



Housing Authority of the City of Alameda

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

701 Atlantic Avenue • Alameda, California 94501-2161

IF YOU WISH TO ADDRESS THE BOARD:

1. Please file a speaker's slip with the Executive Director, and upon recognition by the Chair, approach the rostrum and state your name; speakers are limited to 5 minutes per item.
2. If you need special assistance to participate in the meetings of the City of Alameda Housing Authority Board of Commissioners, please contact (510) 747-4325 (TDD: 510 522-8467) 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.

AGENDA **REGULAR MEETING OF THE BOARD OF COMMISSIONERS**

DATE & TIME **Wednesday May 16, 2018 –**

Closed Session – 6:30 p.m.
Regular Meeting - 7:00 p.m.

LOCATION Independence Plaza, 703 Atlantic Avenue, Alameda, CA

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

Public Participation

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

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners



2. Public Comment on Closed Session
3. Closed Session – 6:30 p.m.- Adjournment to Closed Session to Consider:
 - 3-A. Conference with Real Property Negotiator – (Gov. Code Sec. 54956.8)
Agency Negotiators: Vanessa Cooper, Executive Director, Housing Authority of the City of Alameda and Catalyst Housing Group

Parcel Numbers: 074-1285-080
074-1285-081
4. Adjournment of Closed Session
5. RECONVENE REGULAR MEETING
6. Announcement of Action Taken in Closed Session, if any.
7. Public Comment (Non-Agenda)
8. CONSENT CALENDAR
 - Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.
 - 8-A. Approve Minutes of the Board of Commissioners Meeting held April 18, 2018 and April 28, 2018 – Page 4 and 8
 - 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 Stabilization Program – Page 18
 - 8-F. Accept the Monthly Overview Report Property Operations –Page 19
 - 8-G. Sherman & Buena Vista LP (Littlejohn Commons) Project Update; Approve Amendment to the Agreement for the Development of Affordable Housing– Page 23
 - 8-H. Accept the Monthly Development Report for Everett and Eagle LP Project – Everett Commons – Page 29
 - 8-I. Accept the Monthly Development Report for North Housing – Page 31
 - 8-J. Accept the Quarterly Investment Report – Page 33
 - 8-K. Accept the Budget Variance Report for March 2018 – Page 38
9. AGENDA
 - 9-A. Accept Asset Management Report on the Proposed 10 Year Capital Improvements Schedule and Reserves Analysis – Page 46
 - 9-B. Accept Report on the Independence Plaza Rent Structure Change to Plan for Mortgage Maturity, Capital Improvements, and Financial Self-Sufficiency and Provide Feedback to Staff– Page 52



9-C. Appoint Nominating Committee for Board Officers – Page 58

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

11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

12. ADJOURNMENT

* * *

Note

- If you need special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact 510-747-4325 (TDD: 510-522-8467) or dconnors@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility.
- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.





DRAFT MINUTES

**REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA
HELD WEDNESDAY April 18, 2018**

The Board of Commissioners meeting was called to order at 7:00 p.m. (The presentation on the Below Market Program was held at 5.30pm but a quorum was not present and no actions were taken.)

PLEDGE OF ALLEGIANCE

1. ROLL CALL -

Present: Commissioners Allen, Kay, Rickard, Weinberg, Kurrasch and Vice Chair McCahan by phone

Absent: Chair Tamaoki

2. Public Comment on Closed Session

None

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. CONVENE REGULAR MEETING – 7:00 p.m.

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



Chair Kurrasch reported that the Board gave direction to staff. (Commissioner Allen joined the Closed Session at this time.)

7. Public Comment (Non-Agenda)

None

8. CONSENT CALENDAR

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

Items accepted or adopted are indicated by an asterisk.

Chair Kurrasch requested that Item 8-A be voted on separately since he was not at the meeting.

Executive Director, Vanessa Cooper asked for a correction to item 8-A, Commissioner Weinberg was present at the last meeting.

Commissioner Rickard asked for clarification regarding the budget amount for projects on item 8-M. Victoria Johnson, HCD Director clarified that project amounts are based on actual work that is going to take place during the actual fiscal year and five projects that have been in some stage of development.

Commissioner Kay was curious as to the reason why some annual recertifications were not completed for item 8-D and inquired if it was tenant or staffing related problems. Lynette Jordan, Director of Housing Program advised carry over is normally due to tenant noncompliance.

Chair Kurrasch called for a motion to accept the consent calendar with the exception of 8-A. Commissioner Allen moved to accept and Commissioner Kay seconded. The motion carried unanimously.

Commissioner Rickard moved to accept item 8-A and Commissioner Weinberg seconded, Commissioner Kurrasch abstained. Motion passed unanimously.

- *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. AGENDA

- 9-A. Accept the Audit Report for Fiscal Year Ending June 30, 2017 – Page 79

Ms. Cooper introduced John Cropper the auditor to give and explain his findings in the report. Mr. Cropper then thanked Ms. Cooper for all her help on the final draft. Commissioner Weinberg moved to accept the staff recommendation and Commissioner Kay seconded it. The motion carried unanimously.

- ~~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~~

Chair Kurrasch removed item 9-B and said it would be reconsidered at a later date per staff's request. No further discussion on this item.

- 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

Ms. Cooper explained HUD requires AHA to rebid all services every five years. AHA went through RFP process and did panel interviews. There were five submissions and those individuals were scored based on the information in the RFP. Staff recommends choosing Rubino and Company. Ms. Cooper talked about some of the reasons Rubino was chosen and answered questions from the Board.



Commissioner Weinberg recused himself from the vote. Commissioner Kay moved to accept the staff recommendation on page 161 and Commissioner Rickard seconded. The motion carried unanimously.

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

Chair Kurrasch introduced a public speaker. The public speaker expressed his concerns with the lack of communication and information from the Housing Authority in regards to terminating a tenant's lease and his concerns with the Rent Ordinance Program. Executive Director Cooper reminded the Board that the policy for the Rent Ordinance is not made by this Board. Chair Kurrasch explained they are the administrators under contract through the City Council. Ms. Cooper advised that she has reviewed the case.

Chair Kurrasch asked if there were any questions from the Board. Commissioner Kay did have a question for Janet Basta, Director of Human Resources, with regards to the report for advertising a Property Supervisor and questioned if that would be an additional staff. Ms. Basta advised it would be a replacement position and that the position has been vacant since they weren't successful with filling it earlier so it is being put back out. Commissioner Kay also asked if we give any preference when soliciting contracts to anyone from Alameda. Ms. Cooper replied we are not legally allowed to do so with federal money.

11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Chair Kurrasch thanked the officers for being in attendance and also reminded the Board of the Retreat on April 28th at Shinsei. Chair Kurrasch thanked everyone for coming.

12. ADJOURNMENT OF REGULAR MEETING

There being no further business, Chair Kurrasch adjourned the meeting at 7:47 p.m.

Arthur Kurrasch, Chair

Vanessa M. Cooper
Executive Director/Secretary





Housing Authority of the City of Alameda

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

701 Atlantic Avenue • Alameda, California 94501-2161

DRAFT MINUTES

BOARD OF COMMISSIONERS – FACILITATION OF VISION AND STRATEGIC PLANNING RETREAT

HELD SATURDAY, APRIL 28, 2018

The Board of Commissioners meeting was called to order at 9:05 a.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL

Present: Commissioners Kay, Kurrasch, Rickard, Weinberg, Vice Chair McCahan, and Chair Tamaoki

Absent: Commissioner Allen

2. Public Comment (Non-Agenda)

There was no public comment

3. CONSENT CALENDAR

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

Commissioner Kurrasch moved to accept the Consent Calendar and Vice Chair McCahan seconded. The motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

*3-A. Rejection of All Bids for Construction Contract for Upgrades to 20 Units and Various Common Area Improvements at Independence Plaza

4. AGENDA

The facilitators, Judy Weber and Cathy Craig, took the Board and staff through a strategic planning process. No action was taken.



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

None

6. COMMISSIONER COMMUNICATIONS, (Communications from the
Commissioners)

None

7. ADJOURNMENT

There being no further business, Chair Tamaoki adjourned the meeting at
approximately 3:50 p.m.

Kenji Tamaoki, Chair

Vanessa M. Cooper
Executive Director/Secretary





Housing Authority of the City of Alameda

PHONE (510) 747-4300
FAX (510) 522-7848
TDD (510) 522-8367

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and
Members of the Board of Commissioners

From: Janet Basta
Director of Human Resources and Operations

Date: May 16, 2018

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

BACKGROUND

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

Human Resources and Operations

Recruiting continued to be a focus in the past month. The new Rent Stabilization Program Director, Gregory Kats, joined AHA on May 7. Interviews and reference checks are being conducted for the Senior Accounting Technician position, with an offer(s) expected to be able to be made in mid-May. The Property Management Supervisor position is posted and applications are being reviewed, with interviews planned to begin in mid-May.

Victoria Johnson, Director of Housing and Community Development, will be leaving AHA at the end of May to assume a new role with the Sacramento Housing Authority. Transition plans are being developed, including the engagement of a consultant to work on time-sensitive development projects including North Housing. The agency's Executive Assistant, Denise Connors, has also given notice that she will be retiring in early June. Recruitment for the position has begun, with interviews scheduled to begin in mid-May, along with cross training of the new Program Assistant so essential functions are covered in the transition.

RFP's for the general counsel and HR counsel are posted, with proposal reviews conducted through the summer months.

The Safety Committee arranged for a consultant from Bickmore, the risk management group affiliated with CHWCA, to conduct a safety inspection of the main office, including the maintenance garage, as well as the satellite Rent Program office. The inspections were done at no charge as part of the annual consulting services Bickmore provides to participating agencies. The recommendations are under review for implementation. Janet Basta also attended the annual CHWCA Board Meeting in early May.

On May 17 from 10:00 am to 12:00 pm, an attorney from Liebert Cassidy Whitmore, AHA's HR counsel, will provide a two-hour training on preventing harassment and discrimination. This training is required every other year for supervisors; AHA, follows recommended best practice and includes all staff in the training. Board members are invited to attend as well.

The Strategic Planning Retreat was held on April 28. Input from the surveys of Board members, staff, and community partners was reviewed and discussed by the Board and participating AHA staff. A summary report will be compiled by the consultants who facilitated the process and presented for further consideration.

Information Technology/Administration

Regular meetings with Yardi staff continue to roll out Rent Café. The Yardi Affordable module was launched May 1, 2018 and will provide additional utility to the Property Management Department.

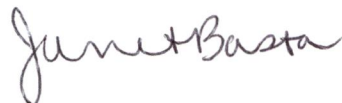
The physical servers were upgraded in the office over the April 28th weekend. Staff did not experience any downtime during operating hours. The new servers have updated operating systems and also have expanded memory and computing power. Computers should run faster and files open a fraction more quickly. There are also now redundant systems, so there should not be downtime due to server issues or loss of internet services by one provider.

Some additional routine IT operations, including set up and cell phone management, have been transitioned to Techordia and a technician is coming onsite for a couple of hours twice 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



Housing Authority of the City of Alameda

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: Victoria Johnson
Director of Housing and Community Development

Date: May 16, 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

This month's agenda includes a separate report on Capital Needs Planning.

During the month of April, staff obtained a passing final inspection for the electrical transfer switch at the main office. This will allow the office to run on a back-up generator in the case of a power outage.

