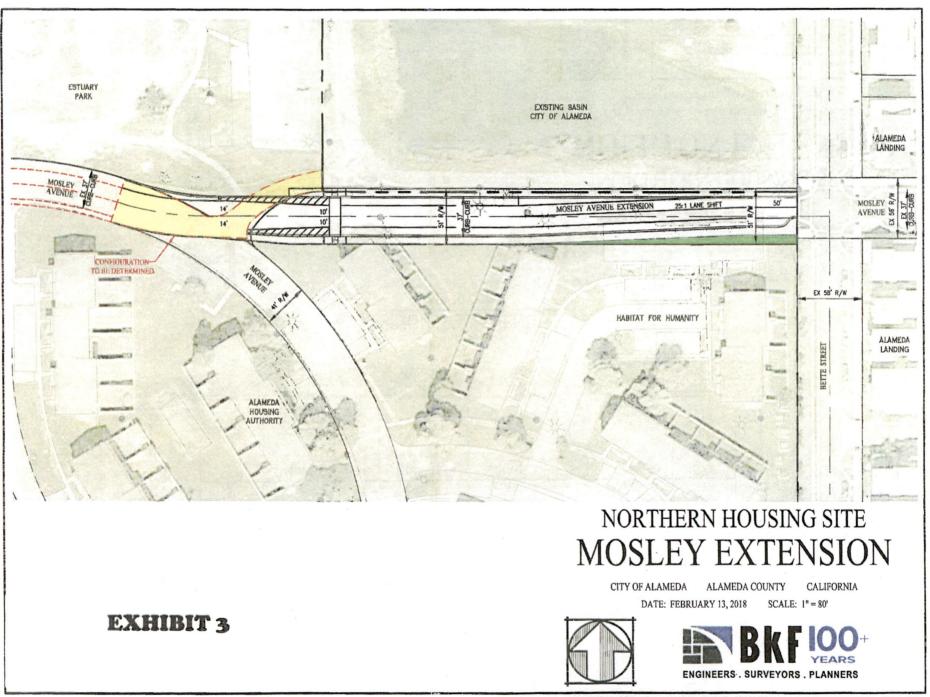
NORTHERN HOUSING SITE SINGLETON EXTENSION

CITY OF ALAMEDA ALAMEDA COUNTY CALIFORNIA

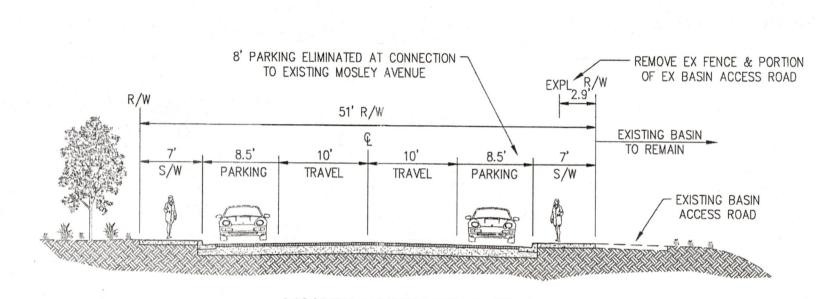
DATE: FEBRUARY 13, 2018 NOT TO SCALE



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MOSLEY AVENUE CONNECTION

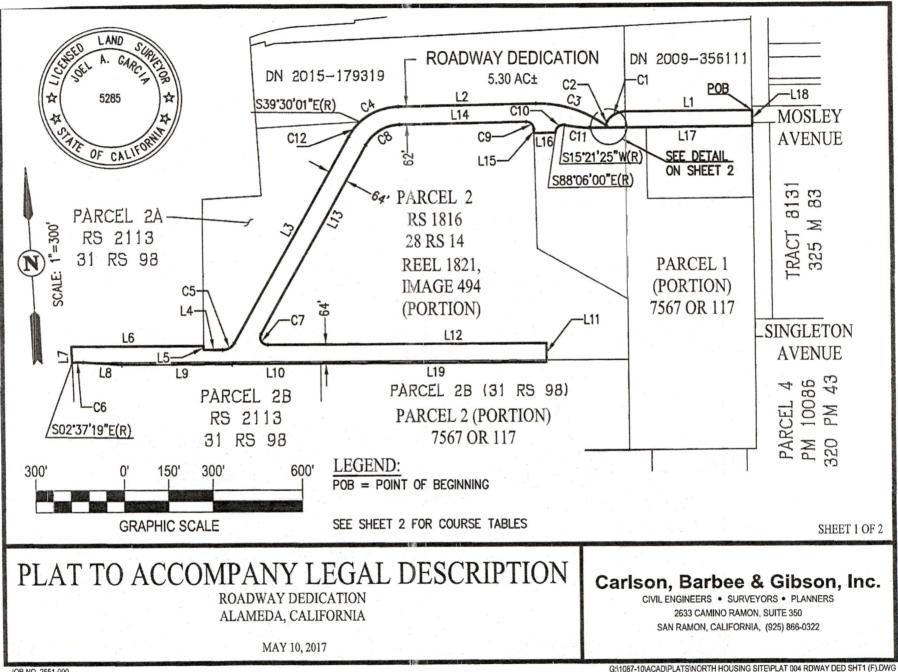


CITY OF ALAMEDA ALAMEDA COUNTY CALIFORNIA DATE: FEBRUARY 13, 2018 NOT TO SCALE



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EXHIBIT 4



JOB NO. 2551-000

5/10/2017 10:08 AM

	LINE TABLE			LINE TABLE				CUF	VE TABLE	
NO	BEARING	LENGTH	NO	BEARING	LENGTH	NOTE:	NO	RADIUS	DELTA	LENGTH
L1	N87*21'52"W	426.49'	L11	N02*46'51"E	64.00'	COURSES ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983, ZONE 3.	C1	75.01'	55 ° 21'57"	72.48'
L2	N88°06'00"W	463.93'	L12	N87'12'11"W	939.24'	DISTANCES SHOWN ARE GROUND DISTANCES. TO OBTAIN GRID DISTANCES DIVIDE GROUND	C2	15.00'	85*53'39"	22.49'
L3	S31*49'50"W	809.54'	L13	N31*49'50"E	740.67'	DISTANCES BY THE COMBINED SCALE FACTOR OF 1.00007055, AS SHOWN ON THAT CERTAIN RECORD	C3	378.03'	39 ° 27'38"	260.35'
L4	N86°36'51"W	63.24'	L14	S88*06'00"E	427.74'	OF SURVEY NO. 1816 (28 RS 14).	C4	197.01'	41*24'01"	142.35'
L5	N02*50'34"E	13.02'	L15	S01*54'00"W	13.31'		C5	45.00'	61*33'19"	48.35'
L6	N8713'09"W	448.32'	L16	S88*06'00"E	73.00'		C6	239.02'	8*59'12"	37.49'
L7	S00°33'45"W	53.65'	L17	S87'21'52"E	547.89'		C7	25.00'	119'02'01"	51.94'
L8	S83'38'07"E	130.83'	L18	N02*46'51"E	53.60'		C8	134.00'	60 ° 04'10"	140.49'
L9	S87"14'57"E	372.85'	L19	S87"12'11"E	762.53'		C9	25.00'	90°00'00"	39.27'
L10	S87"12'11"E	297.21'					C10	25.00'	103°27'25"	45.14'
				S5	2 * 44'43"E	(R)	C11	378.00'	12•43'17"	83.93'
					C3		C12	197.01'	18'40'07"	64.19'
				<u>S41*21'38"</u>		DETAIL NOT TO SCALE			SH	IEET 2 OF 2
ROADWAY DEDICATION CIVIL ALAMEDA, CALIFORNIA							2633 C/	RS • SURVEY	CORS • PLANNERS SUITE 350 (925) 866-0322	

EXHIBIT 5A

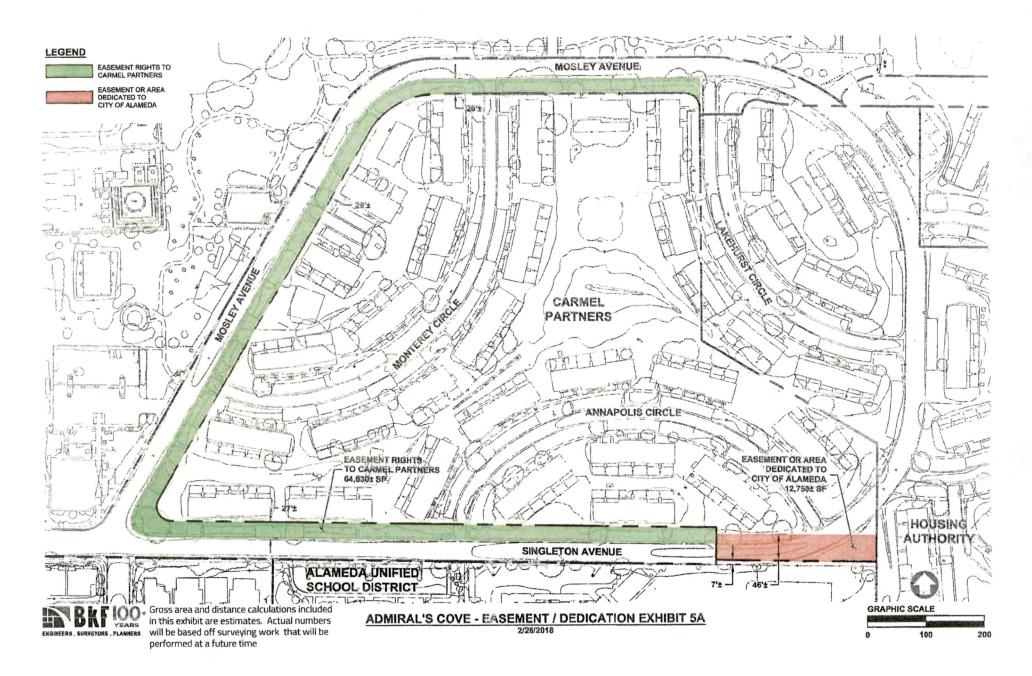
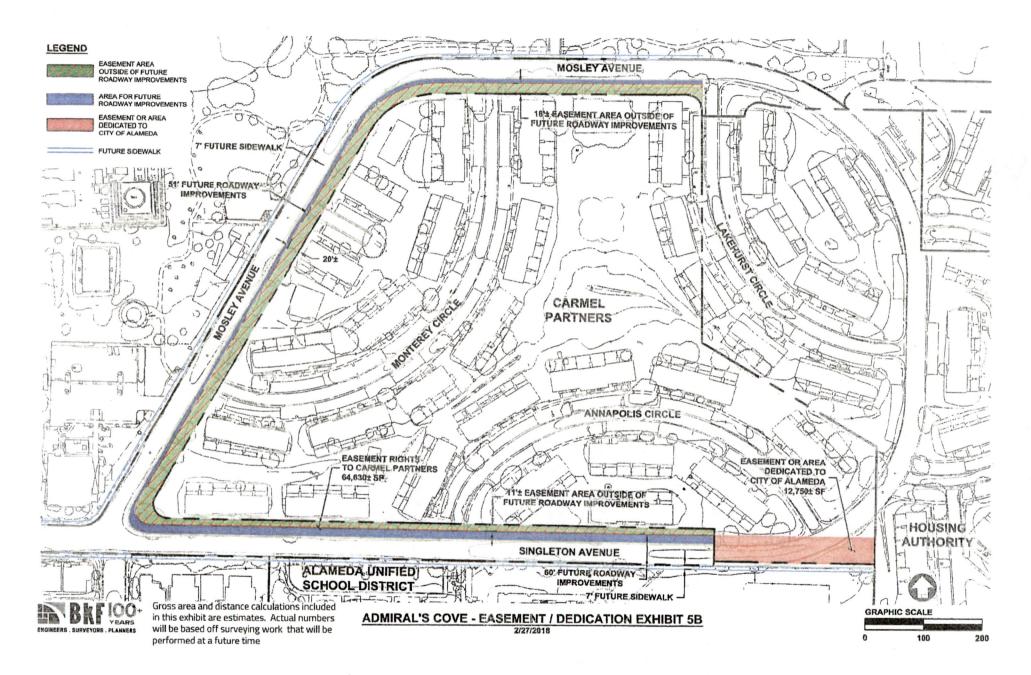


EXHIBIT 5B



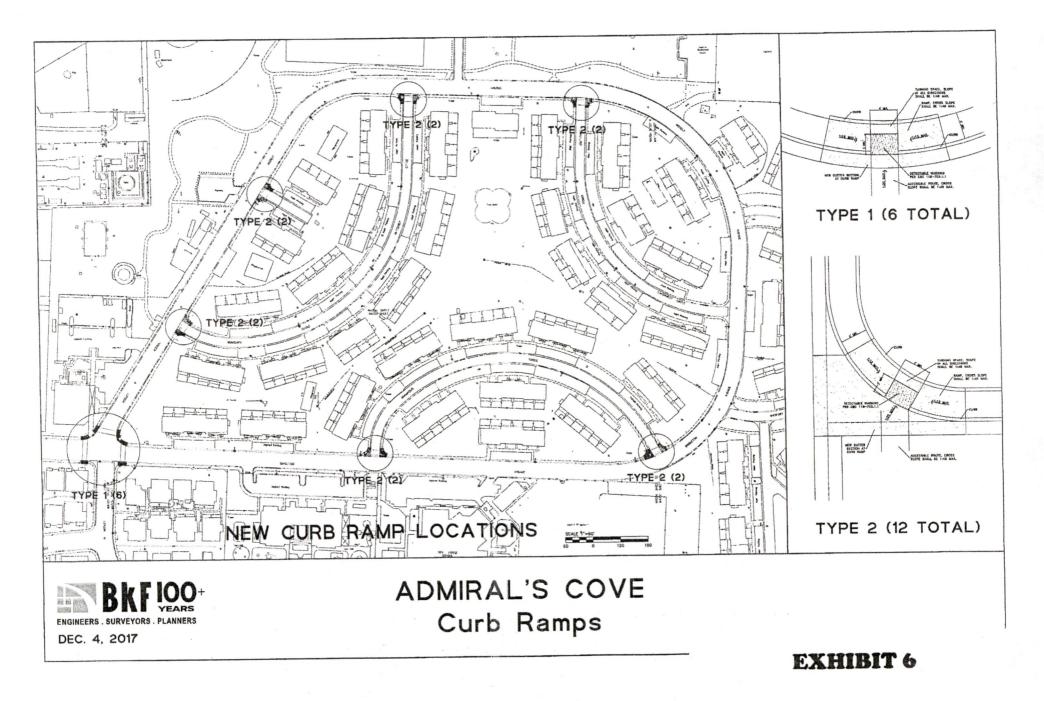


EXHIBIT 7

MILESTONE SCHEDULE

This Milestone Schedule summarizes the schedule for various activities under the Memorandum of Understanding (the "MOU") to which this exhibit is attached. This Milestone Schedule shall not be deemed to modify in any way the provisions of the MOU to which such items relate. Section references to the MOU are intended merely as an aid in relating this Milestone Schedule to other provisions of the MOU and shall not be deemed to have any substantive effect.

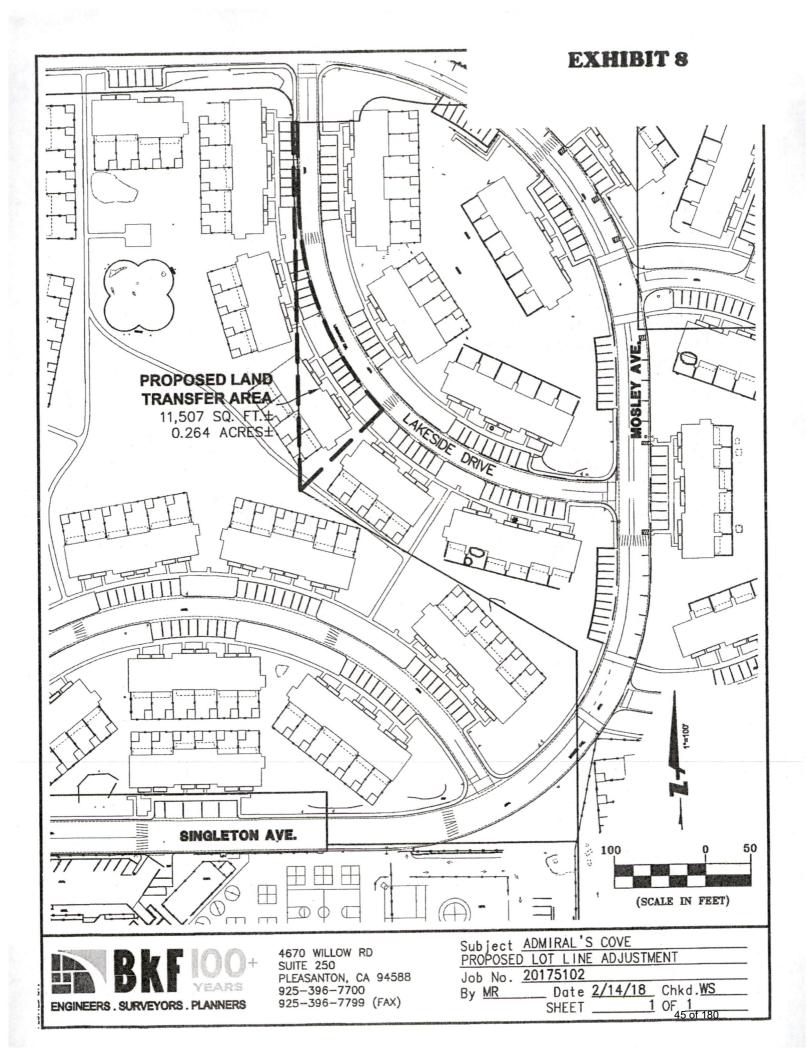
Whenever this Milestone Schedule requires the submission of plans or other documents at a specific time, such plans or other documents, as submitted, shall be complete and adequate for review by the City or other applicable governmental entity within the time set forth herein. Prior to the time set forth for each particular submission, Carmel shall consult with City staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein.

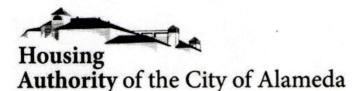
ACTION	MILESTONE DATE
1. Execute the MOU. The Parties shall fully execute this Memorandum of Understanding. [Introductory Paragraph]	Effective Date is March 39,2018
2. Carmel to Provide Insurance Certificates and Additional Insured Endorsements. Carmel to Provide City with Required Insurance Certificates and Additional Insured Endorsements. [§23]	30 days before commencing any work on the Property.
3. Demolition. Subject to the provisions in Section 9, Carmel shall commence the Mosley Demolition Work. Subject to the provisions in Section 10, Carmel shall commence the Singleton Demolition Work. [§8.4, 9 & 10]	Within six (6) months of the Navy transfer to Carmel.
4. Roadway Extension Plans. Carmel submits plans to the City for the construction of Mosley and Singleton Road extensions consistent with Section 8.	Within 30 days of the start of demolition of the six (6) existing structures
5. Roadway Extension Completion. Carmel constructs and delivers the Mosley and Singleton Road extensions as per the approved roadway extension plans. [§8]	Within 12 months of Roadway Extension Permit issuance
6. In Lieu Payments. If the conditions precedent to Carmel constructing the Mosley	No later than January 15, 2019.

1

ACTION	MILESTONE DATE
extensions are not satisfied, Carmel pays to the City a fee for roadway construction. [§9.6]	
7. Infrastructure Plan(s) Submittal. Carmel submits all applicable infrastructure improvement plans for backbone infrastructure based on the capacity and other requirements identified in Sections 7 through 14 of the MOU, with the exception of the Mosley and Singleton Road Extensions, to applicable approving bodies including AMP, PG&E, EBMUD and City for review and processing. [§7]	Within six (6) months of the Effective Date
8. City Infrastructure Plan Approval(s). City reviews and approves infrastructure improvements plans that are under its jurisdiction (i.e., Sanitary Sewer, Existing Roadways, and Roadway Extension Plans) pursuant to this MOU. [§7.3]	Within forty-five (45) days of complete permit application submittal.
9. City and Carmel to Draft Ordinance for Easements and/or fee title conveyance for parts of Mosley Avenue and Singleton Avenue. The City and Carmel to work in good faith to address encroachment issues along Mosley and Singleton Avenues and ownership of segment on Southeast corner of the Property needed for Singleton Extension. [§11.2]	Within sufficient time for a first reading at City Council on May 1, 2018.
10. Construction, Rehabilitation or Repair of ADA Requirements Along Mosley and Singleton Avenues. Carmel to construct, rehabilitate or repair to meet the ADA Requirements along Mosley and Singleton Avenues. [§11.6]	Within two (2) years of permit issuance.
11. Construction, Rehabilitation or Repair of Street Lights Along Mosley and Singleton Avenues. Carmel to construct, rehabilitate or repair the street lights along Mosley and Singleton Avenues. [§11.7]	Within two (2) years of permit issuance.

ACTION	MILESTONE DATE
12. Construction, Rehabilitation or Repair of Backbone Infrastructure – Sanitary Sewer. Carmel to construct, rehabilitate or repair the sanitary sewer system per the MOU. [§12]	Within two (2) years of permit issuance.
13. Carmel shall pay for Storm Water System Repairs. Carmel to pay for the City to construct a flap gate and to clean out the existing storm drain system as per the MOU. [§13]	Consistent with Section 13.1.
14. Construction, Rehabilitation or Repair of Backbone Infrastructure – Potable Water System. Carmel to construct, rehabilitate or repair the potable water system per the MOU. [§14]	Within two (2) years of permit issuance.
15. Construction, Rehabilitation or Repair of Backbone Infrastructure – Electric Service. Carmel to construct new electrical service lines per the MOU. [§15]	Within two years (2) of permit issuance.
16. Expiration Date. The date that the MOU expires unless earlier terminated and is of no further force or effect. [§3]	Consistent with Section 3.





PHONE (510) 747-4300 FAX (510) 522-7848 TDD (510) 522-8467

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 18, 2018

RE: Budget Variance Report for February 28, 2018

BACKGROUND

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

DISCUSSION

Overview

The financial reports are separated between the AHA programs and the properties. Year-to-date variances are as follows: revenue is over budget by \$2,995,296 (11%), operating expenses are under budget by \$1,662,302 (19%), and net income from operations (before depreciation) is over budget by \$3,605,605 (386%). See explanations below.

Housing Program Department (HPD), Housing & Community Development (HCD), and Rent Program

Revenue

Total revenue is higher than the year-to-date budget by \$2,623,678 (13%).

Other income is \$1,911,736 (153%) more than the year-to-date budgeted revenue. This is mainly due to other miscellaneous revenue, which includes \$2,000,000 for in lieu fee for Alameda Landing from TriPointe. Professional service revenue is under budget \$160,095 (13%) and includes developer fees, the Rent Program, and HCD grants. Developer fees are over budget due to receipt of \$240,000 from Sherman and Buena

Vista LP and \$100,000 from Island Community Development (ICD) to pay for real estate development staff costs. The Rent Program is under budget \$353,553 mainly due to understaffing. HCD grants are under budget \$146,524 because actual staff salaries and benefits are less than the budgeted salary rate and benefit percentage.

Administrative Fee income in the HPD is over the year-to-date budget by \$18,251 (2%). The factors that affect how much Administrative fee we receive are the proration percentage and the number of units leased. Administrative fees for 2018 are expected to be as low as a 76% proration, which will need to be considered when the Board approves the 2018-19 budget revision in June. Administrative Fees from HUD have for many years now not fully funded the Housing Programs Department and the Section 8 program has been subsidized by income from the Property Management Department. It will be important to review options for reducing these costs, which may include freezing hires in the HPD department, accelerating streamlining options such triennial recertification and transferring staff to open positions that come available in other departments. Closing the front door to the public every Friday as opposed to every other Friday could facilitate, over time a reduction in staff costs since fewer receptionist staff would be needed.

Expenses

Total operating expenses are lower than the year-to-date budget by \$1,011,634 (29%). This is mainly due to the lower salary and benefit expenses savings. Please note the use of temporary staff or contractors to fill permanently budgeted positions. There are currently a small number of budgeted but unfilled positions. Liability insurance is under budget \$139,114 (95%). The budgeted number overestimated the actual costs because it anticipated an earlier transfer of North Housing.

Net income from operations (before depreciation) is \$1,275,351. This is \$2,578,558 (198%) over budget.

Properties

Revenue

Total revenue income is higher than the year-to-date budget by \$371,618 (5%).

The net rental income (total tenant revenue) is \$258,489 (4%) higher than budget due to low vacancy rates in the very tight housing market in the Bay Area, especially for low-income tenants and Housing Choice Voucher (HCV) holders. See the Property Operations overview for details on vacancies and rent collection.

Expenses

Total operating expenses are lower than the year-to-date budget by \$650,668 (12%). This is mainly due to the lower salary and benefit expenses and maintenance expense savings. Please note the use of temporary staff or contractors to fill permanently budgeted positions. There are currently a number of budgeted but unfilled positions, which have been filled in April 2018. Please also note that maintenance expenses tend

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to increase in the second half of the year as staff complete preventative maintenance and work orders from inspections.

Net income from operations (before depreciation) is \$3,265,395. This is \$1,027,046 (46%) over budget.