The *Invitation to Bid* period for the ADA upgrade project at Independence Plaza will be republished within the coming month.

Community Development Block Grant (CDBG)

On May 1, HUD announced the CDBG allocations for the upcoming fiscal year. The City of Alameda's FY 18-19 CDBG allocation is \$1,127,434. This represents an increase of \$74,311 or approximately 7%. In addition, the City of Alameda expects to receive approximately \$244,691 in FY18-19 HOME funds. HOME funds have been used for the construction and/or rehabilitation of affordable housing. Staff will present the draft Action Plan at the May 15 City Council meeting.

Inclusionary and Below Market Rate Programs

All of the Below Market Rate units for sale at Alameda Landing have closed.



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.

Staff is working with the City Attorney's Office and the Community Development Department to update the Inclusionary Housing Guidelines and supporting documents. Staff plans to present recommendations to City Council in June.

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	\$	<u>308,588</u>
Balance	\$	691,412

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 AHA	\$	300,000
Expensed through April 2018	\$	51,807
Capitalized through April 2018	\$	<u>29,917</u>
Balance	\$	218,276

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

Pipeline

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

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

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

Rosefield Village – Staff is working with Dahlin Architects to prepare the Design Review application to be submitted May and considered by the Planning Board on June 25th. 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. Staff also submitted the application for a commitment of \$1.67m in Alameda County Bond Funds on April 19, 2018.

Asset Management

Staff completed the Project Based Voucher HAP Contract renewal and property transfer of Anne B. Diament, China Clipper, Lincoln Willow, and Stanford House to AAHC on May 1st. Staff continued to work on portfolio refinance scenarios and capital needs planning, per the Ad Hoc Committee schedule of activities, which is presented in a separate report. Staff completed the year end reporting cycle with loan services PNC and NMC and is finalizing first quarter reporting with all lenders. Staff finalized the tax returns for the four LLCs and continues to work with the auditor on the 2017 Island City Development audit. 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 expected in July.

Other Activities

The Bay Area "Affordable Housing Week" sponsored by the East Bay Housing Organizations (EBHO) is being held May 10 – 20, 2018. AHA will participate in this year's event by sponsoring Open House property tours at four properties. The Open House will be held on May 15, 2018 from 4:30 – 6:00 p.m. Staff will be present at the following properties to meet with residents and anyone interested to learn about affordable housing: Anne B. Diament, Esperanza, Shinsei Gardens, and Stargell Commons. Board members are welcome to attend!

Staff has begun interviewing interns for the summer and year-long intern program that is being organized in partnership with NPH. Two interns are planned to begin work in June.

Staff continues to work with AC Transit, Tim Lewis Communities, and City staff to provide EasyPass transit passes to residents. It has been proposed that the Housing Authority join the Alameda Transportation Management Association (TMA). Staff is reviewing the responsibilities and benefits of membership and will provide further information to the Board when the evaluation has been completed.

RECOMMENDATION

For information only.

Respectfully submitted,



Victoria Johnson
Director of Housing and Community Development





Housing Authority of the City of Alameda

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: Lynette Jordan
Director of Housing Programs

Date: May 16, 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

In April, AHA continued to meet with the shortfall team to monitor spending and discuss our efforts to collect on debts owed to the Agency. In the month of April, AHA received additional \$145,000 in HAP funds while continuing to address tenants' underreporting of income. AHA first addressed interviewed families reporting zero income. These have reduced from 18 to seven. Staff processed interim adjustments and placed families on repayment agreement plans if it is discovered the family failed to report the income timely.

AHA held interviews for participants at or more than 60% rent burden (it they are paying more than 60% of their income for rent, even with a voucher. This is a common sign of underreporting of income. Staff reviewed the 48 family's income, assets, and voucher size during the individual interviews. Pending further third party verification staff will determine if there is unreported income in the household.

In the month of May staff will interview program participants who have been reported by EDD as having new employment that may not have been reported to AHA. Fifteen families have been called for interviews, while staff have sent third party verification for over 60 households. These aggressive efforts are required by HUD for Agency's in shortfall to ensure AHA is addressing any arears in the program where there is fraud.

During the month of April, eight families were removed from the program, (2) passed away and were the sole household member, (4) were terminated for non-compliance, and (2) voluntarily left the program for failure to disclose income.

Project Based Voucher (PBV) Owners Workshop

PBV owner workshop was held April 11, 2018 at 703 Atlantic Ave. The PBV owner workshop is an opportunity to review the PBV program rules, and regulations. Staff from AHA, Satellite Housing, John Stewart, and Alameda Point Collaborative attended the meeting. It is also an opportunity to meet new program staff and to answer questions regarding the current year changes in HUD regulations, and learn the status of new projects coming on line in the near future.

The topics presented at this year's workshop were:

- PBV and AHA staff roles
- How the PBV Program Works
- Wait List: Management and Selection
- Housing Quality Standards /Uniformed Physical Conditions Standards Inspections: Timeline, Deadlines and Extensions
- Participant /Resident: Annual Certifications, Lease Violations
- Emergency Contacts, Supportive Services
- New Legislation: Lead Safe Home Rule

HPD STATISTICS

Statistics	February	March	April
Annual Re-examinations Processed	Due: 79 Completed 78	Due: 108 Completed 105	Due: 133 Completed: 113
Rent Increases	91	72	28
Interim Re-examinations Processed	25	32	14
HQS Inspections Conducted	34	38	55
Pass rate %	68%	66%	75%
HQS in AHA Owned units	20- Shinsei-90% 71-APC-83% 117-Esp-45% 4-Lincoln- 90%	0 AHA	Independence Plaza 178 75%

Voucher issuance and lease up data

Statistics	Feb	Mar	April
Section 8 Continued Movers seeking housing	7	11	12

Honorable Chair and
Members of the Board of Commissioners

May 16, 2018
Page 3 of 3

Port-in seeking housing	4	7	7
Voucher holders ported out and seeking elsewhere	3	6	7
Total voucher holders seeking housing	14	24	26
Non-Port Leased	5	1	6
Port Move-In Leased Up	4	2	2
Total vouchers leased up in month in Alameda	9	3	8
New Vouchers Issued	0	0	0

RECOMMENDATION

For information only.

Respectfully submitted,



Lynette Jordan
Director of Housing Programs

VC/all



Housing Authority of the City of Alameda

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: Jennifer Kauffman, Management Analyst

Date: May 16, 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:

<u>Submission Type</u>	Jan	Feb	Mar	Apr
Rent Increases	14	17	14	11
Rent Increases Reviewed by the RRAC	1	1	1	1
Terminations of Tenancy	11	10	10	7
Capital Improvement Plans	0	0	0	0

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

RECOMMENDATION

For information only.

Respectfully submitted,

Jennifer Kauffman
Management Analyst, Rent and Community Programs



Housing Authority of the City of Alameda

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: Lisa Caldwell, Director of Property Operations

Date: May 16, 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 – April

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 April	Rate
Anne B. Diament Plaza	65	2	3%
China Clipper Plaza	26	0	0%
Eagle Village	36	1	2%
Esperanza	120	1	1%
Independence Plaza	186	5	3%
Parrot Village	50	1	0%
Combined Smaller Sites *	40	1	5%
Total	529	11	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. At the end of April there was five (5) vacant unit at Independence Plaza and these units are included in the vacancy numbers and rate listed above. Two units will be used temporarily for the upcoming annual income recertification process.

Rosefield Village is not included above as The John Stewart Company (JSCO) is handling the leasing of vacant units. In April, 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 have scheduled move in dates for early May. 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 – April

Most rents for April 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, although one stipulation for a payment plan for non-payment of rent was filed with the court.

All properties had a collection rate of 95% or above in April with the exception of Eagle due to the fact that one unit was taken offline for the manger unit. Originally this unit was included in the budget as an income producing unit.

GPR - Budget vs.
Collected

Property	ABD	China Clipper	Eagle Village	ESP	IP	Parrot Village	*All Other Sites	Total
					Tenant Rent Only			
Budgeted GPR	80,190	33,246	72,022	280,153	134,390	123,076	50,306	773,383
Collected	77,855	33,033	63,859	277,711	137,380	129,984	48,282	768,104
Collection Rate	97%	99%	89%	99%	102%	106%	96%	99%

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

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

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

GPR - Budget vs. Collected

Rosefield	April
Budgeted GPR	79,531
Collected	87,617
Collection Rate	110%

Rent increase notices for 2018 are issued 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 4 units waiting for re-inspection 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.

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

Month	Goal	January	February	March	April
Emergency	24 Hours	Within 24 Hours	Within 24 Hours	Within 24 Hours	Within 24 Hours
Urgent	3 Days	3.00 Days	3.00 Days	3.00 Days	3.00 Days
Routine	7 Days	7.00 Days	7.00 Days	7.00 Days	7.00 Days

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

Work Order Summary by Month

Property Name	Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AHA OFFICE	N/A	9	4	8	12									33
SHERMAN STREET	9	16	6	6	3									31
LINCOLN HOUSE	4	1	4	1		1								7
ESPERANZA	120	110	111	101	43									365
PARROT VILLAGE	50	39	20	36	16	1								112
Detached Homes	3	4		2	1									7
ANNE B DIAMENT PLAZA	65	25	16	16	13									70
PARROT GARDENS	8	3	4	4	1									12
STANFORD HOUSE	4	7	1	1	1	1								11
LINCOLN/WILLOW	5	9	2	3	5									19
SENIOR CONDOS	7	9		5	1									15
CHINA CLIPPER PLAZA	26	13	4	4	11									32
EAGLE VILLAGE	42	11	10	9	13									43
INDEPENDENCE PLAZA	186	55	50	161	108	3								377
Total	529	311	233	358	229	6								1,134

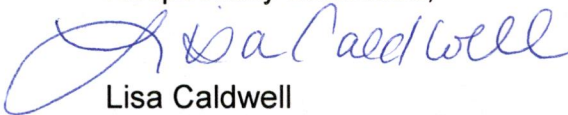
FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

For information only.

Respectfully submitted,



Lisa Caldwell
Director of Property Operations

VMC/all



Housing Authority of the City of Alameda

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

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

Date: May 16, 2018

Re: Sherman & Buena Vista LP (Littlejohn Commons) Project Update;
Approve Amendment to the Agreement for the Development of Affordable
Housing

BACKGROUND

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

The Littlejohn Commons 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.

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

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 April billing is 97.4%. 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 has been delayed but is now nearly completed. Current construction activities include interior finishing and ongoing site landscaping 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 six owner approved

prime contract change orders (PCCO) at this time. Approved PCCOs now total \$482,004 including both added costs and credits. Owner contingency funds are held separately from the contract and as change orders are approved, the original construction contract value will increase accordingly as shown in the table below.

Contingency Utilization				
	Original Budget	Current Revisions	Previous Revisions	Current Budget
Construction Contract	11,148,028	85,073	396,931	11,630,032
Construction Contingency	557,401	-85,073	-396,931	75,397
Soft Cost Contingency	143,686	-19,347	-67,390	56,949

General Construction Contract Utilization				
Contract Total	Value of Work Completed	Retention Withheld	Payments to Date	Balance to Finish
11,630,032	11,355,617	1,135,561	10,220,056	1,409,976

The completion of the project has been delayed by approximately two months due to late delivery of the site improvements by Tim Lewis. The total cost of the delay has not yet been calculated, but it will be approximately \$150,000. Tim Lewis also incurred certain environmental clean-up costs of approximately \$100,000 before the project began construction. Staff has identified City funds that can be used to meet most or all of these additional costs. In order to utilize the funds, the parties have agreed to amend the Agreement for the Development of Affordable Housing (Exhibit A). This Amendment will modify the Agreement that was originally approved by the Board in December 2015 and that spelled out the obligations of the Housing Authority and Tim Lewis with respect to project development.

FINANCIAL IMPACT

The proposed Amendment to the Agreement for the Development of Affordable Housing will document the use of available City funds for project related costs. Any out-of-pocket expenses such as legal fees to amend the Agreement will be reimbursed through the original development budget or the new/additional funds.

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	10,220,056	87%	1,485,373
Soft Costs	4,059,874	2,598,379	64%	1,461,495
Total	19,200,303	16,253,4358	85%	2,946,868

Respectfully submitted,



Tobi Liebermann
Housing and Community Development Sr. Project Manager

Exhibit A: First Amendment to Agreement for the Development of Affordable Housing

VMC:tl

**FIRST AMENDMENT TO
AGREEMENT FOR DEVELOPMENT OF AFFORDABLE HOUSING
(Del Monte)**

This First Amendment to Agreement for Development of Affordable Housing (Del Monte) (this “**Amendment**”) dated April __, 2018, is entered into between the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body, corporate and politic (the “**Housing Authority**”), and TL PARTNERS I, L.P., a California limited partnership (“**Developer**”).

RECITALS

A. The Housing Authority and Developer are parties to that certain Agreement for Development of Affordable Housing (Del Monte) made as of November 3, 2015 (the “**Agreement**”). Capitalized terms not defined herein shall have the meanings given to them in the Agreement. The Housing Authority, Developer and Sherman and Buena Vista LP are also parties to that certain Estoppel for Power of Termination and Agreement for Development of Affordable Housing made as of December 1, 2016 and recorded in the Official Records of Alameda County on December 15, 2016 as document number 2016328377 (the “**Estoppel**”).

B. The Housing Authority and Developer desire to amend the Agreement in accordance with the terms and conditions of this Amendment.

NOW THEREFORE, the parties acknowledge and agree as follows:

1. Performance by Developer. Developer hereby represents and warrants that that, as of the date of this Amendment, Developer has performed its obligations under Sections 4.2 and 6.2 [others?] of the Agreement, and the Housing Authority, to its actual knowledge, confirms such performance. This Section 1 shall not amend or modify any obligations of the Housing Authority or Developer under the Agreement.

2. Performance by the Housing Authority. The Housing Authority hereby represents and warrants that, as of the date of this Amendment, the Housing Authority has performed its obligations under Sections 5.1, 5.4, 6.1, and 6.2 [others?] of the Agreement, and Developer, to its actual knowledge, confirms such performance. This Section 2 shall not amend or modify any obligations of the Housing Authority or Developer under the Agreement.

3. Developer Sources of Financing. The Housing Authority hereby acknowledges that to the extent that Developer has obtained sources of funding to finance its performance of its obligations under the Agreement, which may include CDBG funds obtained from the City of Alameda (the “**Developer Financing**”), the Housing Authority hereby acknowledges that Developer shall have the right to retain any surplus amount(s) remaining from the Developer Financing after full performance of Developer’s obligations under the Agreement to the extent such retention is permitted under the applicable Developer Financing. This Section 3 shall not amend or modify any obligations of the Housing Authority or Developer under the Agreement.

4. Amendment. The Agreement is hereby amended by adding the following new Section 6.6 immediately after Section 6.5 of the Agreement:

Section 6.6. Schedule for Developer Performance. Notwithstanding anything to the contrary herein (including, without limitation, Exhibit D attached hereto), the Housing Authority and Developer hereby agree that Developer shall perform its obligations under this Agreement by the dates indicated below (the “**Scheduled Obligations**”).

Section [] [Date]

Section [] [Date]

The Housing Authority and Developer agree that failure by Developer to complete the Scheduled Obligations by the date indicated above WOULD RESULT IN THE LOSS OF CERTAIN ECONOMIC BENEFITS TO THE HOUSING AUTHORITY, WHICH WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO FIX OR ASCERTAIN UNDER PRESENTLY KNOWN AND ANTICIPATED FACTS AND CIRCUMSTANCES. ACCORDINGLY, THE PARTIES HEREBY AGREE THAT IF DEVELOPER FAILS TO COMPLETE THE SCHEDULED OBLIGATIONS BY NO LATER THAN THE DATE INDICATED ABOVE, THE HOUSING AUTHORITY SHALL HAVE THE RIGHT TO RECOVER FROM DEVELOPER THE SUM OF _____ DOLLARS (\$____) FOR EACH CALENDAR DAY COMPLETION OF ANY SCHEDULED OBLIGATION IS DELAYED BY THE DEVELOPER PAST THE SPECIFIED DATE.

Initials:

The Housing Authority

Developer

5. Affirmation of the Agreement and Estoppel. Except as provided in this Amendment and the Modification, all of the terms and conditions of the Agreement shall remain in full force and effect. In addition, the terms of this Amendment shall not affect the terms and conditions of the Estoppel.

6. Counterparts. This Amendment may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Housing Authority and Developer have caused this Amendment to be executed as of the date first above written.

HOUSING AUTHORITY:

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

By: _____
Vanessa M. Cooper
Executive Director

DEVELOPER:

TL Partners I, L.P.,
a California limited partnership

By: TL Management, Inc., a California corporation,
Its: General Partner

By: _____
J. Timothy Lewis, President



Housing Authority of the City of Alameda

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

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

Date: May 16, 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 April billing is approximately 46%. Current GC activities include roofing, siding, rough plumbing, mechanical, electrical and stair and balcony construction.

The construction contract totals \$11,798,315 including 9 approved prime contract change orders for a total of \$242,049. 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 Revisions	Previous Revisions	Current Budget
Construction Contract	11,556,266	52,883	189,166	11,798,315
Construction Contingency	577,813	-52,883	-189,166	335,764
Soft Cost Contingency	148,371	-7,027	-97,222	44,121

General Construction Contract Utilization				
Contract Total	Value of Work Completed	Retention Withheld	Payments to Date	Balance to Finish
11,798,315	5,378,260	537,826	4,840,434	6,957,881

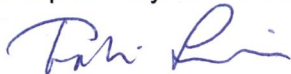
Staff has submitted the 10% test to TCAC.

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	4,840,434	40%	7,293,645
Soft Costs	2,759,942	1,869,429	68%	890,513
Total	14,928,921	6,725,696	45%	8,203,225

Respectfully submitted,



Tobi Liebermann
Housing and Community Development Sr. Project Manager

VMC:tl



Housing Authority of the City of Alameda

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

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

Date: May 16, 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 its 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. Carmel expects to close the transaction by June 2018.

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

On April 23 and May 1, 2018 respectively, the City of Alameda Planning Board and the City Council unanimously approved the transfer of the North Housing site to the Housing Authority. The approval also adjusted the boundary of the proposed North Housing site to allow Carmel to retain the building at 2005 Mayport Circle. In the original survey map, this building was shown as split between the AHA and Carmel parcels. The boundary adjustment will reduce the size of the AHA parcel by 11,000 square feet. In return, AHA is no longer obligated to fund or to demolish the three buildings that fall within the Singleton right-of-way.

One of the major responsibilities assigned to Carmel is to construct extensions of Mosley and Singleton so that the North Housing site and Alameda Point will connect to Alameda Landing

and all points east. Over the past month, staff has met weekly with Carmel Partners to prepare for the demolition of the three buildings along Mosley. This work will be paid for with CDBG funds, and AHA staff will administer the grant funds. Carmel will demolish the Singleton buildings while the site is owned by the Navy.

Staff has scheduled monthly meetings with the development partners Alameda Point Collaborative and Building Futures with Women and Children to continue planning for the redevelopment of the overall 12 acre site.

FISCAL IMPACT

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
Expensed through April 2018	\$	51,807
Capitalized through April 2018	\$	29,917
Balance	\$	218,276

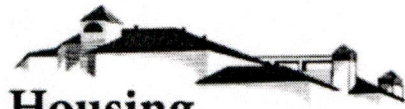
RECOMMENDATION

This report is for information only.

Respectfully submitted,



Vanessa M. Cooper
Executive Director



Housing Authority of the City of Alameda

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: May 16, 2018

Re: Accept report on Quarterly Investment Report for period ending March 31, 2018

BACKGROUND

California Government Code Sections 53600 and 53646 requires that the Housing Authority Finance Director file a quarterly report with the Board of Commissioners on the status of all investments.

DISCUSSION

The quarter-end report reflects the investment of cash for the operating and reserve funds. Agency investments are covered by the provisions of the Housing Authority's investment policy that is approved annually by the Board.

As of March 31, 2018, AHA held \$10,546,706 (46% of investment funds) in LAIF. These funds are on demand and can be used for immediate needs. The prior quarter balance was \$10,492,446. The accrued interest for the first quarter of 2018 is \$43,692.

As of March 31, 2018, AHA held \$12,520,313 (54% of investment funds) in CAMP. These funds are on demand and can be used for immediate needs. The prior quarter balance was \$10,507,335. Interest is posted monthly to the account by CAMP.

Balances at March 31, 2018:

LAIF:	\$10,546,706
CAMP:	\$12,520,313

Total Investment **\$23,067,019**

The key changes in balance for the period relate to receipt of \$2,000,000 for in lieu fee for Alameda Landing from TriPointe. In order to stay in compliance with the Board policy to maintain 50% of the Housing Authorities investments in each account, a reallocation transfer from CAMP to LAIF of \$986,800 is proposed.

The Housing Authority's ordinary expenditure requirements for the next six months are more than sufficiently covered by two sources, namely: (1) anticipated revenues, grants and subsidies, and (2) liquidity of current investments. All investment actions executed since the last report have been made in full compliance with the Investment Policy. The Executive Director will maintain a complete and timely record of all investment transactions.