Housing Assistance Payments (HAP) Pass-through

The Housing Assistance Payments (HAP) pass-through budget includes all the Housing Choice Voucher/Section 8, Shelter Plus and Bessie Coleman (SRO) programs. Year-to-date HAP revenue is \$785,447 (4%) above the budget. HAP payments to landlords are \$1,279,617 (7%) more than the year-to-date budget. Our HUD established project reserve was used to fund additional voucher costs through January 2018. These funds have now been exhausted and future HAP payments are now dependent on HUD monthly advances With AHA now in shortfall, HUD provided \$288K in additional funding in January & February 2018. HUD has provided \$319K in additional funding in March & April 2018. Staff is working closely with HUD to monitor the HAP revenue and expenditure, and the federal budget process to ensure a sufficient cash flow for the program.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

This month's budget to actual report include two separate reports – one combined for HCV, HCD and the rent program and one for the properties. Over the next year additional reporting will be developed that includes balance sheet reports and additional budget to actual reports.

Interviews are being conducted for a Senior Accounting Technician, a vacant and approved position. The temporary staff person has finished her assignment and completed training our new Controller. The Finance Director, Joyce Boyd CPA, is attending a Housing Choice Voucher Financial Accounting and Reporting class this month. Nan McKay and Associates continues to provide consulting and training services.

The 2016-17 AHA audit is complete. See separate memo. The ICD 2017 audit is also in progress.

RECOMMENDATION For information only.

Respectfully submitted,

ena Looper.

Vanessa M. Cooper Executive Director

VMC/JEB

ALAMEDA HOUSING AUTHORITY HCV, HCD & RENT PROGRAM BUDGET COMPARISON For the eight months ended 2/28/18

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6,845	4,009		1,538,304	1,881,096	342,792	
		FO				18
910	50	59	48,164	54,760	6,596	12
510	50	5	4,024	7,280	3,256	45
64,700	25,852	40	294,200	517,600	223,400	43
20,129	5,194	26	127,259	161,032	33,773	21
3,439	729	21	22,086	27,512	5,426	20
848	(993)	(117)	12,598	6,784	(5,814)	(86)
1,566	104	7	10,703	12,528	1,825	15
1,743	686	39	6,809	13,944	7,135	51
3,629	(89) 209	(2) 61	36,229 600	29,032 2,736	(7,197) 2,136	(25) 78
342 3,601	3,541	98	3,210	2,730	25,598	89
1,185	173	15	12,750	9,480	(3,270)	(35)
1,185	912	77	1,832	9,480	7,648	81
1,105	-	N/A	926	-	(926)	N/A
1,777	(6.828)			14,216		(120)
						(24)
						(85)
-	-			-		N/A
12,516	12,118	97		100,128	74,695	75
-		N/A	1,505	-	(1,505)	N/A
-	-	N/A	20	-	(20)	N/A
8,244	691	8	37,581	65,952	28,371	43
-	-	N/A	2,785	-	(2,785)	N/A
-	-	N/A	434	-	(434)	N/A
20,844	(569)	(3)	63,182	166,752	103,570	62
6,484	3,316	51	21,768	51,872	30,104	58
9,767	9,767	100	32,133	78,136		59
-	-			-		N/A
A 185						(65)
2,129			30,693	8		(13)
3,409	822		4.045	0,5/6		100 N/A
	(1 576)	IN/A	4,945	-		71
3,409	(1,576) 596	65	2,141	7,384		
	12,516 - - 8,244 - - 20,844 6,484 9,767 - 2,129 3,409	6,861 (13,761) 191 (117) - - 12,516 12,118 - - 12,516 12,118 - - 8,244 691 - - 20,844 (569) 6,484 3,316 9,767 9,767 - - 2,129 2,129 3,409 (3,523) 822 822	1,777 (6,828) (384) 6,861 (13,761) (201) 191 (117) (61) - - N/A 12,516 12,118 97 - - N/A 20,844 (569) (3) 6,484 3,316 51 9,767 9,767 100 - - N/A 2,129 2,129 100 3,409 (3,523) (103) 822 822 100 <td>1,777 (6,828) (384) 31,278 6,861 (13,761) (201) 67,803 191 (117) (61) 2,826 - - N/A 3,450 12,516 12,118 97 25,433 - - N/A 1,505 - - N/A 1,505 - - N/A 20 8,244 691 8 37,581 - - N/A 2,785 - - N/A 434 20,844 (569) (3) 63,182 6,484 3,316 51 21,768 9,767 9,767 100 32,133 - - N/A 961 2,129 2,129 100 28,065 3,409 (3,523) (103) 30,693 822 822 100 - - (1,576) N/A 4,945</td> <td>1,777 (6,828) (384) 31,278 14,216 6,861 (13,761) (201) 67,803 54,888 191 (117) (61) 2,826 1,528 - - N/A 3,450 - 12,516 12,118 97 25,433 100,128 - - N/A 1,505 - - - N/A 20 - 8,244 691 8 37,581 65,952 - - N/A 2,785 - 20,844 (569) (3) 63,182 166,752 6,484 3,316 51 21,768 51,872 9,767 9,767 100 32,133 78,136 - - N/A 961 - 2,129 2,129 100 28,065 17,032 3,409 (3,523) (103) 30,693 27,272 822 822 100 - <</td> <td></td>	1,777 (6,828) (384) 31,278 6,861 (13,761) (201) 67,803 191 (117) (61) 2,826 - - N/A 3,450 12,516 12,118 97 25,433 - - N/A 1,505 - - N/A 1,505 - - N/A 20 8,244 691 8 37,581 - - N/A 2,785 - - N/A 434 20,844 (569) (3) 63,182 6,484 3,316 51 21,768 9,767 9,767 100 32,133 - - N/A 961 2,129 2,129 100 28,065 3,409 (3,523) (103) 30,693 822 822 100 - - (1,576) N/A 4,945	1,777 (6,828) (384) 31,278 14,216 6,861 (13,761) (201) 67,803 54,888 191 (117) (61) 2,826 1,528 - - N/A 3,450 - 12,516 12,118 97 25,433 100,128 - - N/A 1,505 - - - N/A 20 - 8,244 691 8 37,581 65,952 - - N/A 2,785 - 20,844 (569) (3) 63,182 166,752 6,484 3,316 51 21,768 51,872 9,767 9,767 100 32,133 78,136 - - N/A 961 - 2,129 2,129 100 28,065 17,032 3,409 (3,523) (103) 30,693 27,272 822 822 100 - <	

ALAMEDA HOUSING AUTHORITY HCV, HCD & RENT PROGRAM BUDGET COMPARISON For the eight months ended 2/28/18

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE	150		(150)	N/A	905		(905)	N/A
Tenant Svcs Employee Benefits - PERS/PARS Tenant Svcs Employee Benefits - Other	-		(150)	N/A	130	-	(130)	N/A
TOTAL TENANT SERV EMPLOYEE BENEFITS AND INSUR	150	-	(150)	N/A	1,035	-	(1,035)	N/A
TENANT SERVICES	*							
Tenant Service Activities - Contracts and O/S Services	-	99	99	100	-	792	792	100
Tenant/Social Services - Resident Participation	23	-	(23)	N/A	419	-	(419)	N/A
TOTAL TENANT SERVICES	23	99	76	77	419	792	373	47
UTILITIES								
Water	211	113	(98)	(87)	800	904	104	11
Electricity	393	833	440	53	3,014	6,664	3,650	55
Gas	19	48	29 5	61	140 118	384 304	244 186	64 61
Sewer Garbage	33 139	38 197	58	13 29	977	1,576	599	38
TOTAL UTILITIES	794	1,229	435	35	5,049	9,832	4,783	49
MAINTENANCE								
MAINTENANCE MATERIALS								
Maintenance Materials	1,166	293	(873)	(298)	1,548	2,344	796	34
TOTAL MAINTENANCE MATERIALS	1,166	293	(873)	(298)	1,548	2,344	796	34
MAINTENANCE CONTRACTS								
Maintenance Contracts - Floor Covering	- 1	32	32	100	-	256	256	100
Maintenance Contracts - Services	-	256	256	100	100	2,048	1,948	95
Maintenance Contracts - Painting	-	514	514	100	•	4,112	4,112	100
Maintenance Contracts - Landscape, Pool, Pond Maint	-	18	18	100	-	144	144	100
Maintenance Contracts - HVAC Maintenance	-	205	205	100	741	1,640	899	55
Maintenance Contracts - Elevator Maintenance	-	40	40	100	200	320	120	38
Maintenance Contracts - Extermination	-	2	2	100	-	15	15	100
Maintenance Contracts - Security and Nurse Call Systems	145	431	286	66	2,260 107	3,448	1,188	34
Maintenance Contracts - Gutter Cleaning Services	- 40		- (40)	N/A	40	-	(107) (40)	N/A N/A
Maintenance Contracts - Flooring Replmt/Cleaning Srvc Maintenance Contracts - Other	40	-	(40)	N/A N/A	299		(40)	N/A
Maintenance Contracts - Other Maintenance Contracts - Vehicle Maintenance		26	26	100	255	208	208	100
Maintenance Contracts - Janitorial	1,078	531	(547)	(103)	8,623	4,248	(4,375)	(103)
TOTAL MAINTENANCE CONTRACTS	1,262	2,055	793	39	12,370	16,439	4,069	25
MAINTENANCE EMPLOYEE BENEFITS								
Maint Employee Benefits - Uniforms/Shoes	-	-	-	N/A	6	-	(6)	N/A
TOTAL MAINTENANCE EMPLOYEE BENEFITS	-	-	-	N/A	6	-	(6)	N/A
TOTAL MAINTENANCE	2,429	2,348	(81)	(3)	13,925	18,783	4,858	26
GENERAL EXPENSES								
Mortgage Financial Service Charge	-	-	-	N/A	2,312	-	(2,312)	N/A
Insurance - Liability	1,010	18,399	17,389	95	8,078	147,192	139,114	95
Insurance - Property	45	-	(45)	N/A	371	-	(371)	N/A
Insurance - Vehicle		366	366	100	-	2,928	2,928	100
Insurance - Other	244	-	(244)	N/A	1,464	-	(1,464)	N/A
Other General Expenses	1,000	-	(1,000)	N/A 88	12,348 24,573	150,120	(12,348) 125,547	N/A 84
TOTAL GENERAL EXPENSES TOTAL OPERATING EXPENSES	334,604	18,765 441,667	16,467 107,063	24	2,521,701	3,533,335	1,011,634	29
MOD REHAB AND SPC EXPENSES								
PORT-In (A/R Billings)	(41,672)	-	41,672	N/A	(234,422)	-	234,422	N/A
TOTAL MOD REHAB AND SPC EXPENSES	(41,672)	-	41,672	N/A	(234,422)	-	234,422	N/A
EXTRAORDINARY EXPENSES								
Pre-development Cost	-	8,333	8,333	100	508	66,664	66,156	99
HOUSING ASSISTANCE PAYMENTS (VOUCHER)								
TOTAL EXTRAORDINARY EXPENSES	-	8,333	8,333	100	508	66,664	66,156	99
HOUSING ASSISTANCE PAYMENTS (VOUCHER)					10.105.555	10.115.000	(1.000.010)	
Housing Assistance Payments - Landlords	2,500,498	2,268,242	(232,256)	(10)		18,145,936	(1,279,617)	(7)
Housing Assistance Payments - FSS	5,729	-	(5,729)	N/A	55,266	-	(55,266)	N/A
Utility Allowance to Tenants	2,417 2,508,644	2,268,242	(2,417) (240,402)	N/A (11)	22,449 19,503,268	18,145,936	(22,449) (1,357,332)	N/A (7)
TOTAL HOUSING ASSISTANCE PAYMENTS (VOUCHER) TOTAL EXPENSES	2,508,644	2,200,242	(83,334)	(11)	21,791,055	21,745,935	(45,120)	(0)
NET INCOME FROM OPERATIONS	(132,741)	(162,901)	30,160	18.51	1,275,351	(1,303,207)	2,578,558	198
Depreciation Expense	7,489	_	(7,489)	N/A	69,476		(69,476)	N/A
	(140,230)	(162,901)	22,671	13.92	1,205,875	(1,303,207)	2,509,082	193

ALAMEDA HOUSING AUTHORITY PROPERTIES BUDGET COMPARISON For the eight months ended 2/28/18

- 302,242 79 20 166,667 504,647 - 2,537 976,192 - 10,906 - 972 - 10,906 - 972 - 10 2,793 - 14,681 19,240	(38,747) (9,536) (7,339) 290,808 1,094 - - 170,281 508,080 5,190 2,326 922,157 - - 5,871 - - - 2,155 - - 447 8,473	38,747 9,536 7,339 11,434 (1,015) 20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 6,38 - (447) 6,208	100 100 4 (93) N/A (2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A 30 N/A	- 2,363,004 6,995 940 1,333,333 3,911,723 - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	(309,987) (76,288) (58,718) 2,326,464 8,758 - 1,362,248 4,064,640 41,520 18,608 7,377,245 - 46,972 - - -	309,987 76,288 58,718 36,540 (1,763) 940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839 7,672	N/A (2) (4) (100) 6 4 N/A 91 N/A N/A
- 302,242 79 20 166,667 504,647 - 2,537 976,192 - 10,906 - 972 - 10,906 - 972 - 10 2,793 - 14,681 19,240 -	(9,536) (7,339) 290,808 1,094 - 170,281 508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - - 2,155 - 447 8,473	9,536 7,339 11,434 (1,015) 20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - 10 638 -	100 100 4 (93) N/A (2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	6,995 940 1,333,333 3,911,723 - - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	(76,288) (58,718) 2,326,464 8,758 1,362,248 4,064,640 41,520 18,608 7,377,245	76,288 58,718 36,540 (1,763) 940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	100 100 2 (20) N/A (2) (4) (100) <u>6</u> 4 N/A 91 N/A N/A
- 302,242 79 20 166,667 504,647 - 2,537 976,192 - 10,906 - 972 - 10,906 - 972 - 10 2,793 - 14,681 19,240 -	(9,536) (7,339) 290,808 1,094 - 170,281 508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - - 2,155 - 447 8,473	9,536 7,339 11,434 (1,015) 20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - 10 638 -	100 100 4 (93) N/A (2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	6,995 940 1,333,333 3,911,723 - - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	(76,288) (58,718) 2,326,464 8,758 1,362,248 4,064,640 41,520 18,608 7,377,245	76,288 58,718 36,540 (1,763) 940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	100 100 2 (20) N/A (2) (4) (100) <u>6</u> 4 N/A 91 N/A N/A
79 20 166,667 504,647 - 2,537 976,192 - 10,906 - - 972 - 10,906 - - 972 - 10 2,793 - - 10 2,793 - 14,681 19,240 -	(7,339) 290,808 1,094 - 170,281 508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - - 2,155 - 447 8,473	7,339 11,434 (1,015) 20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 5,035 - 972 - 10 638 - (447)	100 4 (93) N/A (2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	6,995 940 1,333,333 3,911,723 - - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	(58,718) 2,326,464 8,758 - 1,362,248 4,064,640 41,520 18,608 7,377,245	58,718 36,540 (1,763) 940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	100 2 (20) N/A (2) (4) (100) <u>6</u> 4 N/A 91 N/A
79 20 166,667 504,647 - 2,537 976,192 - 10,906 - - 972 - 10,906 - - 972 - 10 2,793 - - 10 2,793 - 14,681 19,240 -	290,808 1,094 - - 170,281 508,080 5,190 2,326 922,157 - - - - - 2,155 - - 447 8,473	11,434 (1,015) 20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 5,035 - 972 - 10 638 - (447)	4 (93) N/A (2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	6,995 940 1,333,333 3,911,723 - - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	2,326,464 8,758 - 1,362,248 4,064,640 41,520 18,608 7,377,245 - 46,972 -	36,540 (1,763) 940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	2 (20) N/A (2) (4) (100) <u>6</u> 4 N/A 91 N/A N/A
79 20 166,667 504,647 - 2,537 976,192 - 10,906 - - 972 - 10,906 - - 972 - 10 2,793 - - 10 2,793 - 14,681 19,240 -	1,094 - 170,281 508,080 5,190 2,326 922,157 - 5,871 - - - 2,155 - - 447 8,473	(1,015) 20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - (447)	(93) N/A (2) (10) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	6,995 940 1,333,333 3,911,723 - - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	8,758 - 1,362,248 4,064,640 41,520 18,608 7,377,245 - 46,972 -	(1,763) 940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	(20) N/A (2) (4) (100) <u>6</u> 4 N/A 91 N/A N/A
20 166,667 504,647 - - 2,537 976,192 - 10,906 - - 9772 - 10 2,793 - - 10 2,793 - - 14,681 19,240 -	- 170,281 508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - 447 8,473	20 (3,614) (3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - (447)	N/A (2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	940 1,333,333 3,911,723 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	1,362,248 4,064,640 41,520 18,608 7,377,245	940 (28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	N/A (2) (4) (100) <u>6</u> 4 N/A 91 N/A N/A
166,667 504,647 	508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - 447 8,473	(3,614) (3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - (447)	(2) (1) (100) 9 6 N/A 86 N/A N/A N/A N/A N/A 30	1,333,333 3,911,723 - 19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	4,064,640 41,520 18,608 7,377,245 - 46,972 -	(28,915) (152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	(2) (4) (100) <u>6</u> 4 N/A 91 N/A N/A
504,647 - 2,537 976,192 - 10,906 - 972 - 10 2,793 - - 14,681 19,240 -	508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - 447 8,473	(3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - (447)	(1) (100) 9 6 N/A 86 N/A N/A N/A N/A 30	3,911,723 	4,064,640 41,520 18,608 7,377,245 - 46,972 -	(152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	(4) (100) 6 4 N/A 91 N/A N/A
504,647 - 2,537 976,192 - 10,906 - 972 - 10 2,793 - - 14,681 19,240 -	508,080 5,190 2,326 922,157 - 5,871 - - 2,155 - 447 8,473	(3,433) (5,190) 211 54,035 - 5,035 - 972 - 10 638 - (447)	(1) (100) 9 6 N/A 86 N/A N/A N/A N/A 30	3,911,723 	4,064,640 41,520 18,608 7,377,245 - 46,972 -	(152,917) (41,520) 1,131 258,489 51,000 42,512 1,741 7,839	(4) (100) 6 4 N/A 91 N/A N/A
2,537 976,192 - 10,906 - 972 - 10 2,793 - - 14,681 19,240 -	5,190 2,326 922,157 - 5,871 - - 2,155 - 447 8,473	(5,190) 211 54,035 - 5,035 - 972 - 10 638 - (447)	(100) 9 6 N/A 86 N/A N/A N/A N/A 30	19,739 7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	41,520 18,608 7,377,245 46,972	(41,520) 1,131 258,489 51,000 42,512 1,741 7,839	(100) 6 4 N/A 91 N/A N/A
976,192 - 10,906 - 972 - 10 2,793 - - 14,681 19,240 -	2,326 922,157 - 5,871 - - 2,155 - 447 8,473	211 54,035 - 5,035 - 972 - 10 638 - (447)	9 6 N/A 86 N/A N/A N/A 30	7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	18,608 7,377,245 - 46,972 -	1,131 258,489 51,000 42,512 1,741 7,839	6 4 N/A 91 N/A N/A
976,192 - 10,906 - 972 - 10 2,793 - - 14,681 19,240 -	922,157 - 5,871 - - 2,155 - 447 8,473	54,035 - 5,035 - 972 - 10 638 - (447)	6 N/A 86 N/A N/A N/A 30	7,635,734 51,000 89,484 1,741 7,839 7,672 2,325	7,377,245 - 46,972 -	258,489 51,000 42,512 1,741 7,839	4 N/A 91 N/A N/A
- 972 - 10 2,793 - - 14,681 19,240	5,871 - - 2,155 - 447 8,473	5,035 - 972 - 10 638 - (447)	86 N/A N/A N/A 30	89,484 1,741 7,839 7,672 2,325	-	42,512 1,741 7,839	91 N/A N/A
- 972 - 10 2,793 - - 14,681 19,240	5,871 - - 2,155 - 447 8,473	5,035 - 972 - 10 638 - (447)	86 N/A N/A N/A 30	89,484 1,741 7,839 7,672 2,325	-	42,512 1,741 7,839	91 N/A N/A
- 972 - 10 2,793 - - 14,681 19,240	- - 2,155 - 447 8,473	972 - 10 638 - (447)	86 N/A N/A N/A 30	1,741 7,839 7,672 2,325	-	1,741 7,839	N/A N/A
- 972 - 10 2,793 - - 14,681 19,240	- - 2,155 - 447 8,473	972 - 10 638 - (447)	N/A N/A N/A 30	1,741 7,839 7,672 2,325	-	1,741 7,839	N/A
- 10 2,793 - - 14,681 19,240 -	- 2,155 - 447 8,473	- 10 638 - (447)	N/A N/A N/A 30	7,839 7,672 2,325	· ·	7,839	N/A
- 10 2,793 - - 14,681 19,240 -	- 2,155 - 447 8,473	- 10 638 - (447)	N/A N/A 30	7,672 2,325	-		
2,793 - - 14,681 19,240 -	- 2,155 - 447 8,473	638 - (447)	N/A 30	2,325			N/A
2,793 - - 14,681 19,240 -	447 8,473	638 - (447)	30				
- 14,681 19,240 -	447 8,473	- (447)			-	2,325	N/A
19,240	8,473		N/A	17,176	17,241	(65)	(0)
19,240	8,473			772	-	772	N/A
19,240		6,208	(100)	1,501	3,576	(2,075)	(58)
-			73	179,510	67,789	111,721	165
-							
- 19,240	15,305	3,935	26	153,927	122,440	31,487	26
19,240	3,760	(3,760)	(100)	-	30,080	(30,080)	(100)
	19,065	175	1	153,927	152,520	1,407	1
10,113	949,695	60,418	6	7,969,172	7,597,554	371,618	5
72,751	100,783	28,032	28	549,365	806,277	256,912	32
			(51)	113,567	69,004	(44,563)	(65)
							(76)
							43
							32
							30
				· · · · · · · · · · · · · · · · · · ·	2		(84)
							(84)
589				3,423			29
-				-			100
1,601							14
242	714	472	66	769	5,726	4,957	87
-	1,657	1,657	100	6,396	13,264	6,868	52
2,493	2,362	(131)	(6)	22,503	18,908	(3,595)	(19)
1,421	1,393	(28)	(2)	11,958	11,160	(798)	(7)
734	342	(392)	(115)	6,300	2,760	(3,540)	(128)
			(110)	117,357	92,392	(24,965)	(27)
	880				3,138	1,265	40
	-				-,		N/A
	5 110				40 888		39
2,019	5,110	3,031			-		N/A
	-				_		N/A
-	-				-		
	-				60 715		N/A
							(140)
							(12)
2,076	3,795	1,719			30,372		(80)
-	-	-	N/A		-		N/A
-	1,467	1,467	100	73,715	11,746	(61,969)	(528)
5,026	993	(4,033)	(406)	11,408	7,947	(3,461)	(44)
-	679	679	100	-	5,463	5,463	100
3,557	-	(3,557)	N/A	11,162	-	(11,162)	N/A
	1,040	(96)	(9)	8,294	8,343	49	1
			(5)	20,424	19,504	(920)	(5)
178,023	5		9			(340)	15.
	12,998 6,402 14,126 5,796 1,047 711 463 589 - 1,601 242 - 2,493 1,421 734 24,297 203 8,450 2,019 - - 5,026 - - 5,026 - - 5,026 - - 5,057 1,136 2,553	12,998 8,625 6,402 2,130 14,126 24,241 5,796 8,529 1,047 1,403 711 295 463 610 589 601 - 7 1,601 2,109 242 714 - 1,657 2,493 2,362 1,421 1,393 734 342 24,297 11,549 203 389 8,450 - - - (59) - 239 7,587 7,152 5,560 2,076 3,795 - - - - 5,026 993 - 679 3,557 - 1,136 1,040 2,553 2,438	12,998 8,625 $(4,373)$ 6,402 2,130 $(4,272)$ 14,126 24,241 10,115 5,796 8,529 2,733 1,047 1,403 356 711 295 (416) 463 610 147 589 601 12 - 7 7 1,601 2,109 508 242 714 472 - 1,657 1,657 2,493 2,362 (131) 1,421 1,393 (28) 734 342 (392) 24,297 11,549 (12,748) 203 389 186 8,450 - - - - - (59) - 59 239 7,587 7,348 7,152 5,560 (1,592) 2,076 3,795 1,719 - - - <t< td=""><td>12,998 8,625 $(4,373)$ (51) 6,402 2,130 $(4,272)$ (201) 14,126 24,241 10,115 42 5,796 8,529 2,733 32 1,047 1,403 356 25 711 295 (416) (141) 463 610 147 24 589 601 12 2 - 7 7 100 1,601 2,109 508 24 242 714 472 66 - 1,657 1,657 100 2,493 2,362 (131) (6) 1,421 1,393 (28) (2) 734 342 (392) (115) 24,297 11,549 (12,748) (110) 203 389 186 48 8,450 - (8,450) N/A 2,019 5,110 3,091 60</td><td>12,998 8,625 $(4,373)$ (51) 113,567 6,402 2,130 $(4,272)$ (201) 29,943 14,126 24,241 10,115 42 111,151 5,796 8,529 2,733 32 46,101 1,047 1,403 356 25 7,891 711 295 (416) (141) 4,360 463 610 147 24 4,048 589 601 12 2 3,423 - 7 7 100 - 1,601 2,109 508 24 14,568 242 714 472 66 769 - 1,657 1,657 100 6,396 2,493 2,362 (131) (6) 22,503 1,421 1,393 (28) (2) 11,958 734 342 (392) (115) 6,300 24,297 11,549 (12,748)</td><td>12,998$8,625$$(4,373)$$(51)$$113,567$$69,004$$6,402$$2,130$$(4,272)$$(201)$$29,943$$17,047$$14,126$$24,241$$10,115$$42$$111,151$$193,932$$5,796$$8,529$$2,733$$32$$46,101$$68,240$$1,047$$1,403$$356$$25$$7,891$$11,247$$711$$295$$(416)$$(141)$$4,360$$2,375$$463$$610$$147$$24$$4,048$$4,889$$589$$601$$12$$2$$3,423$$4,816$77$100$-$56$$1,601$$2,109$$508$$24$$14,568$$16,883$$242$$714$$472$$66$$769$$5,726$-$1,657$$1,657$$100$$6,396$$13,264$$2,493$$2,362$$(131)$$(6)$$22,503$$18,908$$1,421$$1,393$$(28)$$(2)$$11,958$$11,160$$734$$342$$(392)$$(115)$$6,300$$2,760$$24,297$$11,549$$(12,748)$$(110)$$117,357$$92,392$$203$$389$$186$$48$$1,873$$3,138$$8,450N/A6,560N/A15,606$$(59)$-$59N/A(872)$-$239$$7,587$$7,348$$97$$14$</td><td>12,998$8,625$$(4,373)$$(51)$$113,567$$69,004$$(44,563)$$6,402$$2,130$$(4,272)$$(201)$$29,943$$17,047$$(12,896)$$14,126$$24,241$$10,115$$42$$111,151$$193,932$$82,781$$5,796$$8,529$$2,733$$32$$46,101$$68,240$$22,139$$1,047$$1,403$$356$$25$$7,891$$11,247$$3,356$$711$$295$$(416)$$(141)$$4,360$$2,375$$(1,985)$$463$$610$$147$$24$$4,048$$4,889$$841$$589$$601$$12$$2$$3,423$$4,816$$1,393$$7$$7$$100$$56$$56$$1,601$$2,109$$508$$24$$14,568$$16,883$$2,315$$242$$714$$472$$66$$769$$5,726$$4,957$$1,657$$1,657$$100$$6,396$$13,264$$6,868$$2,493$$2,362$$(131)$$(6)$$22,503$$18,908$$(3,595)$$1,421$$1,393$$(28)$$(2)$$11,958$$11,160$$(798)$$734$$342$$(392)$$(115)$$6,300$$2,760$$(3,540)$$2,019$$5,110$$3,091$$60$$25,009$$40,888$$15,879$$N/A$$15,606$$(15,606)$$N/A$$15,606$<</td></t<>	12,998 8,625 $(4,373)$ (51) 6,402 2,130 $(4,272)$ (201) 14,126 24,241 10,115 42 5,796 8,529 2,733 32 1,047 1,403 356 25 711 295 (416) (141) 463 610 147 24 589 601 12 2 - 7 7 100 1,601 2,109 508 24 242 714 472 66 - 1,657 1,657 100 2,493 2,362 (131) (6) 1,421 1,393 (28) (2) 734 342 (392) (115) 24,297 11,549 (12,748) (110) 203 389 186 48 8,450 - (8,450) N/A 2,019 5,110 3,091 60	12,998 8,625 $(4,373)$ (51) 113,567 6,402 2,130 $(4,272)$ (201) 29,943 14,126 24,241 10,115 42 111,151 5,796 8,529 2,733 32 46,101 1,047 1,403 356 25 7,891 711 295 (416) (141) 4,360 463 610 147 24 4,048 589 601 12 2 3,423 - 7 7 100 - 1,601 2,109 508 24 14,568 242 714 472 66 769 - 1,657 1,657 100 6,396 2,493 2,362 (131) (6) 22,503 1,421 1,393 (28) (2) 11,958 734 342 (392) (115) 6,300 24,297 11,549 (12,748)	12,998 $8,625$ $(4,373)$ (51) $113,567$ $69,004$ $6,402$ $2,130$ $(4,272)$ (201) $29,943$ $17,047$ $14,126$ $24,241$ $10,115$ 42 $111,151$ $193,932$ $5,796$ $8,529$ $2,733$ 32 $46,101$ $68,240$ $1,047$ $1,403$ 356 25 $7,891$ $11,247$ 711 295 (416) (141) $4,360$ $2,375$ 463 610 147 24 $4,048$ $4,889$ 589 601 12 2 $3,423$ $4,816$ 77 100 - 56 $1,601$ $2,109$ 508 24 $14,568$ $16,883$ 242 714 472 66 769 $5,726$ - $1,657$ $1,657$ 100 $6,396$ $13,264$ $2,493$ $2,362$ (131) (6) $22,503$ $18,908$ $1,421$ $1,393$ (28) (2) $11,958$ $11,160$ 734 342 (392) (115) $6,300$ $2,760$ $24,297$ $11,549$ $(12,748)$ (110) $117,357$ $92,392$ 203 389 186 48 $1,873$ $3,138$ $8,450$ N/A $6,560$ N/A $15,606$ (59) - 59 N/A (872) - 239 $7,587$ $7,348$ 97 14	12,998 $8,625$ $(4,373)$ (51) $113,567$ $69,004$ $(44,563)$ $6,402$ $2,130$ $(4,272)$ (201) $29,943$ $17,047$ $(12,896)$ $14,126$ $24,241$ $10,115$ 42 $111,151$ $193,932$ $82,781$ $5,796$ $8,529$ $2,733$ 32 $46,101$ $68,240$ $22,139$ $1,047$ $1,403$ 356 25 $7,891$ $11,247$ $3,356$ 711 295 (416) (141) $4,360$ $2,375$ $(1,985)$ 463 610 147 24 $4,048$ $4,889$ 841 589 601 12 2 $3,423$ $4,816$ $1,393$ $ 7$ 7 100 $ 56$ 56 $1,601$ $2,109$ 508 24 $14,568$ $16,883$ $2,315$ 242 714 472 66 769 $5,726$ $4,957$ $ 1,657$ $1,657$ 100 $6,396$ $13,264$ $6,868$ $2,493$ $2,362$ (131) (6) $22,503$ $18,908$ $(3,595)$ $1,421$ $1,393$ (28) (2) $11,958$ $11,160$ (798) 734 342 (392) (115) $6,300$ $2,760$ $(3,540)$ $2,019$ $5,110$ $3,091$ 60 $25,009$ $40,888$ $15,879$ $ N/A$ $15,606$ $ (15,606)$ $ N/A$ $15,606$ <