RECOMMENDATION

It is recommended that the Board of Commissioners accept the report on the Housing Authority's investment portfolio as of March 31, 2018 and approve a transfer of funds from CAMP to LAIF of \$986,800 in order to rebalance the investment funds.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

Attachments: LAIF report for the quarter ending March 31, 2018,
CAMP report for the quarter ending March 31, 2018,

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001
ALAMEDA HOUSING AUTHORITY

EXECUTIVE DIRECTOR
701 ATLANTIC AVENUE
ALAMEDA, CA 94501

www.treasurer.ca.gov/pmia-laif/laif.asp
May 03, 2018

PMIA Average Monthly Yields

Account Number:
[REDACTED]

Tran Type Definitions

March 2018 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	12,520,313.33
Total Withdrawal:	0.00	Ending Balance:	12,520,313.33



Account Statement - Transaction Summary

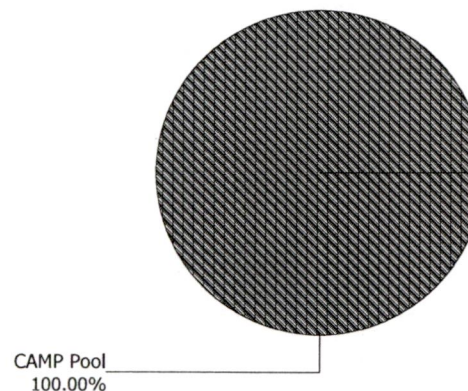
For the Month Ending **March 31, 2018**

Housing Authority of the City of Alameda (AHA) - Housing Authority of the City of Alameda (AHA) - 6044-001

CAMP Pool	
Opening Market Value	10,532,177.90
Purchases	14,528.12
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$10,546,706.02
Cash Dividends and Income	14,528.12

Asset Summary	March 31, 2018	February 28, 2018
CAMP Pool	10,546,706.02	10,532,177.90
Total	\$10,546,706.02	\$10,532,177.90

Asset Allocation	
CAMP Pool	100.00%





Account Statement

For the Month Ending **March 31, 2018**

Housing Authority of the City of Alameda (AHA) - Housing Authority of the City of Alameda (AHA) - 6044-001

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					10,532,177.90
03/29/18	04/02/18	Accrual Income Div Reinvestment - Distributions	1.00	14,528.12	10,546,706.02
Closing Balance					10,546,706.02

	Month of March	Fiscal YTD July-March
Opening Balance	10,532,177.90	13,119,966.15
Purchases	14,528.12	112,856.87
Redemptions (Excl. Checks)	0.00	(2,686,117.00)
Check Disbursements	0.00	0.00
Closing Balance	10,546,706.02	10,546,706.02
Cash Dividends and Income	14,528.12	112,856.87

Closing Balance	10,546,706.02
Average Monthly Balance	10,533,583.85
Monthly Distribution Yield	1.62%



Housing Authority of the City of Alameda

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: May 16, 2018

RE: Budget Variance Report for March 31, 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 \$3,113,906 (10%), operating expenses are under budget by \$1,907,901 (19%), and net income from operations (before depreciation) is over budget by \$3,799,892 (361%). 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 \$2,738,803 (12%).

Other income is \$1,854,265 (131%) 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 \$218,884 (16%) 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 \$404,511 mainly due to understaffing. A new Rent Program Director has been hired. HCD grants are under budget \$154,353 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 \$19,350 (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 \$1,160,186 (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 \$156,504 (95%). The budgeted number overestimated the actual costs because it anticipated an earlier transfer of North Housing.

Net income from operations (before depreciation) is \$1,206,239. This is \$2,672,346 (182%) over budget.

Properties

Revenue

Total revenue is higher than the year-to-date budget by \$375,103 (4%).

The net rental income (total tenant revenue) is \$237,557 (3%) higher than budget due to low vacancy rates in the very tight housing market in the Bay Area, especially for low-income tenants and Housing Choice Voucher (HCV) holders. See the Property Operations overview for details on vacancies and rent collection.

Expenses

Total operating expenses are lower than the year-to-date budget by \$747,715 (13%). 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 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 \$3,645,788. This is \$1,127,546 (45%) 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 \$966,032 (5%) above the budget. HAP payments to landlords are \$1,466,735 (7%) more than the year-to-date budget, however this includes \$301K of port-in HAP payments to landlords that will be reimbursed by other Housing Authorities. With AHA now in shortfall, HUD provided \$478K in additional budget authority and of that paid \$429K to the Housing Authority through March 2018. HUD has provided \$321K more in budget authority and paid \$143K of that in April & May 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

Over the next year additional reporting will be developed that includes balance sheet reports and additional budget to actual reports.

Interviews have been completed for a Senior Accounting Technician, where we have two vacant and approved positions. Job offers have been made. The Finance Director, Joyce Boyd CPA, attended a Housing Choice Voucher Financial Accounting and Reporting class in April. Nan McKay and Associates continues to provide limited consulting and training services.

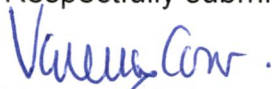
Introductory meetings were held with the new auditor, and preliminary dates have been set for site visits. A small contract for consulting services is expected to be put in place, with a different audit firm to provide assistance with real estate transactions.

The ICD 12/31/17 audit is also in progress.

RECOMMENDATION

For information only.

Respectfully submitted,



Vanessa M. Cooper
Executive Director
JEB

ALAMEDA HOUSING AUTHORITY
HOUSING PROGRAM DEPARTMENT, HOUSING & COMMUNITY DEVELOPMENT, AND RENT PROGRAM
BUDGET COMPARISON
For the Nine Months Ended March 31, 2018

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
REVENUE								
TOTAL TENANT REVENUE	0	0	0	N/A	31	0	31	N/A
FEDERAL GRANTS								
Shelter Plus Care Revenue	25,391	31,215	(5,824)	(19)	217,680	280,935	(63,255)	(23)
TOTAL FEDERAL GRANTS	25,391	31,215	(5,824)	(19)	217,680	280,935	(63,255)	(23)
OTHER INCOME								
Investment Income - Unrestricted	0	0	0	N/A	6,487	0	6,487	N/A
Interest Income	2,569	41	2,528	6,165	50,433	369	50,064	13,567
Interest on Equip. Reserve	0	0	0	N/A	266	0	266	N/A
Mortgage Interest Income	(1,704)	0	(1,704)	N/A	264	0	264	N/A
Interest - Replacement Reserve	0	0	0	N/A	2,263	0	2,263	N/A
Other - Income	0	0	0	N/A	7	0	7	N/A
Other Miscellaneous Revenue	0	0	0	N/A	2,000,530	0	2,000,530	N/A
Professional Service Revenue	96,765	155,555	(58,790)	(38)	1,181,110	1,399,995	(218,884)	(16)
Fraud Recovery	0	0	0	N/A	12	0	12	N/A
Miscellaneous Other Revenue	0	0	0	N/A	0	0	0	N/A
Gain/Loss on Sale of Fixed Assets	0	0	0	N/A	4,770	0	4,770	N/A
Administrative Fee	1,589	1,094	495	45	18,333	9,846	8,487	86
TOTAL OTHER INCOME	99,219	156,690	(57,471)	(37)	3,264,475	1,410,210	1,854,265	131
HUD GRANT								
HUD Operating Grants	2,436,727	2,239,902	196,825	9	21,125,150	20,159,118	966,032	5
Administrative Fees from HUD	128,633	127,534	1,099	1	1,167,156	1,147,806	19,350	2
PORT-In Administrative Fees	1,924	0	1,924	N/A	10,209	0	10,209	N/A
Administrative Fees Paid (PORT-Outs)	5,188	0	(5,188)	N/A	47,829	0	(47,829)	N/A
TOTAL HUD GRANT	2,562,096	2,367,436	194,660	8	22,254,686	21,306,924	947,762	4
TOTAL REVENUE	2,686,706	2,555,341	131,365	5	25,736,872	22,998,069	2,738,803	12
EXPENSES								
ADMINISTRATIVE								
Administrative Salaries	180,791	235,137	54,346	23	1,719,095	2,116,233	397,138	19
Temporary Help - Administrative	2,875	6,845	3,970	58	51,039	61,605	10,566	17
Auditing Fees	0	910	910	100	4,024	8,190	4,166	51
Admin Employee Benefits - Medical/Dental	35,651	64,700	29,049	45	327,607	582,300	254,693	44
Admin Employee Benefits - PERS/PARS	14,729	20,129	5,400	27	141,988	181,161	39,173	22
Admin Employee Benefits - FICA	2,599	3,439	840	24	24,685	30,951	6,266	20
Admin Employee Benefits - SUJ	341	848	507	60	12,939	7,632	(5,307)	(70)
Admin Employee Benefits - Life/LTD	1,385	1,566	181	12	12,088	14,094	2,006	14
Admin Employee Benefit - WC	978	1,743	765	44	7,788	15,687	7,899	50
Office Supplies/Equipment	1,720	3,629	1,909	53	37,949	32,661	(5,288)	(16)
Dues & Subscriptions Publications	38	342	304	89	638	3,078	2,440	79
Postage	0	3,601	3,601	100	3,210	32,409	29,199	90
Telephone	1,277	1,185	(92)	(8)	14,103	10,665	(3,438)	(32)
Bank Charges and Check Supplies	232	1,185	953	80	2,064	10,665	8,601	81
Forms and Copies/Printing	2,227	0	(2,227)	N/A	3,153	0	(3,153)	N/A
Classified Ads and Public Notices	2,131	1,777	(354)	(20)	33,409	15,993	(17,416)	(109)
Legal Expense	6,519	6,861	342	5	74,322	61,749	(12,573)	(20)
Payroll charge	528	191	(337)	(177)	3,355	1,719	(1,636)	(95)
Survey/Title Fee	0	0	0	N/A	3,450	0	(3,450)	N/A
Office Rent	7,299	12,516	5,217	42	32,732	112,644	79,912	71
Administrative Support	0	0	0	N/A	1,505	0	(1,505)	N/A
Organization Cost	1,600	0	(1,600)	N/A	1,620	0	(1,620)	N/A
Training/Conferences and Travel	9,190	8,244	(946)	(11)	46,771	74,196	27,425	37
Membership Dues and Fees	949	0	(949)	N/A	3,734	0	(3,734)	N/A
Contracts - Accounting Services	0	0	0	N/A	434	0	(434)	N/A
Contracts - Administrative Services/Consultant	8,291	20,844	12,553	60	71,473	187,596	116,123	62
Contracts - Application Service Provider - Yard	3,168	6,484	3,316	51	24,936	58,356	33,420	57
Contracts - Computer/Telephone Maint	987	9,767	8,780	90	33,119	87,903	54,784	62
Contracts - Housing Program Services	445	0	(445)	N/A	1,406	0	(1,406)	N/A
Contracts - Human Resource Services	6,393	2,129	(4,264)	(200)	34,459	19,161	(15,298)	(80)
Contracts - Housing Inspection Services	0	3,409	3,409	100	30,693	30,681	(12)	0
Contracts - Office Machine Maintenance	0	822	822	100	0	7,398	7,398	100
Contracts - Office Machine Lease	259	0	(259)	N/A	5,204	0	(5,204)	N/A
Contracts - Web Hosting/Maintenance/Web Ads	226	923	697	76	2,367	8,307	5,940	72
TOTAL ADMINISTRATIVE	292,828	419,226	126,398	30	2,767,360	3,773,034	1,005,674	27
TOTAL TENANT SRV EE BENEFITS AND INSUR	41	0	(41)	N/A	1,076	0	(1,076)	N/A

ALAMEDA HOUSING AUTHORITY
HOUSING PROGRAM DEPARTMENT, HOUSING & COMMUNITY DEVELOPMENT, AND RENT PROGRAM
BUDGET COMPARISON
For the Nine Months Ended March 31, 2018

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
TOTAL TENANT SERVICES	533	99	(434)	(438)	952	891	(61)	(7)
TOTAL UTILITIES	552	1,229	677	55	5,601	11,061	5,460	49
TOTAL MAINTENANCE	31	2,347	2,316	99	13,955	21,130	7,175	34
GENERAL EXPENSES								
Mortgage Financial Service Charge	0	0	0	N/A	2,312	0	(2,312)	N/A
Insurance - Liability	1,010	18,399	17,389	95	9,087	165,591	156,504	95
Insurance - Property	45	0	(45)	N/A	416	0	(416)	N/A
Insurance - Vehicle	0	366	366	100	0	3,294	3,294	100
Insurance - Other	244	0	(244)	N/A	1,708	0	(1,708)	N/A
Other General Expenses	0	0	0	N/A	12,348	0	(12,348)	N/A
TOTAL GENERAL EXPENSES	1,298	18,765	17,467	93	25,871	168,885	143,014	85
TOTAL OPERATING EXPENSES	295,283	441,666	146,383	33	2,814,815	3,975,001	1,160,186	29
MOD REHAB AND SPC EXPENSES								
PORT-In (A/R Billings)	(43,851)	0	43,851	N/A	(278,273)	0	278,273	N/A
TOTAL MOD REHAB AND SPC EXPENSES	(43,851)	0	43,851	N/A	(278,273)	0	278,273	N/A
EXTRAORDINARY EXPENSES								
Pre-development Cost	28,156	8,333	(19,823)	(238)	28,664	74,997	46,333	62
TOTAL EXTRAORDINARY EXPENSES	28,156	8,333	(19,823)	(238)	28,664	74,997	46,333	62
HOUSING ASSISTANCE PAYMENTS (VOUCHER)								
Housing Assistance Payments - Landlords	2,455,360	2,268,242	(187,118)	(8)	21,880,913	20,414,178	(1,466,735)	(7)
Housing Assistance Payments - FSS	4,011	0	(4,011)	N/A	59,277	0	(59,277)	N/A
Utility Allowance to Tenants	2,788	0	(2,788)	N/A	25,237	0	(25,237)	N/A
TOTAL HOUSING ASSISTANCE PYMTS (VOUCHER)	2,462,159	2,268,242	(193,917)	(9)	21,965,427	20,414,178	(1,551,249)	(8)
TOTAL EXPENSES	2,741,747	2,718,241	(23,506)	(1)	24,530,633	24,464,176	(66,457)	(0)
NET INCOME FROM OPERATIONS	(55,041)	(162,900)	107,859	66	1,206,239	(1,466,107)	2,672,346	182
Depreciation Expense	7,489	0	(7,489)	N/A	76,965	0	(76,965)	N/A
NET INCOME AFTER DEPRECIATION	(62,530)	(162,900)	100,370	62	1,129,274	(1,466,107)	2,595,381	177

ALAMEDA HOUSING AUTHORITY
PROPERTIES
BUDGET COMPARISON
For the Nine Months Ended March 31, 2018

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
REVENUE								
TENANT REVENUE								
Vacancy Loss	-	(38,750)	38,750	100	-	(348,737)	348,737	100
Rent Free Unit	-	(9,536)	9,536	100	-	(85,824)	85,824	100
Write Off	-	(7,339)	7,339	100	-	(66,057)	66,057	100
Tenant Rental Revenue	310,943	290,808	20,135	7	2,673,947	2,617,272	56,675	2
Maintenance Charges	(213)	1,094	(1,307)	(119)	6,782	9,852	(3,070)	(31)
Late Charges	(10)	-	(10)	N/A	930	-	930	N/A
Tax Increment Payments from the City of Alameda	439,104	170,281	268,823	158	1,439,104	1,532,529	(93,426)	(6)
Tenant HAP Subsidy	482,194	508,080	(25,886)	(5)	4,393,917	4,572,720	(178,803)	(4)
Rent Free Unit	-	5,190	(5,190)	(100)	-	46,710	(46,710)	(100)
Commercial Rents	2,537	2,326	211	9	22,276	20,934	1,342	6
TOTAL TENANT REVENUE	1,234,555	922,154	312,401	34	8,536,956	8,299,399	237,557	3
OTHER INCOME								
Investment Income - Unrestricted	-	-	-	N/A	51,000	-	51,000	N/A
Interest Income	13,068	5,870	7,198	123	102,552	52,842	49,710	94
Interest on Equip. Reserve	-	-	-	N/A	1,741	-	1,741	N/A
Mortgage Interest Income	970	-	970	N/A	8,809	-	8,809	N/A
Interest - Replacement Reserve	-	-	-	N/A	7,672	-	7,672	N/A
Other - Income	-	-	-	N/A	2,325	-	2,325	N/A
Laundry Commission	-	2,155	(2,155)	(100)	17,176	19,396	(2,220)	(11)
Other Income from Other Programs	2,436	-	2,436	N/A	3,208	-	3,208	N/A
Land Fee/Ground Lease	-	447	(447)	(100)	1,501	4,023	(2,522)	(63)
TOTAL OTHER INCOME	16,474	8,472	8,002	94	195,985	76,261	119,724	157
HUD GRANT								
HUD Operating Grants	19,240	15,305	3,935	26	189,407	137,745	51,662	38
Administrative Fees from HUD	-	3,760	(3,760)	(100)	-	33,840	(33,840)	(100)
TOTAL HUD GRANT	19,240	19,065	175	1	189,407	171,585	17,822	10
TOTAL REVENUE	1,270,269	949,691	320,578	34	8,922,348	8,547,245	375,103	4
EXPENSES								
ADMINISTRATIVE								
Administrative Salaries	77,234	100,783	23,549	23	626,599	907,060	280,461	31
Temporary Help - Administrative	12,532	8,625	(3,907)	(45)	126,099	77,629	(48,470)	(62)
Auditing Fees	-	2,130	2,130	100	29,943	19,177	(10,766)	(56)
Admin Employee Benefits - Medical/Dental	18,994	24,241	5,247	22	132,389	218,173	85,784	39
Admin Employee Benefits - PERS/PARS	7,091	8,529	1,438	17	53,191	76,769	23,578	31
Admin Employee Benefits - FICA	1,216	1,403	187	13	9,107	12,650	3,543	28
Admin Employee Benefits - SUI	146	293	147	50	4,506	2,668	(1,838)	(69)
Admin Employee Benefits - Life/LTD	698	609	(89)	(15)	4,746	5,498	752	14
Admin Employee Benefit - WC	822	601	(221)	(37)	4,245	5,417	1,172	22
Employer Benefit Contribution - WC	-	7	7	100	-	63	63	100
Office Supplies/Equipment	3,178	2,109	(1,069)	(51)	17,746	18,992	1,246	7
Dues & Subscriptions Publications	28	714	686	96	796	6,440	5,644	88
Postage	-	1,657	1,657	100	6,396	14,921	8,525	57
Telephone	2,205	2,362	157	7	24,633	21,270	(3,363)	(16)
Bank Charges and Check Supplies	1,575	1,393	(182)	(13)	13,532	12,553	(979)	(8)
Forms and Copies/Printing	622	-	(622)	N/A	622	-	(622)	N/A
Classified Ads and Public Notices/outreach material	638	341	(297)	(87)	6,939	3,101	(3,838)	(124)
Legal Expense	29,745	11,549	(18,196)	(158)	147,102	103,941	(43,161)	(42)
Payroll charge	370	389	19	5	2,243	3,527	1,284	36
Survey/Title Fee	-	-	-	N/A	19,600	-	(19,600)	N/A
Training/Conferences and Travel	3,835	5,110	1,275	25	28,843	45,998	17,155	37
Membership Dues and Fees	711	-	(711)	N/A	7,270	-	(7,270)	N/A
Taxes & Government Fees	-	-	-	N/A	15,606	-	(15,606)	N/A
Collection Loss	(59)	-	59	N/A	(931)	-	931	N/A
Contracts - Administrative Services/Consultant	18,276	7,587	(10,689)	(141)	164,238	68,302	(95,936)	(140)
Contracts - Application Service Provider - Yardi	7,192	5,560	(1,632)	(29)	56,832	50,050	(6,782)	(14)
Contracts - Computer/Telephone Maintenance/Email	2,745	3,792	1,047	28	57,540	34,164	(23,376)	(68)
Contracts - Housing Program Services	1,004	-	(1,004)	N/A	1,147	-	(1,147)	N/A
Contracts - Human Resource Services	18,831	1,467	(17,364)	(1,184)	92,546	13,213	(79,333)	(600)
Contracts - Housing Inspection Services	-	993	993	100	11,408	8,940	(2,468)	(28)
Contracts - Office Machine Maintenance	-	679	679	100	-	6,142	6,142	100
Contracts - Office Machine Lease	585	-	(585)	N/A	11,747	-	(11,747)	N/A
Contracts - Web Hosting/Maintenance/Web Ads	836	1,040	204	20	9,130	9,383	253	3
Association Dues	3,661	2,438	(1,223)	(50)	24,085	21,942	(2,143)	(10)
TOTAL ADMINISTRATIVE	214,710	196,401	(18,309)	(9)	1,709,896	1,767,983	58,087	3

ALAMEDA HOUSING AUTHORITY
PROPERTIES
BUDGET COMPARISON
For the Nine Months Ended March 31, 2018