ALAMEDA HOUSING AUTHORITY PROPERTIES BUDGET COMPARISON For the eight months ended 2/28/18

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
TENANT/SOCIAL SERVICES/POLICE								
Tenant Services - Salaries	7,786	18,435	10,649	58	80,732	147,497	66,765	45
Police Services	16,223	16,225	3	0	129,780	129,800	20	0
TOTAL TENANT/SOCIAL SERVICES/POLICE	24,009	34,660	10,651	31	210,512	277,297	66,785	24
RELOCATION				11				
Tenant-Relocation Costs	-	643	643	100	-	5,145	5,145	100
TOTAL RELOCATION	-	643	643	100		5,145	5,145	100
TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE								
Tenant Svcs Employee Benefits - Medical/Dental	2,468	-	(2,468)	N/A	24,873	-	(24,873)	N/A
Tenant Svcs Employee Benefits - PERS/PARS	920		(920)	N/A	7,997	-	(7,997)	N/A
Tenant Svcs Employee Benefits - FICA	112	-	(112)	N/A	1,159	-	(1,159)	N/A
Tenant Svcs Employee Benefits - SUI	76	-	(76)	N/A	579	-	(579)	N/A
Tenant Svcs Employee Benefits - Other	-	7,618	7,618	100	294	60,949	60,655	100
Tenant Svcs Employee Benefit - WC	1,443	-	(1,443)	N/A	10,020	-	(10,020)	N/A
TOTAL TENANT SERV EMPLOYEE BENEFITS AND INSURANCE	5,020	7,618	2,598	34	44,923	60,949	16,026	26
TENANT SERVICES								
Tenant/Social Sevices - Supplies	-	-	-	N/A	330		(330)	N/A
Tenant Service Activities - Contracts and O/S Services	18,397	23,631	5,234	22	154,458	189,064	34,606	18
Tenant/Social Services - Resident Participation	-	-	-	N/A	219	-	(219)	N/A
TOTAL TENANT SERVICES	18,397	23,631	5,234	22	155,007	189,064	34,057	18
UTILITIES								
Water	24,949	19,176	(5,773)	(30)	159,534	153,420	(6,114)	(4)
Electricity	11,212	10,215	(997)	(10)	79,338	81,730	2,392	3
Gas	6,594	3,700	(2,894)	(78)	46,016	29,603	(16,413)	(55)
Sewer	23,431	24,455	1,024	4	167,442	195,647	28,205	14
Garbage	32,965	37,630	4,665	12	229,829	301,053	71,224	24
TOTAL UTILITIES	99,151	95,176	(3,975)	(4)	682,160	761,453	79,293	10
MAINTENANCE								
MAINTENANCE SALARIES								
Maintenance - Salaries	43,878	40,252	(3,626)	(9)	400,257	322,022	(78,235)	(24)
Facilities - Salaries	-	16,724	16,724	100	-	133,792	133,792	100
Maintenance - Temporary Help	-	-	-	N/A	320	-	(320)	N/A
TOTAL MAINTENANCE SALARIES	43,878	56,976	13,098	23	400,576	455,814	55,238	12
MAINTENANCE MATERIALS						150 770	05 603	
Maintenance Materials	11,687	18,845	7,158	38	65,165	150,772	85,607	57
Vehicle - gasoline TOTAL MAINTENANCE MATERIALS	- 11,687	- 18,845	7,158	N/A 38	3,835 69,000	150,772	(3,835) 81,772	N/A 54
MAINTENANCE CONTRACTS	6,848	23,113	16,266	70	71,560	184,925	113,365	61
Maintenance Contracts - Unit Turnaround Maintenance Contracts - Tree Trimming	0,040	23,113	10,200	N/A	4,410	-	(4,410)	N/A
Maintenance Contracts - Cycle Painting		2,552	2,552	100	8,825	20,427	11,602	57
Maintenance Contracts - Cycle Painting Maintenance Contracts - Floor Covering	9,165	5,767	(3,398)	(59)	65,271	46,142	(19,129)	(41)
Maintenance Contracts - Services	8,309	12,568	4,259	34	68,552	100,558	32,006	32
Maintenance Contracts - Painting	14,425	1,420	(13,005)	(916)	22,975	11,374	(11,601)	(102)
Maintenance Contracts - Plumbing	5,715	2,405	(3,310)	(138)	23,797	19,252	(4,545)	(24)
Maintenance Contracts - Landscape, Pool, Pond Maintenance		10,583	8,286	78	72,052	84,666	12,614	15
Maintenance Contracts - HVAC Maintenance	-	2,307	2,307	100	11,001	18,476	7,475	40
Maintenance Contracts - Hazardous Substances Testing	650	-	(650)	N/A	650	-	(650)	N/A
Maintenance Contracts - Elevator Maintenance	·	3,071	3,071	100	18,850	24,595	5,745	23
Maintenance Contracts - Extermination	-	3,766	3,766	100	17,280	30,134	12,854	43
Maintenance Contracts - Electrical Maintenance	3,455	1,860	(1,595)	(86)	11,720	14,896	3,176	21
Maintenance Contracts - Security and Nurse Call Systems	1,236	2,089	853	41	13,248	16,726	3,478	21
Maintenance Contracts - Gutter Cleaning Services	-	858	858	100	6,855	6,875	21	0
Maintenance Contracts - Flooring Replmt/Cleaning Srvc	975	661	(314)	(48)	1,685	5,290	3,605	68
Maintenance Contracts - Other	895	551	(344)	(62)		4,425	2,854	65
Maintenance Contracts - Vehicle Maintenance	197	397	200	51	3,006	3,187	181	6
Maintenance Contracts - Janitorial	10,811	2,778	(8,033)	(289)		22,233	(30,322)	(136)
TOTAL MAINTENANCE CONTRACTS	64,976	76,746	11,770	15	475,861	614,181	138,320	23
MAINTENANCE EMPLOYEE BENEFITS								
Maint Employee Benefits - Medical/Dental	11,337	25,124	13,787	55	94,868	201,006	106,138	53
Maint Employee Benefits - PERS/PARS	3,797	7,161	3,364	47	35,928	57,291	21,363	37
Maint Employee Benefits - FICA	632		514	45	5,747	9,176	3,430	37
					2 070			
Maint Employee Benefits - SUI Maint Employee Benefits - Life/LTD	429 372	296 564	(133) 192	(45) 34	3,070 2,994	2,366 4,522	(704) 1,528	(30) 34

ALAMEDA HOUSING AUTHORITY PROPERTIES BUDGET COMPARISON For the eight months ended 2/28/18

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
Maint Employee Benefits - Uniforms/Shoes	78	-	(78)	N/A	1,656	-	(1,656)	N/A
Maint Employee Benefit - WC	1,662	2,478	816	33	11,489	19,841	8,352	42
TOTAL MAINTENANCE EMPLOYEE BENEFITS	18,306	36,769	18,463	50	155,750	294,202	138,452	47
TOTAL MAINTENANCE	138,848	189,336	50,488	27	1,101,188	1,514,969	413,781	27
GENERAL EXPENSES								
Interest Expense	92,167	93,925	1,758	2	739,650	751,420	11,770	2
Mortgage Financial Service Charge	6,369	-	(6,369)	N/A	47,924	-	(47,924)	N/A
Insurance - Liability	4,992	3,912	(1,080)	(28)	38,725	31,316	(7,409)	(24)
Insurance - Property	7,746	8,368	622	7	61,967	66,953	4,986	7
Insurance - Vehicle	1,168	826	(342)	(41)	7,726	6,617	(1,109)	(17)
Insurance - Other	550	-	(550)	N/A	3,299	-	(3,299)	N/A
TOTAL GENERAL EXPENSES	112,992	107,031	(5,961)	(6)	899,291	856,306	(42,985)	(5)
TOTAL OPERATING EXPENSES	576,440	654,503	78,063	12	4,586,097	5,236,765	650,668	12
MOD REHAB AND SPC EXPENSES								
Rent to Owners - Bessie Coleman	15,285	15,305	20	0	117,679	122,440	4,761	4
TOTAL MOD REHAB AND SPC EXPENSES	15,285	15,305	20	0	117,679	122,440	4,761	4
TOTAL EXPENSES	591,725	669,808	78,083	12	4,703,776	5,359,205	655,429	12
NET INCOME FROM OPERATIONS	418,388	279,887	138,501	49	3,265,395	2,238,349	1,027,046	46
Depreciation Expense	116,067	-	(116,067)	N/A	937,417	-	(937,417)	N/A
NET INCOME AFTER DEPRECIATION	302,321	279,887	22,434	8	2,327,979	2,238,349	89,630	4



PHONE (510) 747-4300 FAX (510) 522-7848 TDD (510) 522-8467

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 18, 2018

Re: Approve Out-of-State Travel for Staff

BACKGROUND

It has been Housing Authority practice that out-of-state travel be approved by the Board of Commissioners.

DISCUSSION

It is proposed that one staff person attend the following training.

Rental Housing Development Finance Certification through National Development Council. (2nd of 3 courses) (One Staff) \$750.00 November 6-9, 2018 Denver, CO

Public Housing Authority Conference (Two staff) \$1200 Las Vegas, NV June 21-22, 2018

There are sufficient funds in the training budget for out-of-state training. Other cost to the Housing Authority include air and per diem.

FISCAL IMPACT

Air travel costs will be approximately \$672. No change in the budget for travel and training is required.

RECOMMENDATION

Approve out-of-state travel for staff to attend the above trainings.



April 18, 2018 Page 2 of 2

Respectfully submitted, Vanessa M. Cooper Executive Director

VMC:dc



Authority of the City of Alameda

701 Atlantic Avenue - Alameda, California 94501-2161 - Tel: (510) 747-4300 - Fax: (510) 522-7848 - TDD: (510) 522-8467

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

Submitted by: Lynette Jordan, Director of Housing Programs

- Date: April 18, 2018
- RE: Authorize the Executive Director to approve an amendment to change the contract between the Alameda Housing Authority and Sterling Co's Inc. to reflect the new company name ISterling Inc. with the same amount not to exceed of \$300,000 for the contract effective July 1, 2017 for a term of 3 years with a maximum of two one-year extensions

BACKGROUND

A consultant agreement between the Housing Authority and Sterling Co's. Inc. was executed effective July 1, 2017 in an amount not to exceed \$300,000 and with a 3-year term and two one-year extensions to a date no later than June 30, 2022. Contracts in excess of \$250,000 are to be approved by the Board.

DISCUSSION

The amendment represents no change from the previous arrangements, whereby Sterling Co's Inc. schedules and conducts HQS and UPCS inspections with the use of an advanced telephone reminder system and other scheduling tools not available to AHA staff. Additional quality control measures such as weekly conference calls and monthly on-site meetings are in place to ensure that customer service was of the highest standard. Many California Public Housing Agencies are already utilizing this scheduling function.

On January 1, 2018, Sterling Co's Inc. changed the company name to ISterling Inc. and supplied the Housing Authority with the required legal documents to support this change. AHA is amending the current contract to address the change in company name, to ISterling Inc. or (ISI) though all other terms of the contract remain in effect.

FINANCIAL IMPACT

The amended contract will have no financial impact as the terms of the contract will remain the same and are within the approved budget for 2018-19 and would be included in future budgets after that.

April 18, 2018 Page 2 of 2

RECOMMENDATION

Authorize the Executive Director to approve an amendment to change the contract between the Alameda Housing Authority and Sterling Co's Inc. to reflect the new company name ISterling Inc. with the same amount not to exceed of \$300,000 for the contract effective July 1, 2017 for a term of 3 years with a maximum of two one-year extensions.

Respectfully submitted,

MOLIC Com

Vanessa M. Cooper Executive Director

VMC/LJ

AMENDMENT NO. 1 TO CONSULTANT AGREEMENT

This Amendment of a Consultant Agreement by and between the Housing Authority of the City of Alameda, public body, corporate and politic (hereinafter "AHA") and ISterling Inc. a California corporation, whose address is1322 Del Mar Vallejo, Ca 94589 (hereinafter "Consultant"), made with reference to the following:

RECITALS

A. On July 1, 2017, a Consultant Agreement was entered into by and between AHA and Consultant.

B. The effective date of this Amendment shall be July 1, 2017

C. The Original Consultant Agreement limited the Compensation to Consultant to not exceed (\$300,000.00) for the initial 3 year term of the contract.

D. The original expiration date of the contract was June 30, 2020, but allowed for up to two- 1-year extensions.

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

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

The contract shall be amended to change the name of the Consultant from Sterling,Co's Inc. to ISterling Inc. the new legal name of the company effective January 1, 2018. All other terms of the original contract remain in effect throughout the term of the contract.

The Compensation to Consultant will remain the same as the original contract as outline above.

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

ISterling Inc.

Housing Authority of the City of Alameda

John Harris Owner Vanessa M. Cooper Executive Director



Authority of the City of Alameda 701 Atlantic Avenue - Alameda, California 94501-2161 - Tel: (510) 747-4300 - Fax: (510)522-7848 - TDD: (510) 522-8467

To: Honorable Chair and Members of the Board of Commissioners
From: Vanessa M. Cooper, Executive Director
Prepared By: Victoria Johnson, Director of Housing and Community Development
Date: April 18, 2018
Re: Authorize the Executive Director to Negotiate and Execute a Memorandum of Understanding between the Housing Authority and the Alameda Unified School District for the Use of Successor Agency Pass-Through Funds for Housing Development

BACKGROUND

In 2012 the State of California dissolved all redevelopment agencies in the State including the Community Improvement Commission of the City of Alameda (CIC). At that time, certain rights and responsibilities of the CIC were transferred to the Successor Agency of the CIC (Successor Agency). One of the ongoing responsibilities of the Successor Agency is to meet the obligations of a "Housing Pass-Through Agreement" dated November 1991 between the CIC and the Alameda Unified School District (AUSD). The Pass-Through Agreement required the CIC to set aside tax increment funds to be used by AUSD to develop low-income housing within the City's limits. The Pass-Through Agreement is also subject to the 1990 Guyton Settlement Agreement. The Guyton Agreement created an obligation for the City to support the acquisition or construction of at least 930 low and very-low income affordable housing units. As of 2018, the City's remaining obligation is to construct approximately 300 additional low-income units. Until this obligation has been met, the Pass-Through Agreement requires that use of the "pass-through funds" shall be subject to the Guyton Settlement Agreement."

Since 2013, the Successor Agency is authorized to submit an annual funding request to the State Department of Finance (DoF) to pay the "recognized obligations" of the CIC as of the date of dissolution. The Guyton Agreement is one of the recognized obligations. The exact amount of funds available to meet the obligation cannot be calculated because they are based on variable tax collections, but the annual amount is expected to range between \$800,000 and \$1,600,000 per year over the next 20 years.

DISCUSSION

The Department of Finance first approved the use of the pass-through funds as a recognized obligation in early 2016. Based on this approval, staff submitted a tax-credit funding application for the 2437 Eagle project that included the pass-through funds as one of the funding sources.

During the review of the application, DoF commented and agreed that the funds could be used to support the Eagle and other housing projects. However, DoF added the requirement that all such funds must flow through the School District in accordance with the terms of the original Pass-Through Agreement (and by reference, the Guyton Agreement).

AUSD formed an adhoc Committee of two Board members and AUSD staff to evaluate the opportunities associated with the funds and to discuss a mechanism to draw the funds. Housing Authority and City staff also attended these meetings. AUSD has two main interests related to the use of the funds. One is to cover any administrative costs to implement, and the other is to use the funds to provide housing opportunities for AUSD employees. AUSD Board members suggested several ideas to support this goal, including a set-aside or preference for AUSD employees that apply for new affordable units when they are available.

The attached Memorandum of Understanding was prepared by Tuan Pham at Downs, Pham and Kuei and has been approved by the AUSD general counsel. The MOU establishes terms and conditions under which the pass-through funds can be utilized. The actual funds for FY16-17 and 17-18 are already held in a City bank account, and will be available as soon as the MOU has been approved and executed by the parties. The FY 18-19 funds will be available in July 2018. Five housing projects will be assisted with the first three year's funds including Everett Commons, Littlejohn Commons, Rosefield, North Housing and the Alameda Point/RESHAP redevelopment project.

The MOU also contemplates revisions to the City's Inclusionary Housing policy to provide preference points for AUSD employees. The MOU states that the Housing Authority "shall use good faith efforts to work with the City" to amend the City's Inclusionary Policy and the City Attorney is now preparing these revisions to be considered by Council in June 2018.

Following BoC approval, the MOU will be considered by the AUSD Board. It is proposed to set aside 5% of all pass-through funds to be paid to AUSD as an administrative fee. If AUSD or other housing developers participate in development for eligible (low-income) beneficiaries, future pass-through funds may be available for these projects. In this case, AUSD would work directly with the CIC to identify projects to be placed on the DoF payment schedule.

FISCAL IMPACT

Once approved by the AUSD and implemented, the MOU may provide a steady funding stream for housing development within the City. As of Fiscal Year 18-19, \$3,267,000 will be available to support five projects. This amount will be reduced by an AUSD administrative fee, which is still subject to negotiation.

RECOMMENDATION

Authorize the Executive Director to negotiate and execute a MOU between AHA and the Alameda Unified School District for the use of Successor Agency Pass-Through funds for housing development.

April 18, 2018 Page 3 of 3

Respectfully submitted,

Vanessa Co

Vanessa M. Cooper

Exhibit A: Memorandum of Understanding between AHA and the Alameda Unified School District

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA <u>AND</u> THE ALAMEDA UNIFIED SCHOOL DISTRICT

1. <u>Parties</u>. This Memorandum of Understanding (hereinafter referred to as "MOU") is made and effective as of ______, 2018 (the "Effective Date") by and between the Housing Authority of the City of Alameda (the "Authority"), whose address is 701 Atlantic Avenue, Alameda, CA 94501, and the Alameda Unified School District (the "District"), whose address is 2060 Challenger Drive, Alameda, CA 94501.

2. Background.

A. The Authority was formed by the City of Alameda (the "**City**") in August of 1940 with the primary goal of providing a range quality, affordable and safe housing in the City.

B. The City is a party to that certain Settlement Agreement between Clayton Guyton and Modessa Henderson, executed in April of 1990 (as amended, the "Settlement Agreement"), pursuant to which the City agreed to undertake specific activities to further the production of affordable housing in the City. The City has a current outstanding obligation under the Settlement Agreement to produce approximately 300 housing units affordable to low-income families (the "Affordability Obligation").