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
TENANT/SOCIAL SERVICES/POLICE								
Tenant Services - Salaries	7,437	18,435	10,998	60	88,169	165,932	77,763	47
Police Services	16,223	16,225	3	0	146,003	146,025	23	0
TOTAL TENANT/SOCIAL SERVICES/POLICE	23,659	34,660	11,001	32	234,171	311,957	77,786	25
RELOCATION								
Tenant-Relocation Costs	-	643	643	100	-	5,788	5,788	100
TOTAL RELOCATION	-	643	643	100	-	5,788	5,788	100
TENANT SERVICES EE BENEFITS AND INSURANCE								
Tenant Svcs Employee Benefits - Medical/Dental	2,532	-	(2,532)	N/A	27,405	-	(27,405)	N/A
Tenant Svcs Employee Benefits - PERS/PARS	525	-	(525)	N/A	8,522	-	(8,522)	N/A
Tenant Svcs Employee Benefits - FICA	105	-	(105)	N/A	1,264	-	(1,264)	N/A
Tenant Svcs Employee Benefits - SUI	14	-	(14)	N/A	593	-	(593)	N/A
Tenant Svcs Employee Benefits - Other	-	7,618	7,618	100	294	68,567	68,273	100
Tenant Svcs Employee Benefit - WC	415	-	(415)	N/A	10,436	-	(10,436)	N/A
TOTAL TENANT SERVICES EE BENEFITS AND INSURANCE	3,592	7,618	4,026	53	48,515	68,567	20,052	29
TENANT SERVICES								
Tenant/Social Services - Supplies	-	-	-	N/A	330	-	(330)	N/A
Tenant Service Activities - Contracts and O/S Services	18,397	23,631	5,234	22	172,856	212,695	39,839	19
Tenant/Social Services - Resident Participation	-	-	-	N/A	219	-	(219)	N/A
TOTAL TENANT SERVICES	18,397	23,631	5,234	22	173,404	212,695	39,291	18
UTILITIES								
Water	15,846	19,176	3,330	17	175,380	172,596	(2,784)	(2)
Electricity	11,042	10,215	(827)	(8)	90,380	91,945	1,565	2
Gas	6,601	3,697	(2,904)	(79)	52,617	33,300	(19,317)	(58)
Sewer	18,883	24,455	5,572	23	186,326	220,102	33,776	15
Garbage	31,640	37,630	5,990	16	261,470	338,683	77,213	23
TOTAL UTILITIES	84,013	95,173	11,160	12	766,172	856,626	90,454	11
MAINTENANCE								
MAINTENANCE SALARIES								
Maintenance - Salaries	42,062	40,251	(1,811)	(5)	442,319	362,273	(80,046)	(22)
Facilities - Salaries	-	16,724	16,724	100	-	150,516	150,516	100
Maintenance - Temporary Help	-	-	-	N/A	320	-	(320)	N/A
TOTAL MAINTENANCE SALARIES	42,062	56,975	14,913	26	442,639	512,789	70,150	14
MAINTENANCE MATERIALS								
Maintenance Materials	5,843	18,845	13,002	69	71,008	169,617	98,609	58
Vehicle - gasoline	797	-	(797)	N/A	4,632	-	(4,632)	N/A
TOTAL MAINTENANCE MATERIALS	6,640	18,845	12,205	65	75,641	169,617	93,977	55
MAINTENANCE CONTRACTS								
Maintenance Contracts - Unit Turnaround	1,931	23,113	21,182	92	73,491	208,038	134,547	65
Maintenance Contracts - Tree Trimming	-	-	-	N/A	4,410	-	(4,410)	N/A
Maintenance Contracts - Cycle Painting	-	2,552	2,552	100	8,825	22,979	14,154	62
Maintenance Contracts - Floor Covering	9,794	5,767	(4,027)	(70)	75,065	51,909	(23,156)	(45)
Maintenance Contracts - Services	11,645	12,567	922	7	80,197	113,125	32,928	29
Maintenance Contracts - Painting	5,975	1,420	(4,555)	(321)	28,950	12,794	(16,156)	(126)
Maintenance Contracts - Plumbing	1,375	2,405	1,030	43	25,172	21,657	(3,515)	(16)
Maintenance Contracts - Landscape, Pool, Pond Maint	1,600	10,583	8,983	85	73,652	95,249	21,597	23
Maintenance Contracts - HVAC Maintenance	-	2,307	2,307	100	11,001	20,783	9,782	47
Maint Contracts - Hazardous Substances Testing	-	-	-	N/A	650	-	(650)	N/A
Maintenance Contracts - Elevator Maintenance	-	3,074	3,074	100	18,850	27,669	8,819	32
Maintenance Contracts - Extermination	875	3,765	2,890	77	18,155	33,899	15,744	46
Maintenance Contracts - Electrical Maintenance	319	1,860	1,541	83	12,039	16,756	4,717	28
Maintenance Contracts - Security and Nurse Call Sys	523	2,089	1,566	75	13,770	18,815	5,045	27
Maintenance Contracts - Gutter Cleaning Services	-	858	858	100	6,855	7,733	879	11
Maint Contracts - Flooring Replmt/Cleaning Svc	130	661	531	80	1,815	5,951	4,136	70
Maintenance Contracts - Other	280	552	272	49	1,851	4,977	3,126	63
Maintenance Contracts - Vehicle Maintenance	150	397	247	62	3,156	3,584	428	12
Maintenance Contracts - Janitorial	-	2,777	2,777	100	52,555	25,010	(27,545)	(110)
TOTAL MAINTENANCE CONTRACTS	34,597	76,747	42,150	55	510,458	690,928	180,470	26
MAINTENANCE EMPLOYEE BENEFITS								
Maint Employee Benefits - Medical/Dental	11,401	25,124	13,723	55	106,269	226,130	119,861	53

**ALAMEDA HOUSING AUTHORITY
PROPERTIES
BUDGET COMPARISON
For the Nine Months Ended March 31, 2018**

	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var
Maint Employee Benefits - PERS/PARS	2,866	7,161	4,295	60	38,794	64,452	25,658	40
Maint Employee Benefits - FICA	500	1,146	646	56	6,247	10,322	4,075	39
Maint Employee Benefits - SUI	79	296	217	73	3,149	2,662	(487)	(18)
Maint Employee Benefits - Life/LTD	372	564	192	34	3,366	5,086	1,720	34
Maint Employee Benefits - Uniforms/Shoes	360	-	(360)	N/A	2,016	-	(2,016)	N/A
Maint Employee Benefit - WC	1,589	2,478	889	36	13,078	22,319	9,241	41
TOTAL MAINTENANCE EMPLOYEE BENEFITS	17,169	36,769	19,600	53	172,919	330,971	158,052	48
TOTAL MAINTENANCE	100,468	189,336	88,868	47	1,201,656	1,704,305	502,649	29
GENERAL EXPENSES								
Interest Expense	91,178	93,925	2,747	3	830,828	845,345	14,517	2
Mortgage Financial Service Charge	4,804	-	(4,804)	N/A	52,728	-	(52,728)	N/A
Insurance - Liability	4,992	3,912	(1,080)	(28)	43,716	35,228	(8,488)	(24)
Insurance - Property	7,746	8,368	622	7	69,713	75,321	5,608	7
Insurance - Vehicle	1,168	826	(342)	(41)	8,895	7,443	(1,452)	(20)
Insurance - Other	550	-	(550)	N/A	3,848	-	(3,848)	N/A
TOTAL GENERAL EXPENSES	110,437	107,031	(3,406)	(3)	1,009,728	963,337	(46,391)	(5)
TOTAL OPERATING EXPENSES	555,277	654,493	99,216	15	5,143,543	5,891,258	747,715	13
MOD REHAB AND SPC EXPENSES								
Rent to Owners - Bessie Coleman	15,338	15,305	(33)	(0)	133,017	137,745	4,728	3
TOTAL MOD REHAB AND SPC EXPENSES	15,338	15,305	(33)	(0)	133,017	137,745	4,728	3
TOTAL EXPENSES	570,615	669,798	99,183	15	5,276,560	6,029,003	752,443	12
NET INCOME FROM OPERATIONS	699,654	279,893	419,761	150	3,645,788	2,518,242	1,127,546	45
Depreciation Expense	116,131	-	(116,131)	N/A	1,053,548	-	(1,053,548)	N/A
NET INCOME AFTER DEPRECIATION	583,523	279,893	303,630	108	2,592,240	2,518,242	73,998	3



Housing Authority of the City of Alameda

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 Cooper, Executive Director

Prepared By: Kathleen Mertz, Asset Manager

Date: May 16, 2018

Re: Accept Asset Management Report on the Proposed 10 Year Capital
Improvements Schedule and Reserves Analysis

BACKGROUND

In February 2017, the Board approved the formation of an ad hoc Asset Management Committee to discuss, evaluate, and make recommendations regarding two to five year cash flow estimates that will support the development and capital projects pipeline. This analysis may also inform the AHA Strategic Plan. The Asset Manager position was filled in April 2017, and the Asset Management Committee met for six months. Staff reviewed the Physical Needs Assessments for the nine largest properties, interviewed Property Management staff, inspected the properties, reviewed maintenance files and contracts, reviewed title reports and regulatory agreements, created a “cliff schedule” to document loan, tax credit, and regulatory maturity, developed financing models for potential refinance scenarios and consulted with financial professionals regarding the scenarios. This work over the past year has culminated in the two attached charts which make up the proposed 10 Year Capital Improvement Schedule and Reserve Analysis.

DISCUSSION

This report is limited to the existing Housing Authority or AAHC owned properties. It does not include the new LIHTC properties currently under construction, the LIHTC partnership properties, the townhomes, the condominiums, or the land trusts. This report specifically addresses the following properties:

Anne B. Diament
China Clipper Plaza
Eagle Village
Esperanza
Independence Plaza
Lincoln House
Lincoln Willow Apartments

Parrot Gardens
Parrot Village
Rosefield Village
Sherman House
Stanford House
701 Atlantic Office



Property Physical Needs

In December 2016 staff contracted with EMG Consultants to perform a Physical Needs Assessment (PNA) for the nine largest properties. Staff reviewed these in detail, including walking each of the properties with maintenance staff to fully understand the physical needs of the properties. The PNA reports include a condition assessment of all major site and building components, a projected replacement schedule to extend their useful life, and financial data about how much the capital repairs would cost to perform the work with an independent contractor for each trade.

While capital work is needed, the majority of the properties were reported to be in overall good condition, which is a testament to the hard work of our property management staff. China Clipper Plaza and Eagle Village were reported as in fair condition. Rosefield was reported as in poor condition. Staff did no further work on Rosefield because the redevelopment project is already in progress to address the poor condition. The detailed evaluation of these PNA reports, coupled with the inspections and file review, focused staff's assessment of priorities throughout the portfolio of owned properties.

Capital needs at the properties can be addressed in two different ways. The first is to make repairs piece by piece over several years through a capital repairs program. This is a long process, usually minimally disruptive to tenants, and is paid for by direct cash investment from replacement reserves. Capital needs can also be addressed at once through a large renovation project. This strategy leverages the property's value and operating cash flow to access additional sources of funds to pay for the repairs rather than using replacement reserves. Depending on the scope of work, temporary relocation may be necessary while work is completed within the apartments, and the work is usually completed in 1-2 years.

Capital Repairs Program

Within the portfolio, staff recommends some of the properties follow a capital repairs program to meet their physical needs over time. Specifically, Sherman House, Lincoln House, Stanford House, Esperanza, and Independence Plaza are good candidates for this strategy. The first three smaller buildings don't have enough operating cash to leverage debt and are generally in good repair. They will need new exterior paint and a roof, and the interiors can be managed upon turnover.

Esperanza currently has a large loan outstanding. The yield maintenance formula for a prepayment makes it financially infeasible to refinance the property prior to 2029. In year 2020, the outstanding principal balance will be approximately \$13.1 MM and the yield maintenance fee is estimated at \$16.2 MM. In year 2025, the principal will be approximately \$11.6 MM and the yield maintenance is estimated at \$13.1 MM. When the yield maintenance fee requirement ends in 2029, the principal outstanding will be \$10 MM. Because the property is reported in the PNA to be in good condition, the short term capital needs, estimated at \$1.5 MM in the PNA, can likely be met over time and at tenant turnover. A refinance after 2029 can be evaluated at a future date closer to that time.

Independence Plaza also has a loan outstanding. However, this loan matures in 2026 and a capital improvement program is already in progress with the ADA upgrades. This property performs well financially because of the additional operating subsidy associated



with the Affordable Housing Agreement and so the capital needs (estimated at \$6 MM in the PNA, not including interiors which can be addressed at tenant turnover) can be met from an aggressive use of operating sources by 2026, rather than replacement reserves.

Renovation Projects through Refinance

Some properties are good candidates for a major renovation project because of the ability to leverage capital to pay for the physical needs. Specifically, China Clipper Plaza, Eagle Village, Parrot Village and Gardens, and Anne B. Diament fit this category. Staff developed a financial model to assess the feasibility of a refinance and renovation using 4% Low-Income Housing Tax Credits (LIHTC) with tax exempt private activity bonds. The assumptions were peer reviewed by our consultant, the California Housing Partnership Corporation (CHPC). The benefits of doing these as major renovation projects include leveraging the asset to secure the financing to meet the property's need, modernizing and upgrading the property to meet all capital needs and extend the useful life of the property, and the opportunity to earn developer fee that can replenish the Housing Authority reserves fund. In some properties additional accessibility features may also be incorporated to assist our increasingly aging and disabled residents. Properties may be stand-alone renovations, or small properties can be combined into a large project to secure more favorable financing.

10 Year Capital Improvement Schedule and Reserves Analysis

Based on the analysis and conclusions discussed above, staff prepared a proposed 10 Year Capital Improvements Schedule. The table prioritizes the properties based on need for the improvements in the proposed year. The "Project Description" briefly summarizes the scope of work. The "Strategy" columns indicate whether it would be via a capital repairs program or a renovation project. The "Source" columns indicate whether the improvements will be paid for from the property (refinance or operating cash) or from replacement reserves. Finally, the "Earned Fee & Equity" column indicates revenue back to the Housing Authority and/or ICD.