C. The District is a party to that certain Agreement between the Community Improvement Commission of the City of Alameda (the "CIC") and the Alameda Unified School District Pursuant to Health and Safety Code Section 33401, dated as of November 12, 1991 (the "Pass-Through Agreement"). Pursuant to the Pass-Through Agreement, the CIC acted as the redevelopment agency for the City in relation to the Business and Waterfront Improvement Project ("BWIP"). In Section 3 of the Pass-Through Agreement, the CIC agrees to deposit eight percent (8%) of the tax increment (the "Housing Pass-Through") generated by the BWIP into a "District Housing Fund" for use by the District for increasing the supply of low- and moderateincome housing within the City's limits. The Pass-Through Agreement provides that the District's use of monies shall be subject to, among other things, the Settlement Agreement. Until the Affordability Obligation has been met by the City, the Pass-Through Agreement requires that "the District's use of the District Housing Fund shall be subject to the Settlement Agreement."

D. In February of 2012, the California Legislature dissolved all redevelopment agencies in the State, including the CIC. As required by applicable law, certain rights and responsibilities of the CIC were transferred to the Successor Agency of the CIC (the "Successor Agency").

1

E. Pursuant to that certain California Department of Finance (the "**DOF**") determination letter dated May 17, 2016, regarding the 2016-2017 Annual Recognized Obligation Payment Schedule (the "**16-17 ROPS**," or "**ROPS**" for future years, as applicable) submitted by the Successor Agency, the DOF approved \$1,475,000 for payment from the Redevelopment Property Tax Trust Fund (the "**RPTTF**") relating to the Pass-Through Agreement, and the underlying housing obligations set forth in the 16-17 ROPS.

F. Pursuant to that certain DOF determination letter dated May 17, 2017, regarding the 2017-2018 Annual Recognized Obligation Payment Schedule (the "**17-18 ROPS**," or "**ROPS**" for future years, as applicable) submitted by the Successor Agency, the DOF approved an additional \$800,000 for payment from the RPTTF relating to the Pass-Through Agreement, and the underlying housing obligations set forth in the 17-18 ROPS.

G. Pursuant to that certain DOF determination letter dated ______, 2018, regarding the 2018-2019 Annual Recognized Obligation Payment Schedule (the "**18-19 ROPS**," or "**ROPS**" for future years, as applicable) submitted by the Successor Agency, the DOF approved an additional \$992,000 for payment from the RPTTF relating to the Pass-Through Agreement, and the underlying housing obligations set forth in the 18-19 ROPS.

H. Section 7 of the Pass-Through Agreement imposes various limitations and restrictions on the District with respect to use of funds received from the Pass-Through Agreement, and explicitly provides the District with "the sole and absolute right to implement this section in any legal manner, including, but not limited to, the right and power to enter into agreements with other public or private entities...."

3. <u>Purpose</u>. The purpose of this MOU is to establish the terms and conditions under which the Housing Authority shall assist the District with the District's obligations under the Pass-Through Agreement to use funds from the Pass-Through Agreement to increase the supply of low-income housing within the City's limits.

4. <u>Term of MOU</u>. This MOU is effective upon the Effective Date and shall remain in full force and effect until such date that the Affordability Obligation in the Settlement Agreement has been satisfied, unless terminated earlier by the District pursuant to Section 7.C. below.

5. <u>Responsibilities of Authority</u>.

A. Prior to October 1 of each year, the Authority shall provide to the District a list of prioritized housing programs and projects (the "**Development List**") for which RPTTF funds may be allocated pursuant to the terms of the Pass-Through Agreement and the Settlement Agreement, and which are to be submitted to DOF in connection with the Successor Agency's submission of its next due ROPS.

B. On the 1st business day of each month, or at any other reasonable time, the Authority may provide a request for release of funds (a "**Funding Request**") for project costs, including, but not limited to, funds for reimbursement of costs, and refinancing or

recapitalization of existing debt, that have been approved for reimbursement or payment by DOF. Authority's Funding Request, relating to the 16-17 ROPS, is attached hereto as Exhibit A. Authority's Funding Request, relating to the 17-18 ROPS, is attached hereto as Exhibit B. Authority's Funding Request, relating to the 18-19 ROPS, is attached hereto as Exhibit C. Exhibit A, Exhibit B and Exhibit C are collectively referred to as the "**Exhibits**." Each future Funding Request shall identify the (i) project, (ii) type of costs, (iii) number of units (including affordable units), and (iv) amount of funding requested, all in a form consistent to that set forth in the Exhibits.

C. Upon receipt of funds from a Funding Request, the Authority shall disburse such funds only to the project costs set forth in the applicable Funding Request.

D. Within four (4) months after the end of each fiscal year in which monies have been disbursed pursuant to a Funding Request, Authority shall provide the District with a report on the status and use of such disbursed funds.

E. If requested by the District for any project on the Development List (a "**District Assisted Project**"), which request shall be made in writing and delivered to Authority at least six (6) months prior to the time any such project is placed in service, the Authority shall use good faith efforts to require that such project, to the extent permitted by applicable law, provides priority to qualified employees of the District in the leasing of units reserved for income-qualified households earning no more than 80% of area median income. In furtherance of the Authority's good faith efforts, the Authority hereby agrees that at least two (2) units at the 2437 Eagle Avenue development, shown as No. 4 on Exhibit B, shall provide priority to qualified employees of the District shall include, to the extent permitted by applicable law and subject to the approval of the lender/investor/limited partner:

- i. Establishing a local preference that will provide additional preference point(s), separate from any other categories for which preference point(s) are currently awarded, for eligible employees of the District who apply for residency at a District Assisted Project; and
- ii. Establishing a set-aside at any future District Assisted Project equal to one (1) unit for each \$200,000 of RPTTF Funds allocated to such development, for occupancy by eligible employees of the District who apply for residency at a District Assisted Project.

6. <u>Responsibilities of District</u>.

A. Redevelopment Property Tax Trust Fund.

i. For Funding Requests pursuant to any DOF-approved ROPS, including the Funding Requests attached to this MOU as Exhibits A, B, and C, the District shall instruct the Successor Agency to send RPTTF distributions directly to the Authority, pursuant to the Authority's wire instructions provided to the District. If the District receives RPTTF Funds allocated to a development in a Funding Request, the District shall wire to the Authority, within seven (7) days of the District's receipt, all funds from RPTTF distributions relating to such Funding Request.

ii. If requested by Authority, District shall use good faith efforts to cooperate with Successor Agency with Successor Agency's submission of any ROPS to the DOF, including providing evidence of any necessary approvals, consents, resolutions, certifications and acknowledgments of projects on the Development List that appear on any current or future ROPS.

7. <u>Consideration to District</u>.

A. Development Fee to District. The Authority shall collect from each District Assisted Project a District development fee equal to five percent (5%) of the total funds received by the Authority from District for such District Assisted Project. The Authority shall pay the applicable development fee to the District within thirty (30) days of the date that any such District Assisted Project is placed in service.

B. Preference Points for Non-District Assisted Projects. The Authority shall use good faith efforts to work with the City to amend or supplement the Affordable Housing Guidelines, contained in the City's Inclusionary Housing Requirements for Residential Projects, as more fully detailed in the Alameda Municipal Code, Chapter XXX, Article 1, Section 30-16 et seq. (the "**Inclusionary Housing Program**"). To the extent permitted by applicable law, such amendment or supplement of the Affordable Housing Guidelines will include a policy that will provide preference point(s), separate from any other categories for which preference point(s) are currently awarded, for eligible employees of the District who apply for *purchase* or *rental* of any Inclusionary Housing Program. The preference points shall be applied to the greater of (a) one Inclusionary Unit in any rental development subject to the Inclusionary Housing Program.

C. District Option. The Authority and the District acknowledge and agree that if the City makes a final, unappealable determination not to amend or supplement the Affordable Housing Guidelines as set forth in Section 7.B. above, the District shall thereafter have the option to terminate this MOU in its sole and absolute discretion by delivering a written notice of termination to the Authority (the "Termination Date"). The District shall have no obligation to disburse funds for any Funding Requests received on and after the Termination Date; provided, however, the MOU shall remain in full force and effect with respect to those Funding Requests received before the Termination Date, including all District Assisted Projects shown on Exhibits A, B, and C.

4

8. <u>General Provisions</u>.

A. Amendments. Either party may request changes to this MOU, provided that any amendment or modification to this MOU must be in writing executed by the parties hereto.

B. Applicable Law. The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of California.

C. Notices. Any notice, request, demand, statement, authorization, approval, consent or acceptance made hereunder shall be in writing and shall be hand delivered or sent by Federal Express or other reputable courier service, or by registered or certified mail, return receipt requested. Each party may designate a change of address by notice to the other party, given at least fifteen (15) days before such change of address is to become effective.

D. Severability. If any term, covenant or provision of this MOU shall be held to be invalid, illegal or unenforceable in any respect, this MOU shall be construed without such term, covenant or provision, and the remainder of the MOU shall continue in full force and effect, and either party may renegotiate the terms affected by the severance.

E. Third Party Beneficiary Rights. This MOU is made and entered into for the sole benefit of the District and the Authority, and their permitted successors and assigns. The rights, duties and obligations contained in this MOU shall operate only between the parties to this MOU and shall inure solely to the benefit of the parties to this MOU.

F. Entirety of Agreement. This MOU represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations and agreements, whether written or oral. Notwithstanding the foregoing, nothing contained in this MOU is intended or deemed to relieve the District of any obligation or requirement it may have under the Pass-Through Agreement.

[signatures on following page]

IN WITNESS WHEREOF, the parties to this MOU through their duly authorized representatives have executed this MOU on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU as set forth herein.

DISTRICT

ALAMEDA UNIFIED SCHOOL DISTRICT

[Name and Title] Date

APPROVED AS TO FORM:

By:_____

AUTHORITY

Housing Authority of the City of Alameda, a public body, corporate and politic

By:

Vanessa Cooper Executive Director

EXHIBIT A

SUPPORTING DETAIL FOR SETTLEMENT AGREEMENT ROPS ENFORCEABLE OBLIGATION NO. 36 (7/1/16-6/30/17)

Housing Project Activities Funded (city-wide) July 1, 2016 - June 30, 2017

1)	Rosefield Village Redevelopment – pre-development work 20 new units / 16 Low	\$ 77,390
2)	North Housing – environmental and surveying 90 new units / 10 Low	\$ 12,805
3)	Alameda Point Collaborative – entitlements 67 new units / 22 Low	\$ 64,424
4)	2437 Eagle Avenue – (Under construction) 20 new units / 4 Low	\$ 1,117,217
5)	Del Monte Senior – 31 new units / 5 Low (Under Construction)	\$ 268,219

Total Approved for Reim	ibursement	\$ 1,475,000
Total Expended 16-17	ELIGIBLE HOUSING ACTIVITIES	\$ 1,540,055

EXHIBIT B

SUPPORTING DETAIL FOR SETTLEMENT AGREEMENT ROPS ENFORCEABLE OBLIGATION NO. 36 (7/1/17-6/30/18)

Housing Development Activities Approved (city-wide) July 1, 2017 - June 30, 2018

1)	Rosefield Village Redevelopment – pre-development work 20 new units / 16 Low	\$ 200,000
2)	North Housing – engineering, utilities and legal 90 new units / 10 Low	\$ 100,000
3)	Alameda Point Main Street – entitlements and design 67 new units / 22 Low	\$ 225,000
4)	2437 Eagle Avenue – (Under construction) 20 new units / 4 Low	\$ 350,000

ELIGIBLE HOUSING ACTIVITIES Total Budgeted 17-18	\$ 875,000
Total Approved for Reimbursement	\$ 800,000

EXHIBIT C

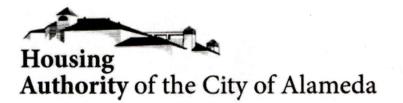
SUPPORTING DETAIL FOR SETTLEMENT AGREEMENT ROPS ENFORCEABLE OBLIGATION NO. 38 (7/1/18 - 6/30/19)

Housing Development Activities Approved (city-wide) July 1, 2018 – June 30, 2019

1) Rosefield Village 80 new units / 40 Low (Pre-Deve	slopment) \$	750,000
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2) Alameda Point Collaborative – 200 units / 20 Low (Pre-Development) \$ 250,000

ELIGIBLE HOUSING ACTIVITIES	
Total Budgeted 18-19	\$ 1,000,000
Total Approved for Reimbursement	\$ 992,000



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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

Submitted by: Lynette Jordan, Director of Housing Programs

Date: April 18, 2018

RE: Accept Report on the Housing Assistance Payments (HAP) and Administrative Fees for the Housing Choice Voucher Program for 2018 and Participation in HUD's Shortfall Program

This memo will provide the Board with information on the trends in Housing Choice Section 8 Voucher Program's (HCV) Housing Assistance Payments (HAP) and Administrative Fee and the implications of being in a "shortfall" position (i.e. the HAP anticipated from HUD is less than needed to house current and any newly added families).

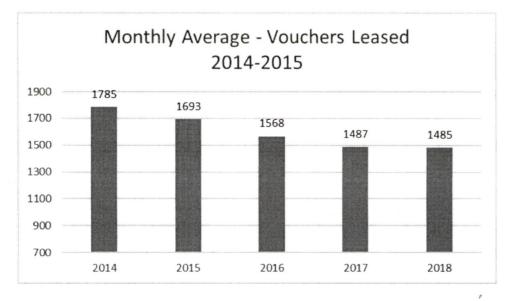
BACKGROUND

AHA has a voucher allocation of 1,845 Housing Choice (Section 8) vouchers. However, since 2013, with skyrocketing Bay Area rental costs and landlords leaving the program, voucher utilization (the number of vouchers used) diminished. In 2013, voucher utilization averaged 1,814 vouchers leased per month. Since that time, voucher utilization has steadily declined to a current monthly average of 1,489 vouchers leased. With new projects at Everett Commons and Littlejohn Commons coming online this year, the voucher utilization average is projected to be approximately 1,526.

With significantly higher payment standards in 2016-2017, Housing Choice Voucher participants were able to successfully lease units despite a tight market halting the decline in voucher utilization. With the financial owner incentive program implemented in 2016, staff was able to add an additional 45 new units to the program, which helped to

stabilize leasing for voucher holders. Though staff was not able to increase voucher utilization due to proration of funds available and increased per unit costs, staff was successful in maintaining a current voucher utilization average of just below 1,500.

The chart below shows Average Vouchers by Fiscal Year showing the decline since 2014.



The Section 8 program has two main financial components, Housing Assistance Payments (HAP) and Administrative Fees. Housing Assistance Payments are the pass through funds that are paid to landlords on behalf of HCV participants. The Administrative Fees are used to operate or administer the program.

HAP SHORTFALL

In January of 2017, AHA had \$3,884,229 in HUD-held HAP reserves. In a February 2017 Board Payment Standard Memo, staff informed the Board of this and recommended that due to the shortfall in federal funding, it would be important to deliberately deplete AHA's HUD-Held HAP reserves. This would enable AHA to maintain housing for current program participants and to encourage owners' participation in the program by allowing them to obtain rent increases at the new payment standards (effective October 2, 2016). Throughout 2017, AHA depleted the HUD-Held HAP reserves and successfully maintained the current lease-up without removing any families from the program due to insufficient funding. The balance of the HUD-held funds was \$28,519 at the year-end. However, one further advantage was that the additional of \$3.8m spent in 2017 was added to the base budget authority for the program in 2018, thereby increasing the total available funds in 2018.

AHA received its calendar year (CY) 2018 Housing Choice Voucher (HCV) renewal funding notification in December 2017. AHA held a meeting in January 2018 with HUD

Honorable Chair and Members of the Board of Commissioners

Field Office staff and it was projected that AHA will be at least \$3 million in shortfall by the end of the calendar year. This is due to continued increases in rents asked by landlords, and 37 new Project Based Voucher units slated to come on line by year-end. As a result, AHA was assigned a "shortfall" team by HUD and is currently working with the team to monitor monthly HAP and administrative costs. AHA was one of the last non-Moving to Work agencies in the Bay Area to expend their reserves and enter into shortfall.

As a shortfall agency, AHA is required to project monthly HAP costs and apply for setaside funds to be front loaded into the Agency's HAP account to offset the deficit. Setaside funds are funds given to PHAs to help them meet their HAP expenses. AHA was approved for additional payments of \$277,000 for February and \$152,300 for March to cover HAP expenses. HUD has confirmed \$102,000 will be released to AHA to cover April 2018 shortfall expenses.

In order to limit HAP increases, shortfall agencies are required to cease the following activities:

- AHA can no longer issue any vouchers to new applicants from our wait list. AHA
 is only allowed to issue vouchers to continued movers already on the HCV
 program. This is to ensure AHA has enough funds to sustain the current
 participants on the program and to avoid any additional costs to the program.
- AHA can no longer absorb portable vouchers from movers into AHA jurisdiction. All portable vouchers must be billed to the initial Public Housing Authority (PHA) because AHA is not allowed to issue any new vouchers or add additional costs at this time.
- AHA is not allowed to convert a PBV to HCV vouchers, (unless in cases of Violence Against Women Act (VAWA), Reasonable Accommodation (RA), or unsafe housing). The PBV program usually allows participants to request a HCV voucher after residing in their unit for one year. However, AHA is no longer allowed to issue any new vouchers, so in November of 2017 AHA ceased PBV to HCV conversions.

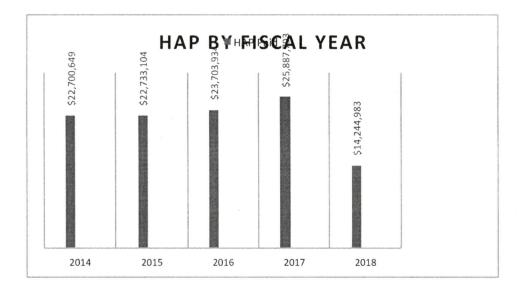
In order to ensure efficient use of federal funds, AHA is required to work to reduce any underreporting of income, enforce and implement repayment agreements for tenants who have underreported income in the past, and collect overpayments of HAP funds from owners. Numerous fraud prevention and awareness measures have been implemented and will be vigorously tracked and reinforced in the coming months. This includes sending warning letters to all participants and conducting mandatory meetings with families whose income appears underreported based on a tool provided by HUD. This will represent a temporary increase in work for staff and possibly an increase in terminations.

On Friday, March 23, 2018 the federal budget for FY 2018 was signed by the President, however, the HUD budget has not yet been finalized. Public Housing Authority's (PHA) were advised to change the Two-Year Projection Tool Proration to 100% for HAP

Honorable Chair and Members of the Board of Commissioners

funding based on 2017 expenditures, however the Administrative Fee Proration remains at 76%. Even with the 100% HAP funding, AHA is still projected to be in a shortfall position for the year due to rising rents and the two new buildings with 37 PBV HCV Vouchers assigned at Littlejohn Commons and Everett Commons.

The Chart below shows HAP paid to owners by fiscal year (It is of note that HAP Reserves were spent down over the FY 2016-2017, and 2018 is a partial year for 4 months to date).



AHA will continue to manage the HAP income and expenses with the assistance of the Shortfall team. To date staff does not expect to have to cut families from the program. However, AHA's ability to do additional leasing, including new Project Based Voucher contracts, is currently halted. (The VASH vouchers are not included in the shortfall as they have separate dedicated funding.)

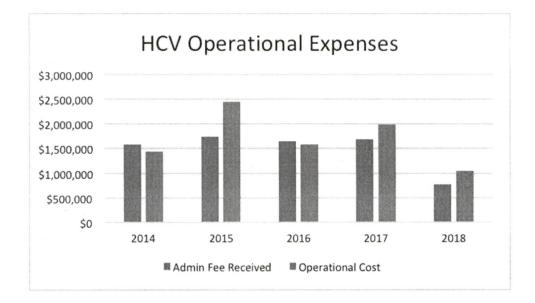
ADMINISTRATIVE FEE SHORTFALL

Administrative fees cover salaries and other costs for processing participant applications, determining eligibility, managing waitlists, calculating the amount of assistance, verifying the fair value of rents for apartments, initial and annual inspections of the unit as well as a multitude of other administrative costs such as computer software services and programs, postage, insurance, etc.

For the past five years, Administrative Fees received from HUD have been far less the actual cost associated with the administration of the Section 8 program. Each year the

Board has approved a budget that included a transfer from other non-federal program to meet that cost.

The Chart below shows Administrative Fees received and program operational cost by Fiscal Year. In 2015-16 operational costs were higher due to a \$600,000 payment for Other Post-Employment Benefits (OPEB) to bring the account current. Also, there were additional costs of \$50,000 for opening the Housing Choice Voucher wait list. In 2016-17 operational costs reflect \$331,453 of pension liability accrual and \$233,701.72 for PEMHCA contribution.)



Over the past three years, the Housing Programs Department has managed to bring the budget in well below what was projected, although expenses still exceeded Admin Fees received. During that time following administrative efficiencies have been implemented:

- Biennial inspections for private landlords
- · Handheld inspection tools for automatic downloading of data
- Scanning and paperless processing of income certifications
- Outsourcing of inspections
- · Mailing of annual recertification packets by our printing vendor
- Desk scanners and purchasing dual monitors for staff

Despite the HAP and Administrative Fee cost savings that staff have implemented, AHA, like other PHAs, must continue to look for ways to streamline in each aspect of the department to maintain housing for families currently housed under the HCV program and move towards a balanced budget for the program, amid continued Admin

Honorable Chair and Members of the Board of Commissioners

Fee prorations. Staff will continue to actively work with HUD staff to navigate this shortfall funding status.

FISCAL IMPACT

Though HPD has implemented numerous administrative cost savings the analysis anticipates full utilization of 2018 administrative budget pro-ration at 76% and will result in a continued HPD administrative operating deficit that will require funding from non-federal sources. This will be reflected in the 2018-19 budget to be presented in June 2018. However, to address this, staff will return to the Board with information on upcoming efficiencies in the operation of the Housing Choice Voucher Program and its impacts for AHA, including the newly approved triennial re-examination process and the implementation of online recertifications through of Rent Café over the course of the 2018-19 fiscal year.

RECOMMENDATION

Accept Report on the Housing Assistance Payments (HAP) and Administrative Fees for the Housing Choice Voucher Program for 2018 and participation in HUD's Shortfall program.

Respectfully submitted,

Vanen C

Vanessa M. Cooper Executive Director

VMC: LJ



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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
- Prepared by: Victoria Johnson, Director of Housing and Community Development

Date: April 18, 2018

Re: Approve Contract Increase of \$40,000 for Anne Phillips Architecture for Design and Construction Administration Services at the Everett Commons Project for a New Contract Total of \$738,374

BACKGROUND

Anne Phillips Architecture is providing architectural and engineering (A&E) design services at the Everett Commons project. The project commenced construction in July 2017 and is scheduled to be completed by November 2018.

DISCUSSION

The A&E contract is a lump sum form on contract and is not based on hours provided. However, due to changes in the scope of services, the Board of Commissioners and the ICD Board have previously approved four additive change orders. Change Order Number 5 was a no-cost time extension.

<u>Change Orders</u> 1 – August 12, 2015	<u>Description</u> Additional Hours during the DD phase to attend meetings and respond to public input	Additive Cost \$29,000
2 – April 7, 2016	Revise Project from 22 to 20 units	\$19,460
3 – July 22, 2016	Additional Work and Sub- Consultant Fees to Revise from 22 to 20 units	\$53,569
4 – March 1, 2017	Revise plans to incorporate value engineering/cost-savings changes	\$43,638



Honorable Chair and Members of the Board of Commissioners

5 – December 2017

Time extension to November 30, 2018

No cost

The architect submitted two more requests for additional compensation. The basis of the request is that the total number of hours required to perform the A & E services have exceeded the firm's original estimate of time that would be required. A request was received in October 2017 for \$65,500 additional, and was revised and increased in March 2018 to \$120,582.

Staff has met with Anne Phillips to discuss and negotiate the change order request(s) and have reached a mutual agreement for a final additive change order in the amount of \$40,000. The purpose of this change order will be to provide all needed services through project completion as listed in the design services agreement for construction administration, including but not limited to the review of RFI's, responses to product submittals, attendance at construction meetings, reviewing inspection reports, reviewing change order requests, and project completion and close-out.

The proposed Change Order Number Six will bring the total contract amount to \$738,374 which is an increase of 34% compared to the original contract amount of \$550,000. The new total is 6.4% of total construction cost. On other recent and current projects, A & E services range between 3.5% and 6% of total construction cost; hence the new total amount falls within industry standards – albeit at the high end.

FISCAL IMPACT

The approved development budget includes a soft cost contingency of \$148,371 of which \$69,441 was available as of March 31, 2018. The proposed change order will be paid from soft cost contingency.

RECOMMENDATION

Approve contract increase of \$40,000 for Anne Phillips Architecture for design and construction administration services at the Everett Commons project for a new contract total of \$738,374.