Staff made a number of assumptions in developing this table.

1. Maintained existing regulatory restrictions and continue all properties as regulated affordable housing for low income households in perpetuity.
2. Calculated financing with current interest rates and current 4% LIHTC program eligibility standards.
3. Maintained existing operating budgets which are based on the Cost Allocation Plan. Future changes in operating expenses based on a fee model rather than the CAP could reduce property expenses, improve project feasibility and increase cash flow.
4. Maintained existing Housing Assistance Payment (HAP) voucher rents at the properties. The Housing Authority voucher rents for Project Based Vouchers and Housing Choice Vouchers are currently below the Payment Standard.
5. Maintained existing HOME units. There are 26 HOME units and these units have severely restricted rents limiting property income. Many 50% AMI HOME units have exceeded the statutory timeframe for regulatory restrictions. If these can be lifted, additional revenue could be generated on those units, while still maintaining them as affordable to low income households at 80% AMI. The households



- currently living in HOME units are assisted with Housing Choice Vouchers so this would not affect the tenant portion of the rent.
6. The China Clipper renovation is not financially feasible without a minimum \$2,000,000 loan from the Housing Authority and there are significant accessibility issues.
 7. The Eagle Village renovation project may require the Housing Authority to be the permanent lender because the project is assisted with tenant-based Housing Choice Vouchers to which banks typically will not underwrite.
 8. The Parrot Village renovation project assumes releasing \$500,000 in equity along with a \$1,700,000 developer fee.
 9. The Parrot Gardens project is a two stage project. Stage One is to move the eight buildings up to the Eagle Avenue street-front and renovate them. Stage Two is to build new units on the vacant land between them and Jean Sweeney Park.
 10. The Independence Plaza refinance in year 2026 includes no capital work because the work will have been completed over the previous eight years through a capital repairs program. This may require additional staffing to complete in this time frame.

Staff also analyzed the reserves available to do the work. The starting balance for the Housing Authority reserves, invested in both LAIF and CAMP, is approximately \$22,900,000. Staff worked with the Finance department to determine that \$5,000,000 should be held as a capitalized Operating Reserve for the Housing Authority. This amounts to two months of HAP payments or four months of operating expenses. Additionally, a dedicated \$1,000 per unit should be held as a capitalized Replacement Reserve for each property. When the property operating budgets transition to a fee based model, rather than the CAP, additional funds will be set aside from property cash flow to increase these funds. Finally, staff scheduled out the cash needs for each project. An "Increase" represents earned developer fee or cash equity from a refinance. A "Decrease" represents the capital repair or loan cost. This table shows that the Housing Authority currently has sufficient reserves to meet the capital improvement needs of the portfolio when refinancing proceeds are included.

FISCAL IMPACT

The Reserve Schedule shows that there is sufficient funds in the LAIF and CAMP accounts to meet the capital needs of the portfolio over the next 10 years.

RECOMMENDATION

Accept Asset Management report on the proposed 10 year Capital Improvements Schedule and Reserve Analysis.

Respectfully submitted,



Vanessa M. Cooper

Exhibit A – Capital Improvements Schedule
Exhibit B – Reserves Analysis



FY 2018-19 Capital Improvement Projects

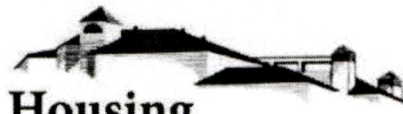
2018-2019	Property	Project Description	Strategy		\$ Source		Earned Fee & Equity
			CIP	Renov	Property	Reserves	
2018-2020	Independence Plaza	ADA Upgrade	3,500,000		2,300,000	1,200,000	
2018-2019	Anne B Diamant/Independence Plaza	Balcony Assessments and Repairs	200,000		-	200,000	
2019	Sherman House	Roof, Paving, Drainage	200,000		-	200,000	
2019	Office	Kitchen, HVAC, Roof	115,000		-	115,000	

PROPOSED 10 YEAR CAPITAL IMPROVEMENTS SCHEDULE

2019-2021	Property	Project Description	Strategy		\$ Source		Earned Fee & Equity
			CIP	Renov	Property	Reserves	
2019-2020	Rosefield Village	Redevelopment Project		60,000,000	53,200,000	6,800,000	1,300,000
2019-2020	All Properties	Private Sewer Lateral Compliance	540,000		-	540,000	
2019-2024	North Housing	Demo/New Construction	3,000,000		-	3,000,000	
2020	Haight Avenue	Renovation Project	500,000		-	500,000	
2020	Eagle Village	Paint	100,000		-	100,000	
2020	China Clipper Plaza	Renovation Project		12,000,000	10,000,000	2,000,000	1,000,000
2020-2021	Esperanza	Furnaces, Decks, Breakers	750,000		-	750,000	
2020-2026	Independence Plaza	Envelope, Heaters, Elevators	3,000,000		3,000,000	-	
2022-2025	Property	Project Description	Strategy		\$ Source		Earned Fee & Equity
			CIP	Renov	Property	Reserves	
2022-24	Parrot Village	Renovation Project		18,000,000	18,000,000		2,200,000
2022-2026	Independence Plaza	Envelope, Heaters, Elevators	3,000,000		3,000,000		
2023	Parrot Gardens	Relocation and Renovation Project		2,000,000	-	2,000,000	
2024-26	Eagle Village	Renovation Project		14,000,000	14,000,000		1,000,000
2024	Esperanza	Sewer lines, plumbing, concrete	1,000,000		-	1,000,000	
2025	Lincoln-Willow Apt	Roof and Paint	300,000		-	300,000	
2026+	Property	Project Description	Strategy		\$ Source		Earned Fee & Equity
			CIP	Renov	Property	Reserves	
2026	Stanford House	Roof and Paint	300,000		-	300,000	
2026	Independence Plaza	Refinance Only					5,000,000
2026-2028	Parrot Gardens	New Construction		15,000,000	8,000,000	7,000,000	1,000,000
2027-2029	Anne B. Diamant	Renovation Project		20,000,000	20,000,000		1,700,000
2028	Esperanza	Roof and Paint	1,000,000			1,000,000	
2029	Lincoln House	Roof and Paint	300,000			300,000	

PROPOSED 10 YEAR RESERVES ANALYSIS

Year	Property and Description	Increase	Decrease	Balance
2018	Starting Balance			22,900,000
2019	Capitalized Operating Reserve	HAP and/or Operations	5,000,000	17,900,000
2019	Capitalized Replacement Reserves	All properties minus HOAs	563,000	17,337,000
2018-2020	Independence Plaza	ADA Upgrade	1,200,000	16,137,000
2018-2019	Anne B Diament/Independence Plaza	Balcony Assessments and Repairs	200,000	15,937,000
2019	Sherman House	Roof, Paving, Drainage	200,000	15,737,000
2019	Office	Kitchen, HVAC, Roof	115,000	15,622,000
2019-2020	Rosefield Village	Redevelopment Project	1,300,000	6,800,000
2019-2020	All Properties	Private Sewer Lateral Compliance	540,000	9,582,000
2019-2024	North Housing	Demo/New Construction	3,000,000	6,582,000
2020	Haight Avenue	Renovation Project	500,000	6,082,000
2020	Eagle Village	Paint	100,000	5,982,000
2020	China Clipper Plaza	Renovation Project	1,000,000	2,000,000
2020-2021	Esperanza	Furnaces, Decks, Breakers	750,000	4,232,000
2020-2026	Independence Plaza	Envelope, Heaters, Elevators	-	4,232,000
2022-24	Parrot Village	Renovation Project	2,200,000	-
2023	Parrot Gardens	Relocation and Renovation Project	2,000,000	4,432,000
2024-26	Eagle Village	Renovation Project	1,000,000	-
2024	Esperanza	Sewer lines, plumbing, concrete	1,000,000	4,432,000
2025	Lincoln-Willow Apt	Roof and Paint	300,000	4,132,000
2026	Stanford House	Roof and Paint	300,000	3,832,000
2026	Independence Plaza	Refinance Only	5,000,000	-
2026-2028	Parrot Gardens	New Construction	1,000,000	7,000,000
2027-2029	Anne B. Diament	Renovation Project	1,700,000	-
2028	Esperanza	Roof and Paint	1,000,000	3,532,000
2029	Lincoln House	Roof and Paint	300,000	3,232,000



Housing Authority of the City of Alameda

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

Prepared by: Kathleen Mertz, Asset Manager

Date: May 16, 2018

Re: Accept Report on the Independence Plaza Rent Structure Change to
Plan for Mortgage Maturity, Capital Improvements, and Financial Self-
Sufficiency and Provide Feedback to Staff

BACKGROUND

Independence Plaza was built in 1990 using a HUD insured loan program and contributed to the affordable housing requirements of the City's Community Investment Commission (CIC) (former Redevelopment Agency) by restricting 65 of the 186 units to Very Low (50% Area Median Income (AMI) or below), Low (80% AMI or below), and Moderate income (120% AMI or below) households through an Affordable Housing Agreement dated January 18, 1989 (Agreement) which is regulated by the State of California. Within this Agreement, 29 of the 65 units must serve very low-income households. The Agreement also requires the Housing Authority to file a plan to make 100% of the units affordable. A 1993 affordability plan includes renting all of the units to 50% AMI households. Along with the Agreement, the property benefits from a tax-increment operating subsidy (Subsidy) to support the operating budget of the property given reduced rental rates for affordability at 50% AMI. This Agreement is the only regulatory restriction associated with the property. The Agreement has been amended twice (2004 and 2010), to extend the term to 2024 and 2026, respectively. In 2026, the Subsidy will expire as well. Housing Authority staff refinanced the mortgage in 2014 to secure a reduced interest rate and to align the mortgage term with the Affordable Housing Agreement and Subsidy expiration.

In 2014 staff implemented a simplified rent policy for new move-ins, including only the three rent categories identified in the Agreement 50% AMI, 80% AMI, and 120% AMI. The 50% AMI and 80% AMI rent categories were identified as the "Affordable" units and the 120% category was combined with Market (above 120% AMI) for the balance of units.

In 2016 staff did a rent study and income certifications, which were presented to the Board in December of that year. This showed that there was significant variations in rental rates between households for the same income level and same unit size. Additionally, there was a limited connection between a household income and the rent paid. The property



has had little to no rent increases in a number of years and the rents are well below the affordable rents allowed by the State. In June 2017, staff presented several scenarios about how to plan for financial self-sufficiency and mortgage maturity when the Subsidy expires and only rental revenue is available for operations. If no changes were implemented, the property falls off a financial cliff of approximately \$100,000 shortfall each year after 2026. In November 2017, staff proposed implementing a 5% rent increase for existing households, the first rent increase since 2015. This increase went into effect February 2018. New moves-ins started with a higher rent and the property began accepting Section 8 vouchers. The Board committed to reviewing additional proposals in 2018 for increasing the property revenue. Since then, staff mapped the affordability at the properties to ensure ongoing compliance with the Agreement.

DISCUSSION

No formal Board action is required for the Executive Director to implement a new rent structure, but staff seeks general Board feedback on this matter.