Respectfully submitted,

Vanisa

Vanessa M. Cooper Executive Director





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- To: Honorable Chair and Members of the Board of Commissioners
- From: Vanessa M. Cooper Executive Director
- Date: April 18, 2018

RE: Accept the Audit Report for Fiscal Year Ending June 30, 2017

BACKGROUND

The financial statements of the Housing Authority of the City of Alameda for the fiscal year ending June 30, 2017, were prepared in the format prescribed by the requirements of Government Accounting Standards Board Statement 34 (GASB 34). Updates in GASB through statements number 82 have been implemented.

The firm of Cropper Rowe, LLP, Certified Public Accountants, has certified the audited financial statements of the Housing Authority for the fiscal year ending June 30, 2017.

DISCUSSION

The draft report was brought to the Board for acceptance at the March meeting. Shortly afterwards, an additional journal entry in the amount of \$3,410,000 was required relating to the land transfer from The Tim Lewis Companies and the City to AHA for the land at Sherman and Buena Vista and the subsequent lease of, and capitalization of that lease for the land to Sherman and Buena Vista LP. This complex set of transactions occurred in escrow with the title company, rather than directly through the AHA books, and was not accurately booked in the AHA books at that time. The transaction has been corrected in the books. Due to the material size of the transaction, the auditor found it necessary to provide a finding on page 69. Management's response can be found on page 70. Other minor changes from the version submitted for the Board's review in March are due to presentation reclassifications.

This report submits the annual Financial Statements for the fiscal year ending June 30, 2017. The auditors, Cropper Rowe, 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, 2017. 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.

Honorable Chair Members of the Board of Commissioners

April 18, 2018 Page **2** of **2**

The audit includes the Federal Data Schedule (FDS) as a supplemental schedule. The FDS report and the Single Audit were submitted to HUD and the Federal Audit Clearinghouse by the required annual date of March 31.

BUDGET CONSIDERATION/FINANCIAL IMPACT For information only.

<u>RECOMMENDATION</u> Accept the audit report for fiscal year ending June 30, 2017.

Respectfully submitted,

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Vanessa M. Cooper Executive Director



HOUSING AUTHORITY OF THE CITY OF ALAMEDA ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2017

(Including Auditors' Report Thereon)



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INDEPENDENT AUDITORS' REPORT

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 and the discretely presented component unit of the Housing Authority of the City of Alameda (the Authority), as of and for the year ended June 30, 2017, 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.

Auditors' 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 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.

Opinions

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 and the aggregate discretely presented component unit of the Housing Authority of the City of Alameda, as of June 30, 2017, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 through 11, the Schedule of Funding Progress for OPEB on page 48, the Schedule of the Authority's Proportionate Share of the Net Pension Liability on page 49, and the Schedule of the Authority's Pension Plan Contribution on page 50 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 Housing Authority of the City of Alameda's basic financial statements. The Schedule of Expenditures of Federal Awards on page 52 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 54 through 61 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 26, 2018 on our consideration of the Housing Authority of the City of Alameda'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 Housing Authority of the City of Alameda's internal control over financial control over financial reporting and compliance.

(Loppon Rowe, LLP

CROPPER ROWE, LLP Walnut Creek, California March 26, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Housing Authority of the City of Alameda's annual financial report presents a discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our letter 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 2017 resulting in a Net Position of \$64,073,928 at June 30, 2017 as opposed to \$55,764,313 at June 30, 2016.
- Total assets and deferred outflows of resources at June 30, 2017 were \$101,103,917. Of this, \$27,730,611 represents current assets, \$69,829,587 represents non-current assets, and \$3,543,719 represents deferred outflows of resources. Total assets and deferred outflows of resources at June 30, 2016 were \$89,819,661.
- Capital assets, net of accumulated depreciation at June 30, 2017 increased by \$3,494,537 from \$37,299,016 at June 30, 2016 to \$40,793,553 at June 30, 2017. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Total liabilities and deferred inflows of resources at June 30, 2017 were \$37,029,989. Of this, \$3,153,797 represents current liabilities, \$32,572,414 represents non-current liabilities, and \$1,303,778 represents deferred inflows of resources.
- Net position increased from \$55,764,313 at June 30, 2016 to \$64,073,928 at June 30, 2017, an increase of \$8,309,615.
- Total revenues for the Authority for fiscal year 2017 were \$49,587,426 versus \$56,051,784 for fiscal year 2016; a decrease of \$6,464,358. The primary sources of revenue for fiscal year 2017 were governmental grants, and rents collected from the Authority's owned units.
- Total expenses for the Authority for fiscal year 2017 were \$41,277,811 versus \$35,354,153 for fiscal year 2016; an increase of \$5,923,658. 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 \$26,572,457 of housing assistance payment expenses for fiscal year 2017. This represents an increase of \$2,594,311 to the \$23,978,146 amount for fiscal year 2016.
- Operating revenues for the Authority for fiscal year 2017 were \$41,424,076 and operating expenses were \$40,187,716. Operating revenues and expenses for fiscal year 2016 were \$38,357,148 and \$34,163,225 respectively.

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 interprogram 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 Housing 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 the United States Department of Housing and Urban Development (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 GASB 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.

Component Unit

As is more fully described in Note 1.A., the government-wide financial statements include the financial information of the Island City Development (a California Nonprofit Corporation) a discrete component unit of the Housing Authority of the City of Alameda.

Supplementary Information

The schedule of expenditures of federal awards, the schedule of funding progress for OPEB, the Schedule of Funding Progress for PERS, and the financial data schedule are presented for purposes of additional analysis as required by the Governmental Accounting Standards Board Statements, the Uniform Guidance at 2 CFR 200 Subpart F, and the requirements of the U.S Department of Housing and Urban Development. 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, 2017. 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.

Comparative Statement of Net Position

The following table reflects the Statement of Net Position at June 30, 2017 compared to the prior fiscal year. The Authority is engaged only in Business-Type Activities.

Housing Authority of the City of Alameda Comparative Statement of Net Position June 30, 2017

Table 1 Net Position

	6/30/2017	6/30/2016	Variance	%
Assets and Deferred Outflows				
Current Assets	\$ 27,730,611	\$ 31,676,906	\$ (3,946,295)	-12.5%
Notes Receivable	29,036,034	18,237,984	10,798,050	59.2%
Capital Assets, net of				
accumulated depreciation	40,793,553	37,299,016	3,494,537	9.4%
Total Assets	97,560,198	87,213,906	10,346,292	11.9%
Deferred outflow of resources	3,543,719	2,605,755	937,964	36.0%
Liabilities and Deferred Inflows				
Current Liabilities	3,153,797	3,117,095	36,702	1.2%
Noncurrent Liabilities	32,572,414	29,960,120	2,612,294	8.7%
Total Liabilities	35,726,211	33,077,215	2,6489,996	8.0%
Deferred inflow of resources	1,303,778	978,133	325,645	33.3%
Net Position				
Net investment of capital assets	13,154,931	8,944,339	800,592	9.0%
Restricted	1,111,713	605,261	506,452	83.7%
Unrestricted	49,807,284	46,214,713	3,592,571	7.8%
Total net position	\$ 64,073,928	\$ 55,764,313	\$ 8,309,615	14.9%

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, 2017 compared to the prior fiscal year.

Housing Authority of the City of Alameda Comparative Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2017

	6/30	0/2017	6/30)/2016	V	ariance	%
Operating revenues:							
Grants	\$ 36	6,418,954	\$32.	930,661	\$	3,488,293	10.6%
Rents		,598,210	,	515,025	+	83,185	2.4%
Other		,406,912	-	911,462		(504,550)	-26.4%
Non-operating revenues:		, ,	,	,		()	, .
Interest income		164,841		202,526		(37,685)	-18.6%
Gain on sale of fixed assets		6,569		-		6,569	n/a
Pension gain (Note 6)		981,940		-		981,940	n/a
Del Monte Senior Housing	7	,010,000		-		7,010,000	n/a
Successor agency income		-	17,4	492,110	(1	7,492,110)	-100.0%
Total Revenue	49	,587,426		051,784		6,464,358)	-11.5%
Operating expenses:							
Administration	6	,858,729	4	456,445		2,402,284	53.9%
Utilities		679,693		669,263		10,430	1.6%
Maintenance	2	,859,549		999,081		(139,532)	-4.7%
General		,284,379		209,656		1,074,723	512.6%
Tenant Services		253,245		184,463		68,782	37.3%
Protective Services		210,000		212,462		(2,462)	1.2%
Housing assistance payments	26	,572,457		978,146		2,594,311	10.8%
Depreciation		,469,664		453,709		15,955	1.1%
Non-operating expenses				,			
Interest expense	1	,090,095	1,	190,928		(100,832)	-8.5%
Total expenses	41	,277,811	35,	354,153		5,923,658	16.8%
Change in net position							
before prior period							
adjustment	8	,309,615	20.	697,631	(1	2,388,016)	-59.9%
Prior period adjustments		,505,015		000,000		4,000,000)	-100.0%
Change in net position		,309,615		697,631		6,388,016)	-66.4%
Net Position, beginning of year			,	066,682		24,697,631	79.5%
,	22	,764,313	31.0	000.002			

The Del Monte Senior Housing income related to the donation of land valued at \$3,410,000 and cash of \$3,600,000. These funds were subsequently lent by the Authority to Sherman and Buena Vista LP for the development of the senior housing at Sherman and Buena Vista.

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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, 2017 increased by \$8,309,615 from the June 30, 2016 balance.

Changes in Capital Assets

The following presents the changes in fixed assets (net of accumulated depreciation) at June 30, 2017 versus the prior fiscal year.

Housing Authority of the City of Alameda Changes in Capital Assets (Net of Accumulated Depreciation) June 30, 2017

	6/30/2017	6/30/2016	Variance	%
Land	\$ 22,022,054	\$ 18,612,054	\$3,410,000	18.3%
Construction in Progress	286,033	, -	286,033	n/a
Building and Improvements	18,456,188	18,636,527	(180,339)	-1.0%
Equipment	29,278	50,435	(21,157)	-41.9%
	\$ 40,793,553	\$ 37,299,016	\$3,494,537	9.4%

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, 2017 versus the prior fiscal year.

Housing Authority of the City of Alameda Changes in Long-term Debt June 30, 2017

	6/30/2017	6/30/2016	Variance	%
Notes and bonds payable	\$ 27,638,622	\$28,354,676	\$(716,054)	-2.5%

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

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Housing 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 the U.S. Department of Housing and Urban Development, 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, 2017 the Authority's expenses associated with the Housing Choice Voucher Program exceeded its revenues by \$8,700. For the previous 2016 fiscal year the Authority's expenses for the Housing Choice Voucher Program exceeded its revenues by \$26,449. These excess 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 Housing Authority's finances and to show the Housing 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 STATEMENT OF NET POSITION JUNE 30, 2017

	Housing Authority	Component Unit	Total Combined
ASSETS			Comonica
Current Assets:			
Cash and investments (Note 2)	\$ 27,100,576	\$ 3,998,841	\$ 31,099,417
Due from other agencies	245,118	-	245,118
Tenant accounts receivable	56,515	-	56,515
Accounts receivable - other	39,609	3,910	43,519
Interest receivable	70,011	-	70,011
Prepaid expenses	213,699	4,699,277	4,912,976
Inventory	5,083		5,083
Total current assets	27,730,611	8,702,028	36,432,639
Noncurrent assets:	5 C		
Notes receivable (Note 8)	29,036,034	-	29,036,034
Capital assets, net of accumulated depreciation			
of \$25,322,193 (Note 3)	40,793,553	903,200	41,696,753
Total noncurrent assets	69,829,587	903,200	70,732,787
Total assets	97,560,198	9,605,228	107,165,426
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan (Note 6)	3,543,719	-	3,543,719
Total assets and deferred outflows of resources	101,103,917	9,605,228	110,709,145
LIABILITIES			
Current Liabilities:			
Accounts payable - other	238,177	42,775	280,952
Accounts payable - other agencies	8,221		8,221
Tenant security deposits	548,120	_	548,120
Other accrued liabilities	392,412	160,000	552,412
Interest payable	901,727	8,623	910,350
Compensated absences (Note 5)	105,601	-	105,601
Notes and bonds payable (Note 4)	959,539	9,756,863	10,716,402
Total current liabilities	3,153,797	9,968,261	13,122,058
Noncurrent liabilities:			10,122,000
Compensated absences (Note 5)	79,663	-	79,663
Other noncurrent liabilities	151,459	_	151,459
Unearned revenue (Note 10)	3,410,000		3,410,000
OPEB payable (Note 7)	567,257	-	567,257
Pension liability (Note 6)	1,684,952	-	1,684,952
Notes and bonds payable (Note 4)	26,679,083	-	26,679,083
Total noncurrent liabilities	32,572,414	-	32,572,414
Total liabilities	35,726,211	9,968,261	45,694,472
DEFENDED DELOWS OF DESOUDOES			
DEFERRED INFLOWS OF RESOURCES	1 202 770		1 202 550
Pension Plan (Note 6)	1,303,778	-	1,303,778
Total liabilities and deferred inflows of resources	37,029,989	9,968,261	46,998,250
NET POSITION			
Net investment in capital assets	13,154,931	903,200	14,058,131
Restricted	1,111,713	-	1,111,713
Unrestricted	49,807,284	(1,266,233)	48,541,051
Total Net Position	\$ 64,073,928	\$ (363,033)	\$ 63,710,895

See notes to the Financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2017

	Housing Authority	Component Unit	Total Combined
Operating Revenues			
Grants	\$ 36,418,954	\$ -	\$ 36,418,954
Rents	3,598,210	-	3,598,210
Other	1,406,912	1,193	1,408,105
Total operating revenues	41,424,076	1,193	41,425,269
Operating Expenses			
Administration	6,858,729	22,550	6,881,279
Utilities	679,693		679,693
Maintenance	2,859,549	-	2,859,549
General	1,494,379	90,747	1,585,126
Tenant services	253,245	-	253,245
Housing assistance payments	26,572,457	· _	26,572,457
Depreciation	1,469,664	-	1,469,664
Total operating expenses	40,187,716	113,297	40,301,013
Operating income (loss)	1,236,360	(112,104)	1,124,256
Non-Operating Revenues (Expenses)			
Interest income	164,841	-	164,841
Gain on sale of fixed assets	6,569	-	6,569
Interest expense	(1,090,095)	-	(1,090,095)
Pension gain/(expense) (Note 6)	981,940	-	981,940
Del Monte Senior Housing	7,010,000	-	7,010,000
Other nonoperating revenues (expenses)	-	(117,219)	(117, 219)
Net non-operating revenue	7,073,255	(117,219)	6,956,036
Change in net position	8,309,615	(229,323)	8,080,292
Total net position, beginning	55,764,313	(133,710)	55,630,603
Total net position, ending	\$ 64,073,928	\$ (363,033)	\$ 63,710,895

See notes to the Financial statements.

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HOUSING AUTHORITY OF THE CITY OF ALAMEDA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2017

	Hou	ising Authority	Cor	nponent Unit	То	tal Combined
Cash flows from operating activities: Grants received	¢	26 227 (02	¢		¢	26 227 602
Cash received from rents	\$	36,237,692 3,749,518	\$	-	\$	36,237,692
Other miscellaneous cash receipts		1,218,616		(1,590)		3,749,518 1,217,026
Cash payments to suppliers and landlords		(34,570,799)		(1,390) (123,428)		(34,694,227)
Cash payments to suppliers and fandroids		(3,785,195)		(123,428)		(34,094,227) (3,785,195)
Net cash provided (used) in operating activities		2,849,832		(125,018)		2,724,814
		2,049,052		(125,018)		2,724,014
Cash flows from capital and related financing activities:						
Interest paid on long-term debt		(1,127,482)		8,623		(1,118,859)
Additions to long-term debt		133,246		-		133,246
Principal paid		(849,300)		-		(849,300)
Donations received		3,600,000		-		3,600,000
Receipt of unearned revenue		3,410,000		-		3,410,000
Expenditures for subsidiary		-		(1,373,268)		(1,373,268)
Acquisition of fixed assets		(1,547,632)		(743,200)		(2,290,832)
Proceeds from notes payable		-		4,900,000		4,900,000
Net cash provided by (used in) capital and						
related financing activities		3,618,832		2,792,155		6,410,987
Cash flows from investing activities:						
Issuances of mortgage notes receivable		(10,798,050)		-		(10,798,050)
Interest received from investments		197,417		-		197,417
Net cash provided by (used in) investing activities		(10,600,633)		-		(10,600,633)
Net increase (decrease) in cash		(4,131,969)		2,667,137		(1,464,832)
Cash at beginning of year		31,232,545		1,331,704		32,564,249
	¢	27,100,576	\$	3,998,841	\$	31,099,417
Cash at end of year	\$	27,100,576	φ	3,990,041	φ	
Cash at end of year		27,100,376	ф —	3,990,041		
Reconciliation of operating income (loss) to net cash	2	27,100,576	φ	3,398,841		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		27,100,576	ф 	3,336,041		
<u>Reconciliation of operating income (loss) to net cash</u> provided by (used in) operating activities: Operating income (loss)	<u> </u>	1,236,360	\$	(112,104)	\$	1,124,256
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to						
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation						
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets		1,236,360				1,124,256
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies		1,236,360				1,124,256
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable		1,236,360 1,469,664		(112,104)		1,124,256 1,469,664
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies		1,236,360 1,469,664 (181,262) 151,308 (23,146)		(112,104)		1,124,256 1,469,664 (180,135)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable		1,236,360 1,469,664 (181,262) 151,308		(112,104)		1,124,256 1,469,664 (180,135) 151,308
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory		1,236,360 1,469,664 (181,262) 151,308 (23,146)		(112,104)		1,124,256 1,469,664 (180,135) 151,308 (27,056)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948)		(112,104)		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948)		(112,104)		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Orther accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798		(112,104) - 1,127 (3,910) -		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369)		(112,104) - 1,127 (3,910) -		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664		(112,104) - 1,127 - (3,910) - 22,724		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Accrued compensated absences		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008 (34,101)		(112,104) - 1,127 - (3,910) - - 22,724 -		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Accrued compensated absences Other noncurrent liabilities		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008		(112,104) - 1,127 - (3,910) - - 22,724 -		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588 10,153
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Accrued compensated absences Other noncurrent liabilities OCOUPLE payable		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008 (34,101)		(112,104) - 1,127 - (3,910) - - 22,724 -		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588 10,153 (34,101)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Accrued compensated absences Other noncurrent liabilities OPEB payable GASB 68 effect on pension expense	\$	1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008 (34,101) (255,682) 401,017 199,933	\$	(112,104) - 1,127 - (3,910) - - 22,724 - - (32,855) - -	\$	1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588 10,153 (34,101) (255,682) 401,017 199,933
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Accrued compensated absences Other noncurrent liabilities Operating activities		1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008 (34,101) (255,682) 401,017		(112,104) - 1,127 - (3,910) - - 22,724 - - (32,855) - -		1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588 10,153 (34,101) (255,682) 401,017
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Operating income (loss) Difference Operating income (loss) Accounts payable to other agencies Tenant security deposits Accrued liabilities Operating activities OPEB payable GASB 68 effect on pension expense Net cash provided by (used in) operating activities	\$	1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008 (34,101) (255,682) 401,017 199,933	\$	(112,104) - 1,127 - (3,910) - - 22,724 - - (32,855) - -	\$	1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588 10,153 (34,101) (255,682) 401,017 199,933
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: Depreciation (Increase) decrease in assets Due from other agencies Tenant accounts receivable Other accounts receivable Prepaid expenses Inventory (Increase) decrease in liabilities Accounts payable Accounts payable to other agencies Tenant security deposits Accrued liabilities Accrued compensated absences Other noncurrent liabilities OPEB payable GASB 68 effect on pension expense	\$	1,236,360 1,469,664 (181,262) 151,308 (23,146) (165,948) 798 (9,369) 6,664 10,588 43,008 (34,101) (255,682) 401,017 199,933	\$	(112,104) - 1,127 - (3,910) - - 22,724 - - (32,855) - -	\$	1,124,256 1,469,664 (180,135) 151,308 (27,056) (165,948) 798 13,355 6,664 10,588 10,153 (34,101) (255,682) 401,017 199,933

See notes to the Financial statements.

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 (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The Housing Authority of the City of Alameda (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. However, the Housing 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 or four year terms.

The basic financial statements include both the financial activities of the Housing Authority of the City of Alameda and its discretely presented component unit, Island City Development.

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 and moderate-income individuals and families in the City of Alameda, California. The Executive Director of the Housing Authority of the City of Alameda appoints the members of the Nonprofit Corporation's Board of Directors. The Nonprofit Corporation has a year end of December 31, 2016, 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 purpose of developing and owning a 31-unit Low-Income Housing Tax Credit property at 1031 Buena Vista Avenue in Alameda. This property is under construction and is expected to be completed in 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 purpose 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 2018. 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.

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 Housing Authority of the City of Alameda's administrative offices located at 701 Atlantic Avenue, Alameda, California.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Related Organizations - Blended component units

The Housing Authority is the sole member of AHA Islander GP, LLC which is the 0.005% 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 Housing 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.

B. Government-wide and 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).

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

The financial statements and the Schedule of Expenditures of Federal Awards 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* activities. Operating revenues and expenses generally result from providing services in connection with a 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 of Alameda 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.

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 investments can be converted to cash in a relatively short amount of time. Therefore, all cash and investments, including restricted amounts, are reported in the Statement of Cash Flows.

b. Restricted Assets

Restricted cash, cash equivalents, and investments, 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 the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position, Continued

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.

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 borrowings 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Assets, Liabilities, and Net Position, Continued

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 (FNP) 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

New Accounting Pronouncements

In November 2016, the Governmental Accounting Standards Board (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 (AROs). 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.

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 been 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. New GASB Pronouncements

In March 2017, GASB issued Statement No. 85, *Omnibus 2017* (GASB No. 85). The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. GASB No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, the following topics are addressed:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The requirements of GASB No. 85 are effective for reporting periods beginning after June 15, 2017. The Authority does not believe that there will be any financial statement effect related to the GASB No. 85.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* (GASB No. 86). The primary objective of GASB No. 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. GASB No. 86 also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of GASB No. 86 are effective for reporting periods beginning after June 15, 2017. The Authority does not believe that there will be any financial statement effect related to GASB No. 86.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. New Accounting Pronouncements, Continued

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.

F. 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.

G. 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Loans Issued During the 2017 Fiscal Year

During the 2017 fiscal year the Authority issued the following loans totaling \$11.8 million dollars:

Loan Receivable - ICD – Del Monte Predevelopment	\$ 300,000
Loan Receivable - Sherman and Buena Vista LP	3,600,000
Loan Receivable - Sherman and Buena Vista LP	3,410,000
Loan Receivable - ICD – Operating Capital	250,000
Loan Receivable - Everett and Eagle LP	 4,250,000
Total	\$ 11,810,000

More information is available in Note 8.

Note 2 - CASH AND INVESTMENTS

A. Policies

California law requires banks and savings and 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 investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments 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 for purposes of measuring cash flows.

Note 2 - CASH AND INVESTMENTS, Continued

B. Classification

Cash and investments 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 investments as of June 30, 2017 are as follows:

Unrestricted	\$ 25,037,901
Restricted	2,062,675
Total cash and investments	\$27,100,576

The \$27,100,576 of cash and investments consists of \$5,617,286 maintained on deposit in banks, \$736,688 maintained by loan servicing agencies, \$7,757,591 deposited in the State of California Local Agency Investment Fund (LAIF), \$13,199,966 deposited in the California Asset Management Program (CAMP), and \$250 in petty cash. Of the amounts on deposit with banks, \$250,000 is covered by federal deposit insurance. The remaining \$5,637,286 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 \$736,688 of investments 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.

	Maximum	Minimum Quality	Maximum in	Maximum Investment
Authorized Investment Type	Maturity	Credit	Portfolio	One Issuer
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	N/A	N/A	N/A	N/A
Bankers Acceptances	180 Days	N/A	40%	30%
Negotiable Certificates of Deposit	N/A	А	30%	N/A
Time Certificates of Deposit	N/A	N/A	30%	N/A
Medium Term Corporate Notes	5 Years	А	30%	N/A
Money Market Mutual Funds	N/A	AAA	15%	10%
County Agency Investment fund	On Demand	N/A	30%	N/A
Reverse Repurchase Agreements	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 California Asset Management Program (CAMP).

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Note 2 - CASH AND INVESTMENTS, 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 Stature. 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:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer			
For U.S. Department of Housing and Urban Development Funds							
State of California Local Agency Investment Fund (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			
For Non U.S. Department of Housing and Urban Development Funds							
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	А	30%	No Limit			
Mortgage & Equipment Lease Obligations	5 Years	AA	20%	No Limit			

Note 2 - CASH AND INVESTMENTS, 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:

	12 Months	One to	More than	
Investment Type	or Less	Five Years	Five Years	Total
Local Agency Investment Fund	\$ 7,757,591	\$ -	\$ -	\$ 7,757,591
CAMP	13,119,966	-	-	13,119,966
Total Investments	\$ 20,877,557	\$ -	\$ -	\$ 20,877,557

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, 2017 for each Authority investment type as provided by Standard and Poor's except as noted:

Investment Type	
Not Rated:	
Local Agency Investment Fund	\$ 7,757,591
CAMP	\$ 13,119,966

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, 2017 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 FDIC insurance or are collateralized.