Based on the extensive analysis performed by Jack Geary Consulting in 2017, plus the Board feedback from that presentation, staff has concluded that Independence Plaza needs a formal rent structure that applies to all households in a fair and equitable manner based on best practices in affordable housing. Moreover, the Housing Authority must plan for financial self-sufficiency at the property by increasing rental revenue rather than relying heavily on the Subsidy, which will expire in 2026. The following chart reflects the proposed rent structure.

Income Eligibility Category	Maximum Rent	2018Rent Amount(1B/2B)
Very Low – up to 50% AMI	50% AMI Max Rent	\$1,090 / \$1,307
Low - 51-80% AMI	60% AMI Max Rent	\$1,308 / \$1,569
Moderate - 81-120% AMI	80% AMI Max Rent	\$1,744 / \$2,092

It is important to note that staff is not suggesting moving any tenant to these new rents immediately. A graduated approach over time is suggested below.

Income Eligibility: Staff proposes that all existing and new households be grouped into only three Income Eligibility categories, also known as the Official State Income Limits and calculated by the California Department of Housing and Community Development (HCD) pursuant to the Health & Safety Code Section 50093. For existing households, this is based upon their 2017 income certification. This calculation is based on income plus the imputed income derived from assets, which is the industry standard for affordable housing subsidy compliance.

Per the 2017 income certification data, the total count by proposed income grouping is listed below.

Income Category	Household Count
50% AMI	132
80% AMI	38
120% AMI	11



It is important to note that the building is required to provide only 26 units at 50% AMI and 36 at or below 120% AMI, per the 1989 Agreement.

In the rare case when the current income certification is above the move-in qualification (i.e., 2017 income certification is above the 50% AMI Affordable Waitlist move in qualification), then the households will be grouped at the initial qualification level (provided that all income and assets were fully and correctly disclosed at move in). Additionally, there are rare cases when a household has significant assets (over \$400,000) but is grouped into a lower income category based on the imputed income asset calculation. See chart below for summary. These households will receive additional review of their assets to ensure that these were correctly disclosed at move in. Out of 181 households currently living at Independence Plaza, only 16 households fall into these two outlying situations.

Assets	\$0-\$100,000	\$100,001-\$250,000	\$250,001-\$400,000	\$400,000+
Number of households	153	15	4	9
Income Category	50% - 115 80% - 28 120% - 10	50% - 12 80% - 3	50% - 2 80% - 2	50% - 2 80% - 6 120% - 1

Maximum Rent: Within each income eligibility category, a rent maximum is set. This rent is based on the maximum allowable California Tax Credit Allocation Committee’s (TCAC) standard for properties assisted with Low-Income Housing Tax Credits. It is a calculation of 30% of the maximum income of a household within the income category. This 30% rent burden is set by HUD policy and is established for the income category, not for the individual household. This is considered a best practices metric within the affordable housing industry. Typically, the TCAC maximum rent aligns directly with the income category.

For a household categorized in the 50% AMI income category, a 50% AMI Maximum Rent would be charged. Further, staff proposes an affordable alternative Maximum Rent for existing low and moderate-income households at IP. Instead of charging an 80% AMI rent to the 80% AMI income eligible group, staff proposes a 60% AMI Maximum Rent. Instead of charging a 120% AMI rent to the 120% AMI income eligible group, staff proposes an 80% AMI Maximum Rent.

The chart below lists the actual figures for this rent structure based on 2018 published criteria on the TCAC website. The Income Eligibility is updated annually on the HCD website. The Maximum Rent is updated annually on the TCAC website. This chart will be updated annually to reflect the current year eligibility and Maximum Rent.

Income Eligibility	Maximum Income 1 PP	Maximum Income 2 PP	Maximum Rent 1-BD	Maximum Rent 2-BD
50% AMI	\$36,550	\$41,750	\$1,090	\$1,307
80% AMI	\$56,300	\$64,350	\$1,308	\$1,569
120% AMI	\$81,850	\$93,500	\$1,744	\$2,092



Rent Increases: Staff acknowledges that the Maximum Rent proposed is significantly above current rental rates at the property for many residents. The chart below shows the average current rent within each income category.

Income Category	Average Current Rent
<50% AMI	\$627
80% AMI	\$986
120% AMI	\$1,114

Further, staff wants to avoid a rent increase burden for the tenants. Therefore, staff proposes a tiered rent increase strategy with a minimum six-month Notice to tenants. These rent increases would not take effect until February 1, 2019.

- 50% AMI Households – 5% annual rent increase until they reach the annually published Maximum Rent. Thereafter, any annual rent increase will track with an increase to the published Maximum Rent.
- 51-60% AMI Households – 10% annual rent increase until they reach the annually published Maximum Rent. Thereafter, any annual rent increase will track with an increase to the published Maximum Rent.
- 61-80% AMI Households – 20% annual rent increase until they reach the annually published Maximum Rent. Thereafter, any annual rent increase will track with an increase to the published Maximum Rent.
- Over 80% AMI Households – 20% annual rent increase until they reach the annually published Maximum Rent. Thereafter, any annual rent increase will track with an increase to the published Maximum Rent.

This structure is summarized in the chart below. The AMI designation referenced is based upon the actual income verification data received in the summer 2017 from CGI Advisors, the consultant hired to perform income certifications at AHA properties.

Actual Income Qualification	AHA Income Designation	Rent Increase Strategy	# of Households
<50% AMI	50% AMI	5% annual to max TCAC 50% Rent	111
51-60% AMI	80% AMI	10% annual to max TCAC 60% Rent	16
61-80% AMI	80% AMI	20% annual to max TCAC 60% Rent	13
>80% AMI	120% AMI	20% annual to max TCAC 80% Rent	11
All Categories		Flat until max catches up	30

There will be no rent decreases associated with this rent structure. If a household is income qualified at one level, but their current rent is above the Maximum Rent, their rent will be frozen until the Maximum Rent reaches that level.

Staff acknowledges that many of the 132 very low income (50%) households are living on fixed income based on their 2017 income certification. Many of the 132 households in the 50% AMI income category currently have a rent of \$436, which is 40% of the Maximum Rent for that income eligibility category. At 5%, the annual rent increase is



approximately \$22-\$34 over the next 10 years, depending on the starting rent. After 10 years of a 5% increase, a household in this income category would still have a rent that is only 53% of the projected Maximum Rent for that income eligibility. The table below summarizes this finding based on a current rent of \$436.

Year	2018	2019	20120	2021	2022	2023	2024	2025	2026	2027	2028
Current Rent	\$436	\$458	\$480	\$504	\$530	\$556	\$584	\$613	\$644	\$676	\$710
50% AMI Max Rent	\$1,090	\$1,111	\$1,134	\$1,156	\$1,180	\$1,203	1,227	\$1,252	\$1,277	\$1,302	\$1,328

Using the same method of trending shown above, only 30 of the 132 households at 50% AMI will reach the Maximum Rent in 10 years at a 5% annual rent increase rate. This confirms that the property will continue to serve the extremely low income households with a deeply affordable rent while still increasing revenue to attain financial self-sufficiency when the Subsidy expires in 2026.

Staff also analyzed the households that would be subject to 10% and 20% rent increases. On average, a household subject to a 10% rent increase will have an annual rent increase of approximately \$100. On average, a household subject to a 20% rent increase will have an annual rent increase of approximately \$200. Except for seven outliers, all 48 of these households reach the Maximum Rent within three years. Additionally, eight households have no rent increase for approximately five years until the Maximum Rent catches up to their current rent.

For all households, once the Maximum Rent is reached, future rent increases will track with the annually published Maximum Rent. The average published annual Maximum Rent increase in Alameda County for the past five years is 6%.

New Tenants: All new applicants will be grouped into 80% AMI income category at the 60% Maximum Rent, (unless the number of 50% AMI Households falls below the required 26 households set by the Agreement which is highly unlikely between now and 2026). AHA will not be renting to new households who are income eligible above 80% AMI. Existing households are unaffected by this affordability target.

This proposal includes benefits and mitigation measures that ultimately better position the property for long term success as affordable senior housing for the Alameda community. More specifically staff have proposed measures to help the existing tenants weather the change in rent structure. First, there is a six-month advance notice of the rent change. This ample notice provides time for tenants to review their monthly expenditures and plan for rent increase. Second, there are no lump sum rent increases to the Maximum Rent within each income category. Rather, there is a stepped approach of an annual 5-20% increase until the Maximum Rent is reached. Third, as with the recent rent increase, additional support services have been provided to tenants to assist with economic self-sufficiency through LifeSTEPS. LifeSTEPS is available to provide individualized counseling, which includes budgeting and access to the rental assistance fund for those tenants that meet the criteria. (To date no funds have been utilized and no tenants have been subject to eviction for non-payment of rent for over 2 years.)



Because of the inconsistent rent setting strategy prior to setting the 2014 rent policy, the rent ranges for each income category vary widely. The proposed strategy correlates income eligibility with Maximum Rent targets. This sets a clear and transparent rent structure that can be implemented with manageable expectations, both for the residents and staff.

Finally, this proposal preserves affordability for existing households by limiting rent increases to only 5% for 50% AMI households rather than the Maximum Rent, increases future affordability by limiting new move-ins to low income tenants at 80% AMI or below, increases property rental revenue to avoid the heavy dependence upon the expiring Subsidy, and uses industry-wide best practices to steer rental policy. Staff will review the rental policy every three years and bring a progress report to the Board for review.

FISCAL IMPACT

The projected revenue increase in the first two year under the new rent structure is approximately \$200,000. This includes keeping some units vacant as part of the 20 unit ADA improvements project and does not include any new households during that time. Not including project turnover, future revenue is expected to increase by approximately \$50,000 annually as a result of these changes. With future randomized turnover of 10% annually beginning in 2020, future revenue is expected to increase by \$100-\$120,000 annually. Including the randomized 10% annual turnover which is backfilled with 80% AMI households at 60% contract rents, income in 2026 clears the breakeven threshold for financial self-sufficiency with a positive net annual cash flow projected after mortgage maturity and Subsidy expiration. Staff expect to review this rent trending analysis in or around 2021 in order to confirm the outcome of this rent and income structure and to offer changes as necessary.

RECOMMENDATION

Accept report on the Independence Plaza rent structure change to plan for mortgage maturity, capital improvements, and financial self-sufficiency and provide feedback to staff.

Respectfully submitted,



Vanessa M. Cooper
Executive Director





Housing Authority of the City of Alameda

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

701 Atlantic Avenue • Alameda, California 94501-2161

May 16, 2018

TO: Honorable Chair and
Members of the Board of Commissioners

FROM: Vanessa M. Cooper
Executive Director

RE: Appoint Nominating Committee for Board Officers

Background

The Rules and Procedures of the Board of Commissioners state that the Chair and Vice Chair shall be elected by the Board from its membership at the first meeting after July 1 of each year when the Board is fully constituted.

Discussion

The Board, when it was the Housing Commission, established a precedent over the last fifteen years by appointing members to an ad-hoc nominating committee to select officers. This committee contacts candidates to see if they are willing to serve and nominates a slate of candidates for election at the July meeting. This process has been an effective means to nominate and elect officers willing to serve as Chair and Vice Chair.

Recommendation

Staff recommends the Board of Commissioners appoint an ad-hoc committee to nominate officers for the annual term starting July 2018.

Respectfully submitted,

Vanessa M. Cooper
Executive Director

VMC:dc