Note 3 - CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2017:

	D 1		Adjustments	
	Balance		and	Balance
	6/30/2016	Additions	Deletions	6/30/2017
Non-depreciable assets				
Land	\$ 18,612,054	\$ 3,410,000	\$ -	\$ 22,022,054
Construction in progress	-	286,033	-	286,033
Total non-depreciable assets	18,612,054	3,696,033	-	. 22,308,087
Depreciable assets				
Buildings and improvements	42,153,106	1,268,168	-	43,421,274
Equipment	402,927		(16,542)	386,385
Total depreciable assets	42,556,033	1,268,168	(16,542)	43,807,659
Accumulated depreciation				
Buildings and improvements	(23,516,579)	(1,448,507)	-	(24,965,086)
Equipment	(352,492)	(21, 157)	16,542	(357, 107)
Total accumulated depreciation	(23,869,071)	(1,469,664)	16,542	(25,322,193)
Net depreciable assets	18,686,962	\$ (201,496)	\$ -	18,485,466
Total capital assets, net	\$ 37,299,016			\$ 40,793,553
1	. , , ,			+,,

On December 8, 2016 the Authority purchased a single family Below Market Rate home at 1825 Paru Street for \$440,000.

In December 2016 the Authority received a land donation with a value of \$3,410,000.

Note 4 - LONG-TERM DEBT

Following is a summary changes in long-term debt for the year ended June 30, 2017:

	Balance 6/30/16	Additions	Deletions	Balance 6/30/17	Current Portion
Bonds Payable:					
PNC Bank	\$ 5,497,982	\$ -	\$ (97,982)	\$ 5,400,000	\$ 173,986
Notes Payable:					
Amerisphere	13,921,211	-	(209,329)	13,711,882	221,423
Amerisphere	6,516,233	-	(541,990)	5,974,243	562,668
City of Alameda	1,476,600	119,527	-	1,596,127	1,462
County of Alameda	942,650	13,720	-	956,370	-
-	\$28,354,676	\$ 133,247	\$(849,301)	\$27,638,622	\$ 959,539

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
2018	\$ 959,539	\$ 1,112,125	\$ 2,071,664
2019	1,004,293	1,073,398	2,077,691
2020	1,051,181	1,032,845	2,084,026
2021	1,100,362	990,376	2,090,738
2022	1,158,350	945,896	2,104,246
Thereafter	22,364,897	13,379,389	35,744,286
	\$27,638,622	\$ 18,534,029	\$46,172,651

A description of the debt recorded at June 30, 2017 for the housing 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 total \$5,400,000 at June 30, 2017.

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	2/20/1997
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	\$400,000	3/30/2016
City of Alameda	\$25,000	4/15/2016

Note 4 - LONG-TERM DEBT, 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, 2017 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, 2017 was \$222,426.

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, 2017 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. The outstanding balance on this note at June 30, 2017 was \$13,720.

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, 2017 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, 2017 was \$380,000.

Note 4 - LONG-TERM DEBT, Continued

Notes Payable, Continued:

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 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, 2017 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, 2017 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, 2017 was \$13,711,883.

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, 2017 was \$5,974,243.

A first amendment to a promissory note agreement for \$400,000 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, 2017 was \$400,000.

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. The outstanding balance on this note at June 30, 2017 was \$25,000.

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 \$105,601 and noncurrent compensated absences of \$79,663 for a total of \$185,264 as of June 30, 2017.

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 net pension liability (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' 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. In addition to CalPERS plans, the Housing Authority of the City of Alameda 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).

<u>GASB No. 78 - Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.</u> 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, 2017 (effective for periods beginning after December 15, 2015. This Statement may result in a change in current practice, and have 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 the California Public Employees' Retirement System (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, 2015 Annual Actuarial Valuation Report. This report is a publically 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 provisions under the Plans are established by State statute and 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.

Note 6 - PENSION PLAN, Continued

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 are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous Plans	
	Prior To	On or After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2% @ 55	2% at 62
Benefit Vesting Formula	5 years of service	5 years of
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	7%	6.5%
Required employer contribution rates	9.353%	6.73%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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 is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2016 (the measurement date), the active employee's contribution rate are 7.00 (First Level/Classic Members) and 6.50 (PEPRA New Members) percent of annual payroll, and the effective employer's rates are 9.599 percent and 6.908 percent of annual payroll.

For the year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

	Misc	ellaneous		
		Plan	Classic	PEPRA
Contributions – employer	\$	1,335,827	9.599%	6.908%
Contributions – employee		273,491	7.000%	6.500%
Total	\$	1,609,318		

Note 6 - PENSION PLAN, Continued

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 6/30/15 - Measurement date	\$ 1,854,640 0.067600%
Balance at 6/30/16 - Measurement date	1,684,952 0.019472%
Net Pension Liability Year-to-Year Increase/(Decrease)	\$ (169,688)

The Authority's net pension liability of \$1,684,952 is measured as the proportionate share of the net pension liability of \$3,473,877,243 (or 0.0485%). The net pension liability is measured as of June 30, 2016, 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, 2015 rolled forward to June 30, 2016 using standard update procedures. The Authority paid down \$1,335,827 during the year ended June 30, 2017. Since the pension liability is based on the measurement date of June 30, 2016, the outstanding pension liability here does not reflect the pay down of contributions made during the year ended June 30, 2017. 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, 2017, the Authority recognized pension expense/(income) of \$(981,940) for the Plan. At June 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of	Deferred Inflows of
	Resources	Resources
Pension contributions subsequent to measurement date	\$ 1,335,827	\$ -
Differences between actual and expected experience	14,115	(3,235)
Changes in assumptions	-	(133, 559)
Differences in contributions and proportionate share of		
contributions	1,074,194	-
Net differences between projected and actual earnings on pension		
plan investments	1,119,583	(424,451)
Adjustments due to differences in proportions	-	(742,533)
Total	\$ 3,543,719	\$(1,303,778)

Note 6 - PENSION PLAN, Continued

Of the \$3,543,719 reported as deferred outflows of resources, \$1,335,827 related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017 (measurement period ended June 30, 2016). 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
2017	\$ 215,409
2018	206,784
2019	301,876
2020	180,047
Thereafter	-

The amounts above are the net of outflows and inflows recognized in the measurement period ended June 30, 2016.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability - For the measurement period ending June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. Both the June 30, 2015 total pension liability and the June 30, 2016 total pension liability were determined using the following actuarial methods and assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by entry age and service
Investment Rate of Return	7.5% (1)
Mortality Rate Table (2)	Derived using CalPERS' Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection
	Allowance Floor on Purchasing Power Applies. 2.75% thereafter

- (1) Net of pension plan investment and administrative expenses; including inflation
- (2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2015 experience study report. The experience study can be found on CalPERS website under Forms and Publications.

Note 6 - PENSION PLAN, Continued

Discount Rate - The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a buildingblock 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.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

	New Strategic	Real Return	Real Return
Asset Class	Allocation	Years 1-10 (a)	Years $11+(b)$
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(0.55)%	(1.05)%
Total	100%	-	

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

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

Note 6 - PENSION PLAN, Continued

Sensitivity of the Proportionate Share of the Net Pension 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 7.65 percent, 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 I-percentage point lower (6.65%) or 1-percentage point higher (8.65%) than the current rate:

	scount Rate 5 1% (6.65%)	rent Discount ate (7.65%)	100000 00000 0000000000000000000000000	count Rate 1% (8.65%)
Plan's Net Pension Liability/ (Asset)	\$ 3,577,152	\$ 1,684,952	\$	121,142

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, 2017, there was no outstanding account payable for contributions to the pension plan required for the year ended June 30, 2017.

Note 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Eligibility Requirements and Plan Description:

The Authority participates in the CalPERS 2%@55 Public Agency Miscellaneous Employees' pension plan for all regular employees hired before January 1, 2013 and 2%@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 5 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 lifetime of the retiree and any surviving spouse, subject to CalPERS eligibility requirements.

The Authority does not provide dental, vision or other GASB 45 benefit to retirees.

Note 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Requirements of GASB 45:

The government Accounting Standards Board (GASB) has mandated disclosure of other postemployment 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 of Alameda and not employees of the Authority itself, therefore there was no OPEB obligation or expense recognized in fiscal years prior to 2012. During fiscal year 2016 the Authority administered this program on a pay-asyou-go basis and actual costs were expensed as incurred. In 2017, the Authority paid in to the CERBT account by \$30,448.

Funding Policy:

The goal of GASB 45 is to match recognition of retiree medical expense with the periods during which the benefit is earned. The entry age normal cost method effectively meets this goal in most circumstances. The Authority has adopted an entry age normal cost method to determine the present value of benefits and the actuarial accrued liability. The plan currently has no assets. The amortization method is a level percent of payroll. The amortization period is thirty years. The Authority has adopted a pay-as-you-go policy and is not currently funding this liability above the monthly requirement. The Authority makes actual monthly payments for its portion of the retirees' premiums.

Annual OPEB Cost and Net OPEB Obligation:

The Authority's annual OPEB costs (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Interest on net OPEB obligation is based on an interest rate of 4.25% and is computed on the unfunded amount.

The following table shows the components of the annual OPEB cost, the amount actually contributed to the plan, and any changes in the net OPEB obligation.

Annual required contribution	\$	191,628
Interest on net OPEB obligation		17,303
Adjustment of annual required contribution		(18,367)
Annual OPEB Cost	\$	190,564
Annual OPEB Cost	\$	190,564
Contributions made		(30,448)
Increase in net OPEB obligation (asset)		160,116
Net OPEB obligation (asset), beginning of yea	r	407,141
Net OPEB obligation (asset), end of year	\$	567,257

Note 7 - OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Annual OPEB Cost and Net OPEB Obligation, Continued:

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

	ł	Annual	Actual Employer		Percentage	Net Ending OPEB	
Year Ended	OF	PEB Cost	Contribution		Contribution	Obli	gation (Asset)
6/30/17	\$	190,564	\$	30,448	15.97%	\$	567,257
6/30/16	\$	176,390	\$	13,659	7.74%	\$	407,141

Funded Status and Funding Progress:

The funded status of the plan based on an actuarial valuation as of July 1, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 1,754,071
Actuarial value of plan assets Unfunded actuarial accrued liability (UAAL)	\$ 1,754,071
Funded ratio (actuarial value of plan Assets/AAL) Covered payroll UAAL as percentage of covered payroll	\$ 0% 3,783,177 46.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions:

For the actuarial valuation, the entry age normal cost, level percent of pay; closed group method was used. The actuarial assumptions include a 4.25% discount rate. An annual rate increase of 3.25% in payroll was used in developing level percent amortization. The healthcare trend rate assumption is 8% for 2018 grading down to 5% by 2030 for pre-Medicare premiums and 5.5% grading down to 5% in 2020 for post-Medicare premiums. The actuarial value of assets is equal to the market value. The unfunded actuarial accrued liability is being amortized over a fixed period of 30 years as a level percentage of projected payroll. The remaining amortization period at July 1, 2016 is 26 years reflecting the Authority's use of a 30 year closed amortization period beginning July 1, 2012.

The schedule of funding progress, presented as required supplementary information following the *Notes to the Financial Statements*, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL benefits.

Note 8 – NOTES RECEIVABLE

At June 30, 2017, the Housing Authority of the City of Alameda had \$29,036,034 of notes receivable due to them. This balance was comprised of \$1,000 security deposit loans and \$29,035,034 of loans.

A summary of the Authority loans is outlined below:

Borrower	Original Note	Note Date
Playa del Alameda	\$243,109	1/31/2000
Breakers at Bayport LP	\$2,015,000	1/5/2004
Taplin, Tamiko	\$23,600	3/9/2007
Nebeker, Bud	\$31,800	12/18/2007
Moore, Analisa	\$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	1/11/2013
Jack Capon Villa LP	\$1,400,000	1/11/2013
Jack Capon Villa LP	\$200,000	1/11/2013
Rojas, Ana	\$4,148	4/16/2013
Assefa, Fikre	\$4,148	6/10/2013
Petochis, Nicola	\$7,676	8/1/2013
Island City Development - Del Monte	\$700,000	8/10/2015
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
Island City Development - Del Monte	\$300,000	11/1/2016
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

Effective January 31, 2000, Playa del Alameda Associates entered into an Amended and Restated Promissory Note with the Authority Playa del Alameda Associates 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 outstanding balance on the note at June 30, 2017 was \$243,108.

Effective January 5, 2004, Resources 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, 2017 was \$1,408,790.

Note 8 - NOTES RECEIVABLE, Continued

Effective March 9, 2007, Tamiko L. Taplin and Anthony Taplin entered into a Promissory Note with the City of Alameda [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, 2017 was \$23,600.

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 on the note at June 30, 2017 was \$31,800.

Effective January 23, 2008, Annalisa Moore entered into a Promissory Note with the City of Alameda [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, 2017 was \$31,800

Effective March 24, 2008, Resources for Community Development entered into a Promissory Note with the Community Improvement Commission of the City of Alameda [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, 2017 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, 2017 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, 2017 was \$177,158.

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, 2017 was \$1,400,000.

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, 2017 was \$201,067.

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, 2017 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 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, 2017 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 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, 2017 was \$7,676.

Effective August 10, 2015, Island City Development entered into a Promissory Note with the Authority for the amount of \$700,000 for the Del Monte Senior project, located at 1301 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, 2047. This loan was paid in full on April 19, 2017. The outstanding balance on the note at June 30, 2017 was \$0.

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, 2017 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 outstanding balance on the note at June 30, 2017 was \$1,000,000.

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, 2017 was \$2,000,000.

Note 8 – NOTES RECEIVABLE, Continued

Effective November 1, 2016, Island City Development entered into a Promissory Note with the Authority for the amount of \$300,000 for the Del Monte Senior project at 1301 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, 2017 was \$0.

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, 2017 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, 2017 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, 2017 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, 2017 was \$4,250,000.

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, 2017 the outstanding guarantee about was approximately \$9,312,014.

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, 2017, the outstanding guarantee about was approximately \$9,066,346.

Note 9 – GUARANTEES, Continued

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 the 2437 Eagle Avenue property, the Authority entered into a Payment and Performance Guaranty dated June 21, 2017 with JPMorgan 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. As of June 30, 2017 the outstanding guarantee about was approximately \$9,859,528.

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. Total rental income for the year ended June 30, 2017 was \$2,747.

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. Total rental income for the year ended June 30, 2017 was \$2,616.

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 14, 2078. On October 14, 2004 the lease was assigned to Breakers at Bayport, LP. Total rental income for the year ended June 30, 2017 under the lease agreement was \$1.

On October 4, 2006 the Authority entered into amended ground lease agreement with Resources for Community Development (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. Total rental income for the year ended June 30, 2017 under the lease agreement was \$1.

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. Total rental income for the year ended June 30, 2017 under the lease agreement was \$0.

Note 10 - GROUND LEASES, Continued

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 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. Total rental income for the year ended June 30, 2017 under the lease agreement was \$0.

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. Total rental income for the year ended June 30, 2017 under the lease agreement was \$9,900.

At June 30, 2017, the future rental income required under the lease agreements entered into by the Authority are as follows:

Fiscal Year Ending		
2018	\$	39,810
2019		39,810
2020		39,810
2021		39,810
2022		39,810
Thereafter	3,	648,015
	\$3,	847,065

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). The CHWCA is a California joint powers insurance authority established in 1991 for the 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 (7) 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.

Note 11 – JOINT POWERS AGREEMENTS, Continued

The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

Condensed audited financial information for the year ended December 31, 2016, is as follows:

Total assets	\$ 26,789,732
Total liabilities	(15,021,154)
Total net assets	\$ 11,768,578
Total revenues	\$ 5,052,947
Total expenses	(3,288,286)
Net increase (decrease) in net assets	\$ 1,764,661

CHWCA had \$14,414,410 of unpaid claims and claim adjustment expenses outstanding at December 31, 2016. The Authority's share of year-end assets, liabilities, or retained earnings has not been calculated.

Property and Liability Insurance

The Authority participates in a joint venture under a joint powers agreement (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, 2016 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.

Condensed audited financial information for the year ended December 31, 2016 is as follows:

Total Assets	\$ 36,036,040
Total liabilities	(10,729,511)
Total net position	\$ 25,306,529
Total revenues	\$ 11,725,332
Total expenses	(9,136,302)
Net increase (decrease) in net assets	\$ 2,589,030

HARRP had \$2,331,590 in outstanding claims liabilities at December 31, 2016. The Authority's share of year-end assets, liabilities, or retained earnings has not been calculated.

Note 11 - JOINT POWERS AGREEMENTS, Continued

ABAG Natural Gas JPA

The Authority participates in a joint venture under a joint powers agreement (JPA) with the ABAG POWER, an Association of Bay Area Governments (ABAG) 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 forty member agencies throughout PG&E's service territory. There are 66 members in the program.

Condensed audited financial information for the year ended June 30, 2017 is as follows:

Total assets	\$ 4,880,230
Total liabilities	 (350,928)
Total net position	\$ 4,529,302
Total revenues	\$ 1,864,333
Total expenses	 (1,094,566)
Net increase (decrease) in net assets	\$ 769,767

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.

Note 13 – SUBSEQUENT EVENTS

Management evaluated all activity of the Authority through the date of the audit opinion letter, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION (Other than the MD&A)

HOUSING AUTHORITY OF THE CITY OF ALAMEDA REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

Schedule of Funding Progress for Other Post-Employment Benefits (OPEB)

Fiscal Year Ended	Actuarial Valuation Date	 arial ie of sets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2017	July 1, 2015	\$ -	\$1,754,071	\$1,754,071	0.0%	\$3,783,177	46.4%
June 30, 2016	July 1, 2015	\$ -	\$1,593,167	\$1,593,167	0.0%	\$3,783,177	42.1%

Note - Prior to April 22, 2012, the employees working at the Authority were actually employees of the City of Alameda. Effective April 22, 2012, these former City employees became employees of the Housing Authority of the City of Alameda. The Authority's OPEB information prior to April 22, 2012 was included as a part of the OPEB valuation information for the City of Alameda as a whole, and the Authority's portion could not be separately determined.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

Schedule of the Authority's Proportionate Share of the Net Pension Liability Last 10 Years*

	Fiscal Year Ending June 30,			
	2017	2016	2015	
Measurement date	6/30/2016	6/30/2015	6/30/2014	
Plan's proportion of the Net Pension Liability (Asset)	0.019472%	0.02702%	0.03013%	
Plans Proportionate Share of the Net Pension Liability (Asset)	\$ 1,684,952	\$ 1,854,640	\$ 1,871,494	
Plan's Covered-Employee Payroll	\$ 2,752,784	\$ 3,634,051	\$ 2,707,587	
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	61.21%	51.04%	69.12%	
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	88.01%	107.30%	83.00%	
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 460,640	t	\$ 446,386	

* Fiscal year ending June 30, 2015 was the first year of implementation, therefore only three years are shown.

† Information was not provided

HOUSING AUTHORITY OF THE CITY OF ALAMEDA REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

Schedule of the Authority's Pension Plan Contributions Last 10 Years*

·	Fiscal	Year Ending Ju	ne 30,
	2017	2016	2015
Actuarially Determined Contributions	\$ 1,322,171	\$ 1,393,004	\$ 300,316
Contributions in relation to the actuarially determined contribution	(1,322,171)	(1,393,004)	(505,233)
Contribution deficiency (excess)	\$	<u>\$</u>	<u>\$ (204,917)</u>
Covered-employee payroll	\$ 2,752,784	\$ 3,634,051	\$ 2,707,587
Contributions as a percentage of covered-employee payroll	48.03%	38.33%	18.66%
Notes to Schedule: Valuation Date:	June 30, 2015		1
Actuarial cost method	Entry age norma	al cost method	
Actuarial assumptions	Level percent of	fpayroll	
Discount rate	7.65%		
Inflation	2.75%		
Salary increases	Varies by age an	nd service	
Investment rate of return	7.50%, net of pe administrative e		
Mortality rate table	Derived using C all funds	alPERS membe	ership data for
Post-retirement benefit increase	Contract COLA Power Protectio Purchasing Pow	n Allowance flo	or on

* Fiscal year ending June 30, 2015 was the first year of implementation, therefore only three years are shown.

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OTHER SUPPLEMENTARY INFORMATION

Housing Authority of the City of Alameda Schedule of Expenditures of Federal Awards For the Year Ending June 30, 2017

Federal Grantor	CFDA Number	Expenditures
Department of Housing and Urban Development (HUD):		
Direct Programs:		
Shelter Plus Care	14.238	\$317,615
Section 8 Moderate Rehabilitation - Single Room Occupancy	14.249	\$222,641
Section 8 Housing Choice Vouchers	14.871	\$27,953,023
Family Self-Sufficiency	14.896	\$45,988
U.S. Department of Housing and Urban Development		\$28,539,267
Total Federal Expenditures		\$28,539,267

HOUSING AUTHORITY OF THE CITY OF ALAMEDA NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2017

- 1. The Schedule of Expenditures of Federal Awards presents the activities of federal award programs expended by the Housing Authority of the City of Alameda. The Housing Authority of the City of Alameda's reporting entity is defined in Note 1 to the Financial Statements.
- 2. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the City of Alameda (AHA) under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance at 2 CFR 200, Subpart F (200.500). Because the schedule presents only a selected portion of the operations of AHA, it in not intended to, and does not present the financial position, changes in net position, or cash flows of AHA.
- 3. The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting. This is the same method of accounting as was used in the preparation of the Authority's basic financial statements.
- 4. The Housing Authority of the City of Alameda did not pass-through any federal awards to subrecipients during the fiscal year ended June 30, 2017.

ALAMEDA, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$603	\$205,371	\$79,497	\$3,998,841	\$2,262	\$4,040,954	\$8,327,528		\$8,327,528
112 Cash - Restricted - Modernization and Development	\$0						\$0		\$0
113 Cash - Other Restricted		\$354,331				\$757,382	\$1,111,713		\$1,111,713
114 Cash - Tenant Security Deposits						\$549,920	\$549,920		\$549,920
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	\$603	\$559,702	\$79,497	\$3,998,841	\$2,262	\$5,348,256	\$9,989,161	\$0	\$9,989,161
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government	\$56	\$10,727		\$3,910	\$25,779	\$208,556	\$249,028		\$249,028
125 Accounts Receivable - Miscellaneous		\$2,551			0	\$36,858	\$39,409		\$39,409
126 Accounts Receivable - Tenants		\$0				\$86,824	\$86,824		\$86,824
126.1 Allowance for Doubtful Accounts -Tenants		\$0				-\$30,830	-\$30,830		-\$30,830
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	·								D
128 Fraud Recovery		\$25,793					\$25,793		\$25,793
128.1 Allowance for Doubtful Accounts - Fraud		-\$25,068					-\$25,068		-\$25,068
129 Accrued Interest Receivable		\$532				\$69,479	\$70,011		\$70,011
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$56	\$14,535	\$0	\$3,910	\$25,779	\$370,887	\$415,167	\$0	\$415,167
131 Investments - Unrestricted		\$6,103				\$20,935,120	\$20,941,223		\$20,941,223
132 Investments - Restricted		\$169,033					\$169,033		\$169,033
135 Investments - Restricted for Payment of Current Liability					6a-				
142 Prepaid Expenses and Other Assets		\$0		\$4,699,277		\$213,699	\$4,912,976	f	\$4,912,976
143 Inventories		\$0				\$5,083	\$5,083		\$5,083
143.1 Allowance for Obsolete Inventories		\$0				\$0	\$0		\$0
144 Inter Program Due From	\$34,512	\$0				\$1,867,587	\$1,902,099	-\$1,902,099	\$0
145 Assets Held for Sale									
150 Total Current Assets	\$35,171	\$749,373	\$79,497	\$8,702,028	\$28,041	\$28,740,632	\$38,334,742	-\$1,902,099	\$36,432,643
161 Land						\$22,022,054	\$22,022,054		\$22,022,054
162 Buildings						\$32,200,157	\$32,200,157	h	\$32,200,157
163 Furniture, Equipment & Machinery - Dwellings		\$39,678				\$334,757	\$374,435		\$374,435
164 Furniture, Equipment & Machinery - Administration					~	\$11,950	\$11,950		\$11,950
165 Leasehold Improvements						\$11,221,117	\$11,221,117		\$11,221,117
166 Accumulated Depreciation		-\$39,678				-\$25,282,515	-\$25,322,193		-\$25,322,193
167 Construction in Progress				\$903,200		\$286,032	\$1,189,232		\$1,189,232

ALAMEDA, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

•	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$903,200	\$0	\$40,793,552	\$41,696,752	\$0	\$41,696,752
171 Notes, Loans and Mortgages Receivable - Non-Current						\$29,686,034	\$29,686,034	-\$650,000	\$29,036,034
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		1					1		0
173 Grants Receivable - Non Current									
174 Other Assets				\$0			\$0		\$0
176 Investments in Joint Ventures				1					
180 Total Non-Current Assets	\$0	\$0	\$0	\$903,200	\$0	\$70,479,586	\$71,382,786	-\$650,000	\$70,732,786
200 Deferred Outflow of Resources	\$17,920	\$977,207				\$2,548,591	\$3,543,718		\$3,543,718
290 Total Assets and Deferred Outflow of Resources	\$53,091	\$1,726,580	\$79,497	\$9,605,228	\$28,041	\$101,768,809	\$113,261,246	-\$2,552,099	\$110,709,147
311 Bank Overdraft					0				
312 Accounts Payable <= 90 Days		\$28,702		\$42,775	\$47	\$170,281	\$241,805		\$241,805
313 Accounts Payable >90 Days Past Due	\$280				1		\$280		\$280
321 Accrued Wage/Payroll Taxes Payable		\$17,799				\$64,604	\$82,403		\$82,403
322 Accrued Compensated Absences - Current Portion		\$25,385			6	\$80,217	\$105,602		\$105,602
324 Accrued Contingency Liability		1			1				
325 Accrued Interest Payable				\$8,623		\$901,726	\$910,349		\$910,349
331 Accounts Payable - HUD PHA Programs				1					
332 Account Payable - PHA Projects					b				0
333 Accounts Payable - Other Government			\$8,221		1		\$8,221		\$8,221
341 Tenant Security Deposits		9			į	\$548,120	\$548,120		\$548,120
342 Unearned Revenue		\$6,467			Ū	\$29,941	\$36,408		\$36,408
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		a		\$9,756,863	ōā	\$959,539	\$10,716,402		\$10,716,402
344 Current Portion of Long-term Debt - Operating Borrowings				1	р				
345 Other Current Liabilities		\$0			<u></u>		\$0		\$0
346 Accrued Liabilities - Other				\$160,000	0	\$312,469	\$472,469		\$472,469
347 Inter Program - Due To	\$35,344	\$87,786			D	\$1,778,969	\$1,902,099	-\$1,902,099	\$0
348 Loan Liability - Current	1	\$650,000			n		\$650,000	-\$650,000	\$0
310 Total Current Liabilities	\$35,624	\$816,139	\$8,221	\$9,968,261	\$47	\$4,845,866	\$15,674,158	-\$2,552,099	\$13,122,059
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						\$26,679,083	\$26,679,083		\$26,679,083
352 Long-term Debt, Net of Current - Operating Borrowings					1				
353 Non-current Liabilities - Other		\$151,460				\$3,410,000	\$3,561,460		\$3.561.460

ALAMEDA, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
354 Accrued Compensated Absences - Non Current		\$19,148				\$60,514	\$79,662		\$79,662
355 Loan Liability - Non Current		\$0				\$0	\$0		\$0
356 FASB 5 Liabilities		9			0				B
357 Accrued Pension and OPEB Liabilities	\$10,827	\$687,289				\$1,554,094	\$2,252,210		\$2,252,210
350 Total Non-Current Liabilities	\$10,827	\$857,897	\$0	\$0	\$0	\$31,703,691	\$32,572,415	\$0	\$32,572,415
300 Total Liabilities	\$46,451	\$1,674,036	\$8,221	\$9,968,261	\$47	\$36,549,557	\$48,246,573	-\$2,552,099	\$45,694,474
400 Deferred Inflow of Resources	\$8,378	\$341,008		L		\$954,392	\$1,303,778		\$1,303,778
508.4 Net Investment in Capital Assets				\$903,200	Į	\$13,154,931	\$14,058,131		\$14,058,131
511.4 Restricted Net Position		\$354,331			Į į	\$757,382	\$1,111,713		\$1,111,713
512.4 Unrestricted Net Position	-\$1,738	-\$642,795	\$71,276	-\$1,266,233	\$27,994	\$50,352,547	\$48,541,051		\$48,541,051
513 Total Equity - Net Assets / Position	-\$1,738	-\$288,464	\$71,276	-\$363,033	\$27,994	\$64,264,860	\$63,710,895	\$0	\$63,710,895
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$53,091	\$1,726,580	\$79,497	\$9,605,228	\$28,041	\$101,768,809	\$113,261,246	-\$2,552,099	\$110,709,147

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ALAMEDA, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

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	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue						\$3,598,210	\$3,598,210		\$3,598,210
70400 Tenant Revenue - Other						\$57,936	\$57,936		\$57,936
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0	\$3,656,146	\$3,656,146	\$0	\$3,656,146
70600 HUD PHA Operating Grants	\$45,988	\$27,953,023	\$222,641		\$317,615		\$28,539,267		\$28,539,267
70610 Capital Grants	\$0						\$0		\$0
70710 Management Fee							ů 		
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee		•							
70750 Other Fees		9							
70700 Total Fee Revenue							\$0	\$0	\$0
70800 Other Government Grants						\$7,879,687	\$7.879.687		\$7,879,687
71100 Investment Income - Unrestricted		\$0				\$149,821	\$149,821		\$149,821
71200 Mortgage Interest Income						\$14,450	\$14,450		\$14,450
71300 Proceeds from Disposition of Assets Held for Sale						\$6,569	\$6,569		\$6.569
71310 Cost of Sale of Assets						\$0	\$0		\$0
71400 Fraud Recovery		\$5,037				* •	\$5,037		\$5,037
71500 Other Revenue	\$0	\$166,821		\$1,193	\$10,436	\$8,176,682	\$8,355,132		\$8.355.132
71600 Gain or Loss on Sale of Capital Assets						+	+0,000,102	****	\$0,000,10 2
72000 Investment Income - Restricted		\$570					\$570		\$570
70000 Total Revenue	\$45,988	\$28,125,451	\$222,641	\$1,193	\$328,051	\$19,883,355	\$48,606,679	\$0	\$48,606,679
91100 Administrative Salaries	\$22,012	\$956,492	\$41,575	\$22,550	\$10,436	\$2,053,808	\$3,106,873		\$3,106,873
91200 Auditing Fees		\$4,348	\$300	\$8,500		\$27,854	\$41,002		\$41,002
91300 Management Fee									·····
91310 Book-keeping Fee									
91400 Advertising and Marketing					·				
91500 Employee Benefit contributions - Administrative	\$11,283	\$430,010				\$805,858	\$1,247,151		\$1.247.151
91600 Office Expenses	\$19,379	\$403,656				\$836,385	\$1,259,420		\$1,259,420
91700 Legal Expense		\$88,489		\$523		\$140,603	\$229,615		\$229,615
91800 Travel									1

ALAMEDA, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
91810 Allocated Overhead									
91900 Other		\$24,304		\$81,724			\$106,028		\$106,028
91000 Total Operating - Administrative	\$52,674	\$1,907,299	\$41,875	\$113,297	\$10,436	\$3,864,508	\$5,990,089	\$0	\$5,990,089
92000 Asset Management Fee									
92100 Tenant Services - Salaries		,				\$77,797	\$77,797		\$77,797
92200 Relocation Costs						\$10,475	\$10,475		\$10,475
92300 Employee Benefit Contributions - Tenant Services	-\$5,274	\$889				\$36,705	\$32,320		\$32,320
92400 Tenant Services - Other	\$502	\$703				\$131,447	\$132,652		\$132,652
92500 Total Tenant Services	-\$4,772	\$1,592	\$0	\$0	\$0	\$256,424	\$253,244	\$0	\$253,244
93100 Water		\$1,578				\$236,207	\$237,785		\$237,785
93200 Electricity		\$7,843				\$117,361	\$125,204		\$125,204
93300 Gas		\$115				\$52,008	\$52,123		\$52,123
93400 Fuel)		-
93500 Labor									
93600 Sewer		\$386				\$261,676	\$262,062		\$262,062
93700 Employee Benefit Contributions - Utilities		9							
93800 Other Utilities Expense		\$2,518					\$2,518		\$2,518
93000 Total Utilities	\$0	\$12,440	\$0	\$0 .	\$0	\$667,252	\$679,692	\$0	\$679,692
94100 Ordinary Maintenance and Operations - Labor						\$823,006	\$823,006		\$823,006
94200 Ordinary Maintenance and Operations - Materials and Other		\$3,943				\$169,367	\$173,310		\$173,310
94300 Ordinary Maintenance and Operations Contracts		\$14,900				\$1,465,782	\$1,480,682		\$1,480,682
94500 Employee Benefit Contributions - Ordinary Maintenance		\$37				\$382,510	\$382,547		\$382,547
94000 Total Maintenance	\$0	\$18,880	\$0	\$0	\$0	\$2,840,665	\$2,859,545	\$0	\$2,859,545
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs		\$47,775				\$162,225	\$210,000		\$210,000
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$0	\$47,775	\$0	\$0	\$0	\$162,225	\$210,000	\$0	\$210,000

ALAMEDA, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
96110 Property Insurance						\$72,965	\$72,965		\$72,965
96120 Liability Insurance		\$0				\$50,020	\$50,020		\$50,020
96130 Workmen's Compensation	\$427	\$5,024				\$45,974	\$51,425		\$51,425
96140 All Other Insurance		\$0				\$8,871	\$8,871		\$8,871
96100 Total insurance Premiums	\$427	\$5,024	\$0	\$0	\$0	\$177,830	\$183,281	\$0	\$183,281
96200 Other General Expenses		\$64,724		\$117,219		\$1,018,645	\$1,200,588		\$1,200,588
96210 Compensated Absences		\$0					\$0		\$0
96300 Payments in Lieu of Taxes							1		•
96400 Bad debt - Tenant Rents		9				\$17,732	\$17,732		\$17,732
96500 Bad debt - Mortgages		9		1			<u> </u>		-
96600 Bad debt - Other									
96800 Severance Expense		1					<u> </u>		
96000 Total Other General Expenses	\$0	\$64,724	\$0	\$117,219	\$0	\$1,036,377	\$1,218,320	\$0	\$1,218,320
96710 Interest of Mortgage (or Bonds) Payable						\$1,090,095	\$1,090,095		\$1,090,095
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs		9					0		
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$1,090,095	\$1,090,095	\$0	\$1,090,095
96900 Total Operating Expenses	\$48,329	\$2,057,734	\$41,875	\$230,516	\$10,436	\$10,095,376	\$12,484,266	\$0	\$12,484,266
97000 Excess of Operating Revenue over Operating Expenses	-\$2,341	\$26,067,717	\$180,766	-\$229,323	\$317,615	\$9,787,979	\$36,122,413	\$0	\$36,122,413
97100 Extraordinary Maintenance						\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments		\$25,918,099	\$180,766		\$317,615		\$26,416,480		\$26,416,480
97350 HAP Portability-In		\$155,977					\$155,977		\$155,977
97400 Depreciation Expense		\$0		\$0		\$1,469,664	\$1,469,664		\$1,469,664
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense							1		

ALAMEDA, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
90000 Total Expenses	\$48,329	\$28,131,810	\$222,641	\$230,516	\$328,051	\$11,565,040	\$40,526,387	\$0	\$40,526,387
10010 Operating Transfer In							ļ		
10020 Operating transfer Out							ļ		
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		l							
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)									
10091 Inter Project Excess Cash Transfer In			<u></u>						
10092 Inter Project Excess Cash Transfer Out									
10093 Transfers between Program and Project - In							0		
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$2,341	-\$6,359	\$0	-\$229,323	\$0	\$8,318,315	\$8,080,292	\$0	\$8,080,292
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$959,539	\$959,539		\$959,539
11030 Beginning Equity	\$0	-\$281,502	\$71,276	-\$133,710	\$0	\$55,974,539	\$55,630,603		\$55,630,603
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$603	-\$603			\$27,994	-\$27,994	\$0		\$0
11050 Changes in Compensated Absence Balance		9					0		
11060 Changes in Contingent Liability Balance		9		1					-
11070 Changes in Unrecognized Pension Transition Liability		9					0		
11080 Changes in Special Term/Severance Benefits Liability							0		
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							ů		
11100 Changes in Allowance for Doubtful Accounts - Other		9		J			0		1
11170 Administrative Fee Equity		-\$642,795					-\$642,795		-\$642,795
11180 Housing Assistance Payments Equity		\$354,331					\$354,331		\$354,331
11190 Unit Months Available	0	22140	360		192	6864	29556		29556
11210 Number of Unit Months Leased	0	17808	349		191	6686	25034		25034
11270 Excess Cash		1					\$0		\$0

CITY OF ALAMEDA HOUSING AUTHORITY (CA062)

ALAMEDA, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.238 Shelter Plus Care	2 State/Local	Subtotal	ELIM	Total
11610 Land Purchases							\$0		\$0
11620 Building Purchases			0		d		\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases							\$0		\$0
11640 Furniture & Equipment - Administrative Purchases							\$0		\$0
11650 Leasehold Improvements Purchases							\$0		\$0
11660 Infrastructure Purchases			0		4		\$0		\$0
13510 CFFP Debt Service Payments							\$0		\$0
13901 Replacement Housing Factor Funds							\$0		\$0

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INDEPENDENT AUDITORS' 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, 2017, 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 26, 2018.

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. 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 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses (2017-001).

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 Findings

The Housing Authority of the City of Alameda's response to the findings 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.

ppy Rowe, LLP

CROPPER ROWE, LLP Walnut Creek, California March 26, 2018

CROPPER ROWE, LLP

office location 2700 Ygnacio Valley Road, Ste 270 Walnut Creek, CA 94598 mailing address 2977 Ygnacio Valley Rd, PMB 460 Walnut Creek, CA 94598

(925) 932-3860 tel

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INDEPENDENT AUDITORS' 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

To 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, 2017. The Housing Authority of the City of Alameda's major federal programs are identified in the summary of auditors' 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 its federal programs.

Auditors' 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, 2017.

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 deficiency, or a combination of deficiency and corrected 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 to the prevented of a federal program that is less severe than a material weakness in internal control over 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.

Report on Schedule of Expenditures of Federal Awards

We have audited 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, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alameda's basic financial statements. We issued our report thereon dated March 26, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial

statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and related directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Ceopy Rowe, LLP

CROPPER ROWE, LLP Walnut Creek, California March 26, 2018

HOUSING AUTHORITY OF THE CITY OF ALAMEDA SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2017

The previous audit report for the year ended June 30, 2016 contained no audit findings.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2017

Section I: Summary of Auditor's Results

Financial Statements

Type of auditors' report to be issued:	Unmodified
Internal control over financial reporting: Material weaknesses identified? Significant deficiencies identified?	Yes None reported
Noncompliance material to the financial statements?	No
Federal Awards	
Internal control over major federal programs: Material weaknesses identified? Significant deficiencies identified?	No None reported
Type of auditors' 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	\$ 856,178
Auditee qualified as low risk auditee?	Yes

Section II: Financial Statement Findings

Finding 2017-001: Internal control over financial reporting

Condition and Context: For the year ended June 30, 2017, journal entries were not properly recorded, including a material transaction of land and uncarned revenue related to the developmental activities at the Authority.

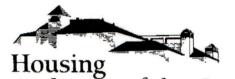
Effect or Potential Effect: Fixed assets and unearned revenue were materially understated.

Cause: 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.

Criteria: There were a number of journal entries recorded, including client accommodation entries. One journal entry was material.

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 material transaction related to the donation of land from Tim Lewis Partners and the City of Alameda 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. The transaction was correctly reflected in the audit of Island City Development. The staff responsible for booking the transaction have subsequently left the agency and new staff have been hired with expertise on this type of transaction. Also, each of these infrequent real estate transactions will receive an additional level of review.



Authority of the City of Alameda

701 Atlantic Avenue - Alameda, California 94501-2161 - Tel: (510) 747-4300 - Fax: (510) 522-7848 - TDD: (510) 522-8467

- To: Honorable Chair and Members of the Board of Commissioners
- From: Vanessa M. Cooper Executive Director
- Prepared by: Mike Billington Housing and Community Development Project Manager

Date: April 18, 2018

Re: Authorize the Executive Director to Negotiate Final Terms and Execute a Construction Contract with EF Brett and Company in the amount of \$2,565,000, and a Project Budget of \$3.25mm for Accessibility Upgrades to 20 units and Various Common Area Improvements at Independence Plaza

BACKGROUND

In March 2017, staff received direction to proceed with efforts to renovate 20 units, common area entrances and various paths of travel at Independence Plaza (IP). The proposed project will make these units fully ADA accessible and will meet or exceed the federal standard that requires at least 5% of units to be accessible. The underlying purpose of the project is to improve resident quality of life and support the opportunity to age in place for our senior tenants.

YHLA Architects was selected as project architect. YHLA studied the property, the units and the community layout. They 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 matches the overall ratio of one to two bedroom units.

The accessible design will allow for more mobility and access. Doors will be widened, kitchen, bathrooms and hallways expanded, cabinetry lowered and ADA appliances installed. In addition, the project will also include the installation of automatic door operators and parking lot/path of travel upgrades, most notably the walkway between the Housing Authority Office and the main entrance to IP.

Honorable Chair and Members of the Board of Commissioners

DISCUSSION

The project bid package was published in January 2018. A pre-bid conference was held on January 29 and a bid addendum posted on February 15. The addendum addressed scope amendments that were required by the City through plan review, and also requested separate lump sum bids for two separate schedule options. The bid addendum stated that "Schedule B" was the preferred option.

Three bids were received prior to the bid deadline on February 22, two of which were deemed responsive. Both bids were very close in price, but both exceeded the original estimate of cost provided by the construction estimator (The Alley Group). Both bids were sent to the professional estimator for thorough review, and their report states that:

"... the bid results fall within a reasonable range of our Estimate expectation. Given the publicity of the bid results as well as the resources required for a re-bid situation, including potential schedule delays or delayed construction start, we do not recommend a re-bid and recommend a selection of one of the two provided bidders." (Exhibit A)

The lowest responsive bid for the Schedule B option was provided by EF Brett and Company (\$2,565,000). The total project cost, including construction, architectural and consulting services, tenant relocation costs, permit fees and contingency is estimated to be \$3,252,000 (Exhibit B).

When sealed bids are solicited, it is not unusual for the second low bidder to question or protest the bid outcome, especially when the bids are close in price. The IP second low bidder has in fact contacted staff with questions about the bid results, and staff consulted with outside counsel. Counsel has confirmed that proper bid and contract procedures have been followed in conformance with the California Public Contract Code.

At least three units are now vacant, and these can serve as hospitality units as the work is performed. Other tenants who are not relocated onsite will be offered a stipend fee to live with friends or family during construction, or will be housed in rental/hotel units. All moving costs and moving management will be provided the Housing Authority. The Schedule B construction period is estimated to be 13-16 months in duration.

FINANCIAL IMPACT

Funding for the project will be from a combination of funds that are currently held in a reserve account for capital projects and additional funds that will be received through the City's annual ROPS request for former Community Improvement Commission (CIC) funds. Although the total project cost is greater than initially anticipated, staff have been planning for this accessibility improvement work for several years. Currently, \$1.2mm is available in the LAIF investment account from prior year operating surplus that was transferred to the investment reserve. An additional \$1mm was budgeted in

Honorable Chair and Members of the Board of Commissioners

the current fiscal year for this project. These funds will be transferred to the LAIF investment account with the next CIC disbursement in May. The final \$1mm is budgeted for next fiscal year, which was submitted to the City as part of the CIC operating subsidy request in January 2018. This amount will be included in the Housing Authority FY 18- 2019 budget. Any future operating surplus will go back into the LAIF investment account for future capital needs at the property.

RECOMMENDATION

Authorize the Executive Director to negotiate final terms and execute a construction contract with EF Brett and Company for the amount of \$2,565,000, and a project budget of \$3.25mm for accessibility upgrades to 20 units and various common area improvements at Independence Plaza.

Respectfully submitted,

Vanus. a

Vanessa M. Cooper Executive Director

VMC/mb

Exhibit A

LELAND SAYLOR ASSOCIATES



PROJECT: INDEPENDENCE PLAZA APARTMENTS LOCATION: ALAMEDA, CA CLIENT: THE ALLEY GROUP DESCRIPTION: INDEPENDENCE PLAZA APARTMENTS ADA UPGRADE JOB NUMBER: 17-115R1 PREPARED BY: MQ BID DATE: ESTIMATE DATE: 3/22/2018

PREFACE AND NOTES TO THE ESTIMATE

8.0 SPECIAL NOTES PERTAINING TO THIS ESTIMATE

8.1 BID ANALYSIS

The bids returned for this project totaled \$2,565,000 from Brett and \$2,602,668 from Fine Line. This estimate has yielded a total of \$2,400,000 given a two bidder environment. Although Leland Saylor feels this is an uncompetitive bidding environment, the bid results fall within a reasonable range of our Estimate expectation. Given the publicity of the bid results as well as the resources required for a re-bid situation, including potential schedule delays or delayed construction start, we do not recommend a re-bid and recommend a selection of one of the two provided bidders.

8.2 SPECIFIC EXCLUSIONS:

The following items are specifically excluded from this estimate: Appliances assumed to be re-used and reinstalled Adjustments to fire sprinklers Any Design or Soft Costs Owner directed costs Works outside defined work space Landscaping Furniture Owner Direct Costs Hazmat Abatement Phasing

Exhibit B

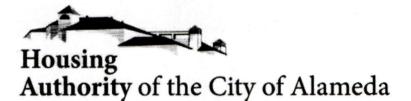
Independence Plaza DRAFT Budget IP 504 ADA Project

Vendor	PreConstruction Planning & C.A.	Budget
YHLA	Architectural Services	\$47,925
Alley Group	Plan Review, Cost Estimate	\$3,425
Alley Group	Analysis of Estimates	\$5,110
City	Permit	\$33,112
	Total Soft Costs	\$89,572

Vendor	Support Services	Budget
Creative Spaces	Tenant Services	\$25,000
Goodmen Moving	Move Out/In	\$74,550
Scherer Group	Wage Monitoring (\$1400 a month for 16 months, plus 10%)	\$24,640
Relocation	Offsite Rentals	\$182,764
Stipend	Allowance	\$30,000
	Total Soft Costs	\$336,954

Vendor		Construction	Budget
EF Brett & Co.	Lump Sum Bid		\$2,565,000
		Sub Construction Costs	\$2,565,000
	Owner's Contingency (based on 10% of construction costs) \$256		\$256,500
		Total Construction Costs	\$2,821,500

	Summary		Budget
PreConstruction Planning			\$89,572
Support Services			\$336,954
Construction			\$2,821,500
		Total Project Costs	\$3,248,026



PHONE (510) 747-4300 FAX (510) 522-7848 TDD (510) 522-8467

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 18, 2018
- RE: Award a three-year Contract for Auditing Services to Rubino & Company for an amount not to exceed \$94,100 (\$30,400 for the first year, \$31,300 for the second year and \$32,400 for the third year).

BACKGROUND

As a public agency, the Housing Authority is required to obtain an annual independent audit. Under the Housing Authority's Procurement Policy and Procedures, in compliance with HUD guidelines, it is preferable to enter into a multi-year contract for ongoing auditing services. (The Contract may be extended on a yearly basis for two additional years at a cost of \$33,400 for year four and \$34,500 for year five totaling \$162,000 for the maximum five-year range. The proposal is available upon request.)

DISCUSSION

The Housing Authority issued a Request for Proposals (RFP) for auditing services on June 22, 2017. Under this RFP, proposals were ranked (assigned points) according to the quality of the proposal (10 points), experience (15 points), timeline (15 points), technical competence (20 points), specialized knowledge and ability (20 points), and cost (20 points). A proposal could earn a maximum of 100 points. Five proposals were received and four were interviewed in person. The interview panel was composed AHA staff, a board member and representatives from the finance departments of the City of Alameda and the Oakland Housing Authority.

The bidders were ranked as follows:

CohnReznick LLP Cropper, an accountancy corporation Eide Bailly LLP Novogradac & Company LLP Rubino & Company Chartered 61 points
58 points
95 points
Did not interview
98 points

For illustration purposes only, the bidders provided the following costs for their proposals:

Applicants	Three Year Total
CohnReznick LLP	\$138,000
Cropper, an accountancy corporation	\$ 93,000
Eide Bailly LLP	\$120,675
Novogradac & Company LLP	\$107,190
Rubino & Company Chartered	\$ 94,100

The two highest scoring audit firms were selected as finalists and second interview took place with the new Finance Director and the Executive Director. For each firm three current clients were called for reference checks. The clients were asked about the auditor's ability to communicate, timeliness though out the audit process, and demonstrated professional knowledge.

Staff recommends Rubino & Company. Rubino & Company has worked extensively with housing authorities in California and across the country. They identify and correct compliance issues and help prepare responses to HUD-related issues alleviating compliance concerns. They are well-versed in annual REAC submission requirements, the nuances of HUD accounting rules, compliance requirements including SEMAP, VMS, ELOCCS, and new procurement regulations as well as additional requirements under OMB. They have audited or managed substantially all of HUD's programs. Rubino & Company has a deep understanding of the risks and reporting complexities in the public sector. They maintain knowledge of the Governmental Accounting Standards Board (GASB) and Government Auditing Standings for use in auditing governmental entities. Their experience includes auditing over \$950 million in federal expenditures annually. Although this contract does not include AHA's Low Income Housing Tax Credit (LIHTC) Properties, they also have LIHTC experience and will need to work closely with our LIHTC auditors each year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Housing Authority's budget includes funding for auditing services for the current fiscal and next fiscal year. There are adequate funds to cover both years. Future budgets will incorporate sufficient funds to cover year three as well as years four and five (if AHA chooses to extend the contract for one or two additional years). It is unlikely that funds would not be available in future years as audits are mandatory; however, there is a provision in the contract that would permit termination.

RECOMMENDATION

The staff and Executive Director recommend the Board of Commissioners award a three-year Contract for Auditing Services to Rubino & Company for an amount not to

Honorable Chair and Members of the Board of Commissioners

exceed \$94,100 (\$30,400 for the first year, \$31,300 for the second year and \$32,400 for the third year).

Respectfully submitted,

Vanue ~

Vanessa M. Cooper Executive Director

VC: TA

Attachments:

Rubino & Company profile Contract



J. Michael Stephens, CPA Engagement Partner

mstephens@rubino.com

410-218-0453

SAMPLING OF RELEVANT CLIENTS:

- Housing Authority of the County of San Mateo, CA
- Housing Authority of Santa Clara, CA (consulting services)
- · Aurora Housing Authority, IL
- · Chesapeake Redevelopment & Housing Authority, VA
- Comer Housing Authority, GA
- Flint Housing Commission, MI
- Housing Authority of Baltimore City, MD
- Housing Authority of the Birmingham District, AL
- Housing Authority of the City of Annapolis, MD
- Housing Authority of the City of Asheville, NC
- Housing Authority of the City of Athens, GA
- Housing Authority of the City of Hartford, CT
- Housing Authority of Washington County, MD
- Housing Commission of Anne Arundel County, MD
- Housing Opportunities Commission of Mont. County, MD
- Montgomery Housing Authority, AL
- Muncie Housing Authority, IN
- Orlando Housing Authority, FL
- Rockville Housing Enterprises, MD
- Sanford Housing Authority, FL
- Spartanburg Housing Authority, SC

Mike has over 30 years of experience in public accounting. During his career, he has provided financial audit, single audit, tax, compliance, and consulting services to more than 60 housing authorities nationwide.

ABOUT THE PRESENTER:

30+ vears

> Formerly with a national firm, he developed a national housing authority practice serving some of the largest housing authorities in the country. Mike has been with Rubino & Company for more than three years.

He has audited a variety of housing agencies including public housing authorities, nonprofit entities, and for-profit developers and property managers. He has experience with all the programs administered by AHA. In addition, he has performed consulting services for housing authorities including outsourced CFO services, assistance with conversion to RAD, work-outs with troubled authorities, negotiation with HUD over findings, reporting and repayment agreements, provided training to Board members, and consulted on tax credit development projects including budgets, cost certifications, and finance authority compliance and reporting.

MEETING NOTES:

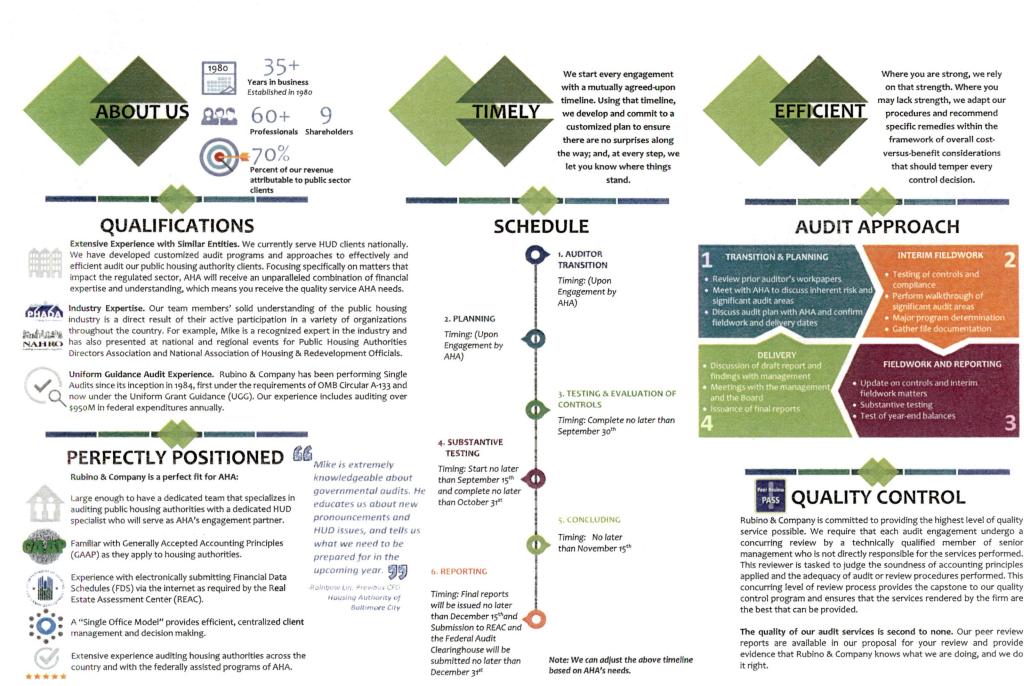
Interview with the Housing Authority of the City of Alameda

November 27, 2017

Presentation by:

Rubino & Company, Chartered J. Michael Stephens, CPA, Shareholder 6903 Rockledge Drive, Suite 1200 Bethesda, Maryland 20817 T 301-564-3636 | F 301-564-2994 www.rubino.com





THIS AGREEMENT, entered into this 27th day of March, 2018, by and between HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic (hereinafter referred to as "AHA"), and Rubino & Company, Chartered (a corporation) whose address is 6903 Rockledge Drive, Suite 1200, Bethesda, MD 20817, (hereinafter referred to as Consultant), is made with reference to the following:

RECITALS:

A. AHA is a public body, corporate and politic, duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.

B. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

C. Consultant possesses the skill, experience, ability, background, applicable certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

D. AHA and Consultant desire to enter into an agreement for Financial Audit Services.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. <u>TERM</u>:

The time for Completion shall be by December 31, 2020, (the "Completion Date"), unless terminated earlier as set forth herein. The parties may choose by mutual agreement to extend the term of the Services Agreement for a maximum of two (2) additional oneyear periods and shall do so by executing a written amendment to the Agreement.

The contract period of performance is for three years, beginning on or about July 1, 2018, and expiring June 30, 2021 (i.e. for audits for the fiscal years 2017-18, 2018-19 and 2019-20). In addition, the AHA shall have the option to extend the engagement for up to two additional years, one year at a time, until no later than June 30, 2023. The option years shall be exercised by written amendments executed by the parties. If the AHA opts to renew the engagement after the initial three-year period, it shall be renewed on a year-to-year basis at the fee provided in the original proposal. Such renewal engagement shall be confirmed in writing.

2. SERVICES TO BE PERFORMED:

Consultant shall perform services according to the schedule set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

3. COMPENSATION TO CONSULTANT:

AHA agrees to compensate Consultant pursuant to the terms and conditions of this Agreement only for the performance, to the reasonable satisfaction of AHA, of those tasks which take place during the term of this Agreement. AHA will not be obligated to compensate Consultant for any work, services, or functions performed by Consultant which do not arise directly from the performance of tasks relating to the Scope of Services as outlined in Exhibit A, and according to the Fee Schedule set forth in Exhibit B. AHA shall pay Consultant within thirty (30) days receipt of Consultant's properly submitted invoice.

Total compensation under this contract will not exceed \$162,000 (including base years 1, 2 and 3 and optional years 4 and 5. Standard billing rates for services outside the scope of the engagement are outlined in Exhibit B.

4. TIME IS OF THE ESSENCE:

Consultant and AHA agree that time is of the essence regarding the performance of this Agreement.

5. STANDARD OF CARE:

Consultant agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the AHA nor have any contractual relationship with AHA.

6. **INDEPENDENT PARTIES**:

AHA and Consultant intend that the relationship between them created by this Agreement is that of employer-independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by AHA to its employees, including but not limited to unemployment insurance, workers' compensation coverage, vacation and sick leave are available from AHA to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

AHA and Consultant agree that during the term of this Agreement and for a period of one year after termination, the parties shall not solicit for employment, hire, or retain, whether as an employee or independent contractor, any person who is or has been employed by the other without written agreement by the other party.

7. IMMIGRATION REFORM AND CONTROL ACT (IRCA):

Consultant assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal or state rules and regulations. Consultant shall indemnify

and hold AHA harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Consultant.

8. NON-DISCRIMINATION:

Consistent with AHA's policy that harassment and discrimination are unacceptable employer/employee conduct, Consultant agrees that harassment or discrimination directed toward a job applicant, an AHA employee, or a citizen by Consultant or Consultant's employee on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, gender identity or sexual orientation will not be tolerated. Consultant agrees that any and all violations of this provision shall constitute a breach of this Agreement.

9. INDEMNIFICATION/HOLD HARMLESS:

Consultant shall indemnify, defend, and hold harmless AHA, its Board of Commissioners officials, employees and designated volunteers ("Indemnitees") from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees ("Claims"), arising from or in any manner connected to negligent act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence on behalf of the Consultant, Consultant shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence is not found on the part of Consultant. However, Consultant shall not be obligated to indemnify Indemnitees from Claims arising from the sole or active negligence or willful misconduct of Indemnitees.

10. INSURANCE:

On or before the commencement of the terms of this Agreement, Consultant shall furnish AHA with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with paragraphs 10A, B, C, D and E. Such certificates, which do not limit Consultant's indemnification, shall also contain substantially the following statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Housing Authority of the City of Alameda by certified mail."

It is agreed that Consultant shall maintain in force at all times during the performance of the Agreement all appropriate coverage of insurance acceptable to AHA and licensed to do insurance business in the State of California.

An endorsement naming the AHA as additional insured shall be submitted with the insurance certificates.

A. COVERAGE:

Consultant shall maintain the following insurance coverage:

(1) Workers' Compensation:

Statutory coverage as required by the State of California.

(2) Liability:

Commercial general liability coverage in the following minimum limits:

Bodily Injury: \$1,000,000 each occurrence \$2,000,000 aggregate – all other

Property Damage:

\$1,000,000 each occurrence

\$2,000,000 aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(3) <u>Automotive</u>:

Comprehensive automobile liability coverage in the following minimum

limits:

Bodily Injury:	\$1,000,000	per accident
	\$2,000,000	aggregate
Property Damage:	\$1,000,000	per accident
	\$2,000,000	aggregate
OR		
Combined Single Limit:	\$1,000,000	per accident

(4) **Professional Liability**:

Professional liability insurance which includes coverage for the negligent professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

B. SUBROGATION WAIVER:

Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance that Consultant shall look solely to its insurance for recovery. Consultant hereby grants to AHA, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or AHA with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of said Consultant may acquire against AHA by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Consultant, at any time during the term hereof, should fail to secure or maintain the foregoing insurance, AHA shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

AHA, its Board of Commissioners, officers, employees and designated volunteers shall be named as an additional insured under all insurance coverage's, except any professional liability insurance or worker's compensation insurance, required by this Agreement. The naming of an insured shall not affect any recovery to which such additional

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insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof.

Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by AHA are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

11. CONFLICT OF INTEREST:

Consultant warrants that it is not a conflict of interest for Consultant to perform the services required by this Agreement. Consultant may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST ASSIGNMENTS**:

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement or any interest therein directly or indirectly, by operation of law or otherwise without prior written consent of AHA. Any attempt to do so without said consent shall be null and void, and any assignee, sub lessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from AHA under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent, but written notice of such assignment shall be promptly furnished to AHA by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint venture or syndicate or co tenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. SUBCONTRACTOR APPROVAL:

Unless prior written consent from AHA is obtained, only those people and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement. In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of worker's compensation insurance and shall also be required to carry general, automobile and professional liability insurance in reasonable conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

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14. PERMITS AND LICENSES:

Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses, including, but not limited to, a City of Alameda business license, that may be required in connection with the performance of services hereunder.

15. **<u>REPORTS</u>**:

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report" reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement shall be the exclusive property of AHA. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to AHA the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of AHA, and all publication rights are reserved to AHA.

B. All Reports prepared by Consultant may be used by AHA in execution or implementation of:

(1) The original Project for which Consultant was hired;

(2) Completion of the original Project by others;

(3) Subsequent additions to the original project; and/or

(4) Other AHA projects as appropriate.

C. Consultant shall, at such time and in such form as AHA may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports required to be provided by this Agreement shall be printed on recycled paper. All Reports shall be copied on to both sides of the paper except for one original which shall be single sided.

E. No Report, information nor other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by AHA

F. Consultant shall not be held liable for reuse of "Reports" for any purpose other than the original intent of this Agreement.

16. **RECORDS**:

Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by AHA that relate to the performance of services under this Agreement.

Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of AHA or its designees to such books and records at proper times; and gives AHA the right to examine and audit same, and to make transcripts there from as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be kept separate from other documents

17. **NOTICES**:

payment.

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 on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests or approvals from Consultant to AHA shall be addressed to AHA at:

Housing Authority of the City of Alameda 701 Atlantic Avenue ALAMEDA CA 94501-2161 Attention: Joyce Boyd, Finance Director

All notices, demands, requests, or approvals from AHA to Consultant shall be addressed to Consultant at:

J. Michael Stephens <u>Rubino & Company</u> 6903 Rockledge Drive, Suite 1200 Bethesda, MD 20817

18. NO SMOKING, DRINKING OR RADIO USE:

Consultant agrees and acknowledges that smoking of tobacco products, drinking alcoholic beverages, and listening to radios is prohibited at any AHA site, including individual units, common areas, and every building and adjoining grounds. Consultant shall ensure that his/her employees and suppliers comply with these prohibitions.

19. TERMINATION:

In the event Consultant hereto fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) days after receipt by Consultant from AHA of written notice of default, specifying the nature of such default and the steps necessary to cure such default, AHA may terminate the Agreement forthwith by giving to the Consultant written notice thereof. Consultant will not be held responsible for failure to perform in the event such failure is due to delay caused by the AHA. AHA shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Consultant as provided herein. 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.

20. COMPLIANCES:

Consultant shall comply with all state and federal laws, all City of Alameda ordinances, and all rules and regulations enacted or issued by AHA. In the event that the Consultant encounters a potential conflict between state, federal or local law, Consultant shall inform AHA and AHA shall direct Consultant on proper course of action.

21. GOVERNING LAW:

This Agreement shall be interpreted under and enforced by the laws of the State of California excepting any choice of law rules which may direct the application of laws of another jurisdiction. 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.)

Any suits brought pursuant to this Agreement shall be filed with the Courts of the County of Alameda, the State of California.

22. ADVERTISEMENT:

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from AHA to do otherwise.

23. CONFIDENTIALITY:

A. **Definition.** Confidential Information, as used in this Agreement, shall mean any AHA Client data.

B. **Nondisclosure and Nonuse Obligation.** Consultant agrees that it will not use, disseminate, or in any way disclose any Confidential Information to any person, firm or business, except that Consultant may use Confidential Information to the extent necessary to perform its obligations under this Agreement. Consultant agrees that it shall treat all Confidential Information with the same degree of care as the Consultant accords to its own Confidential Information, but in no case less than reasonable care. Consultant agrees that is shall disclose Confidential Information only to those of its employees who need to know such information, and the Consultant certifies that such employees have previously agreed, as a condition of employment, to be bound by terms and conditions applicable to Consultant under this Agreement. Consultant shall immediately give notice to AHA of any unauthorized use or disclosure of Confidential Information.

C. **Exclusions from Nondisclosure and Nonuse Obligations**. The obligations under 23B ("Nondisclosure and Nonuse Obligation") shall not apply to such portion that Consultant can document was i) in the public domain at the time such portion was disclosed or used, or ii) was disclosed in response to a valid court order.

D. Ownership and Return of Confidential Information and Other **Materials**. All Confidential Information shall remain the property of the AHA. At AHA's

request and no later than five (5) business days after such request, Consultant shall promptly destroy or deliver to AHA, at AHA's option, i) all materials furnished to Consultant, ii) all tangible media of expression in Consultant's possession or control to the extent that such tangible media incorporate any of the Confidential Information, and iii) written certification of the Consultant's compliance with such obligations under this sentence.

24. WAIVER:

A waiver by AHA of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein whether of the same or a different character.

25. INTEGRATED CONTRACT:

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both AHA and Consultant.

26. CAPTIONS:

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

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

Consulting Firm

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

J. MICHAEL STEPHENS SHAREHOLDER

Vanessa M. Cooper Executive Director

RÓBERT HÍNZ Shareholder/Treasurer

Exhibit A: General Info, Audit Standards, Scope of Work

INTRODUCTION

The initial engagement is for a three-year period beginning 2018, to perform an audit for the Housing Authority of the City of Alameda (AHA) of its various programs beginning with the fiscal year ending June 30, 2018 and to perform an audit and tax returns for its three subsidiary companies: Alameda Affordable Housing Corporation (AAHC), 2216 Lincoln AHA LLC, and AHA Islander GP (LLCs).

GENERAL INFORMATION

The Authority and AAHC's fiscal year begins on July 1 and ends on June 30. The last audit was performed for the fiscal year that ended on June 30, 2017. The LLCs have a calendar year fiscal year end.

AUDIT STANDARDS

The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The audit and financial statements shall meet the requirements of federal single audit regulations as prescribed by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards, GASB-34 Basic Financial Statement's and Management's Discussion and Analysis for State and Local Governments. Where applicable non- profit audit standards will apply.

The financial statements are to be prepared by the auditor in accordance with Generally Accepted Accounting Principles (GAAP) and HUD's timetable for submission. This includes assistance with electronically submitting Financial Data Schedules (FDS) via the internet as required by the Real Estate Assessment Center (REAC). It also included performing agreed upon procedures over the audited submission of the FDS.

SCOPE OF WORK

- 1. **FINANCIAL STATEMENTS.** A financial statement, and Single Audit of the AHA and AAHC for fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020; with an option to renew for the fiscal year ending June 30, 2021, and the fiscal year ending June 30, 2022, performed in accordance with Section "Audit Standards" above. The statements should include the following:
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes Net Position
 - Statement of Cash Flows
 - Notes to Basic Financial Statements

- Comparative Statement of Net Position
- Comparative Statement of Revenues, Expenses and Changes in Net Position
- Schedule of Expenditures of Federal Awards
- Pensions Plan Required Supplemental Information

For AHA: Report on Compliance with Applicable Laws, Regulations and Grant agreements for:

- Housing Choice Voucher Program
- Shelter Plus Care
- VASH
- Section 8 Moderate Rehabilitation Single Room Occupancy
- Family Self-Sufficiency Programs
- Locally owned units and local funds
- Discrete Component Unit

The above procedures should be performed in accordance with 2 CFR Part 200.

Report on Internal Controls in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements.

2. PERFORMANCE OF AGREED UPON PROCEDURES

For AHA Auditors shall perform a review (agreed upon procedures) of the audited Financial Data System (FDS) data as to its "fair presentation in relation to audited basic financial statements" in accordance with Government Auditing standards and prepare a SAS 119 report.

3. ADDITIONAL SERVICES

If the need for other audit services arises concerning the fiscal year under audit, the AHA expects to be able to negotiate with the selected auditor to obtain the additional services needed. An hourly rate is quoted in the rate schedule (see Exhibit B).

4. REPORTS

A. One unbound and 12 bound copies of each audit opinion, financial statements and compliance report shall be submitted to the Executive Director within **180 days** of the close of the AHA and AAHC's fiscal year,

but not later than December 31 of each year. The report would generally be presented at the January Board meeting each year. This meeting is held on the third Wednesday at 7 p.m.

- B. It is anticipated that financial records will be closed and ready for audit by October 15 of each year. The Single Audit Act stipulates a submission requirement of no later than nine months after the end of the audit period and REAC stipulates a submission due date of nine months after the fiscal year end. The audit report shall be submitted within **180 days** after the closing of the AHA and AAHC's fiscal year end, but not later than December 31 of each year.
- C. Preparation of the Data Collection Form for submission to the Federal Audit Clearinghouse.
- D. Any other reports as requested by the Housing Authority and as required by HUD's Uniform Financial Reporting Standards (UFRS) for Public Housing Authority. These reports may include, but are not limited to, the following:

Reports required by the Housing Authority Home FUND supplemental Financials

Reports required by HUD

FDS-Unaudited

FDS Audited

Data Collection Form

SAS 119 (auditor's opinion on the presentation of the audited FDS)

- E. The auditor will be expected to provide a letter to the Executive Director on the non-reportable conditions and immaterial instances of noncompliance. This letter will also include general recommendations on observations made during the audit that could be helpful to the management of the AHA and AAHC.
- F. The auditor will be expected to attend a meeting with at a minimum the Executive Director and Director of Finance to present the audit report and review the management letter. The auditor is also required to attend the January board meeting each year to present the report.

5. TAX RETURNS

A. Tax returns need to be prepared for the following entities and filed by the first due date unless otherwise agreed in writing with AHA:

1)AAHC – IRS form 990 and California form 199

2)2216 Lincoln AHA LLC – California form 3522

3) AHA Islander GP LLC – California form 3522

6. AUDITOR RESPONSIBILITIES

- B. Preparation of FY 2018 for SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organization.
- C. Independent Auditors Management Letter to the Executive Director concerning minor findings noted that were not material in nature during tests of internal control structures policies and procedures.
- D. Auditor shall perform audit tests at AHA's home office location. There are various rental housing properties and one additional program office all located within three miles, but no accounting records are kept in those offices.
- E. Auditor shall assist in draft preparation of the Management Discussion and Analysis (MD&A) and audit the AHA completed MD&A.
- F. Auditor shall provide 12 Bound copies of the final audit report for AHA and AAHC.
- G. The Auditor agrees to adhere to the following audit engagement schedule:
 - 1) Audit fieldwork shall start no later than October 15 of each year. AHA will have all books closed and ready for audit within 75 days after fiscal year end. AHA will provide the following documents for the audit: unaudited FDS, schedule of cash and investments, petty cash schedule, bank reconciliations, tenant accounts receivable reconciliation, fixed asset/depreciation schedules, inventory reconciliation, accounts payable reconciliation, schedule of compensated absences, schedules of loans payable and maturity schedules, payroll wage/tax reconciliation, schedule of retiree medical costs, and draft schedule of expenditures of federal awards.
 - 2) The auditor shall prepare an audit schedule to include when the AHA will be visited for audit tests and when Administration Office's staff will be interviewed. This schedule shall be prepared within 60 calendar days after the start of the contract year. The auditor must provide a Provided by Client (PBC) list at the same time and keep this updated along with a secure electronic system to share files as

needed for the audits. While AHA commits to make the best efforts, the auditor will establish a system to monitor and track the deadlines and if necessary to issue reminders to all parties.

- 3) The Auditor shall immediately review with the Executive Director any material findings or audit issues that are noted during the audits. The Auditor shall provide a monthly status review of audit progress during the audit fieldwork and be available to discuss progress by phone on a monthly, or more frequently as necessary.
- 4) Audit fieldwork shall be completed on or before October 31 of each year. Auditor shall provide by November 18, a draft audit report to the Director of Finance. Within five working days of AHA's final draft approval, which will be no later than December 15, the auditor shall provide an electronic copy of the following documents for transmission with the audited FDS: Independent Auditor's Report, top-level financial statements, notes to basic financial statements, Auditor Reports on Compliance, Internal Control and Schedule of Expenditures of Federal Awards.
- 5) The Auditor shall conduct an audit exit discussion with the Executive Director and Finance Director within 10 workdays after issuance of the draft audit report. The Executive Director also shall be provided a written summary of any noted findings or audit issues. The Auditor may be requested to attend a Board of Commissioners meeting to discuss material audit issues.
- 6) The Auditor shall perform the on-line review within two workdays after AHA submits the audited FDS into the HUD Real Estate Assessment Center (REAC) financial assessment system.
- 7) The final AHA audit report shall be issued within the Audited FDS submission, after HUD REAC approves the audit FDS.

7. ADDITIONAL INFORMATION

A. The AHA understands that generally accepted auditing standards require that the Auditor obtain a representation letter from the AHA and AAHC prior to completion of the audit and submission of the Audit Report. This representation letter requires that the Executive Director provide the Auditor with assurance based on knowledge and belief as to matters concerning the accounting records, operations and matters contained within the financial statements. Delay in providing this assurance will extend the date of completion of the audit.

amendments to the contract.

- C. The books of account and financial records to be audited are maintained and are located at the Authority's Administration Office, 701 Atlantic Avenue, Alameda, California. These books and records will be made available to the Auditor by the AHA during normal business hours.
- D. If the Auditor ascertains the AHA's books and records are not in a sufficiently satisfactory condition for performing an audit, the Auditor shall disclose this deficiency to the AHA.
- E. The Auditor must be a Certified Public Accountant, licensed by the State of California and must meet any legal requirements concerning registration in the State of California.

8. COMPLIANCE WITH LAWS

The selected firm agrees to be bound by applicable Federal, State and Local laws, regulations and directives as they pertain to the performance of the audit and tax return contract.

Exhibit B: Contract Compensation

Year	Fiscal Year Ending	Cost for Audit Services
Base Year 1	June 30, 2018	\$30,400
Base Year 2	June 30, 2019	\$31,300
Base Year 3	June 30, 2020	\$32,400
Option Year 4	June 30, 2021	\$33,400
Option Year 5	June 30, 2022	\$34,500
Grand Total		\$162,000

Billing Rates for Additional Services		
Staff Level		
Shareholder	\$260	
Senior Manager	\$220	
Manager	\$190	
Supervisor	\$150	
Senior	\$120	
Staff	\$100	