



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@alamedahsg.org Notification 48 hours prior to the meeting will enable the City of Alameda Housing Authority Board of Commissioners to make reasonable arrangements to ensure accessibility.

AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

DATE & TIME

Wednesday October 18, 2017 –

Joint Study Session on the Proposed North Housing Development with Alameda Point Collaborative and Building Futures with Women and Children Board Members – 4:30-6:15 p.m. (See Separate Agenda)

Closed Session - 6:30- 7:00 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 – 6:00 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: Parcel 1 (see attached metes and bounds description)
Negotiating Parties: Housing Authority of the City of Alameda and Carmel Partners
Under Negotiation: Price and Terms of Land
 - 3-B. Executive Director Evaluation
 4. Adjournment of Closed Session
 5. RECONVENE REGULAR MEETING – 7:00 p.m.
 6. Announcement of Action Taken in Closed Session, if any.
 7. Public Comment (Non-Agenda)
 8. CONSENT CALENDAR
 - Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.
 - 8-A. Approve Minutes of the Board of Commissioners Regular Meeting held September 20, 2017 - Page 4
 - 8-B. Accept the Monthly Overview Report Administration/I.T./H.R.– Page 9
 - 8-C. Accept the Monthly Overview Report Housing & Community Development – Page 11
 - 8-D. Accept the Monthly Overview Report Housing Programs Department – Page 15
 - 8-E. Accept the Monthly Overview Report Rent & Community Programs – Page 19
 - 8-F. Accept the Monthly Overview Report Property Operations –Page 20
 - 8-G. Accept the Monthly Development Report for Del Monte Senior Housing – Page 26
 - 8-H. Accept the Monthly Development Report for 2437 Eagle Avenue – Page 29
 - 8-I. Accept the Budget Variance Report for June 30, 2017 – Page 31
 - 8-J. Approval of Extension of Contract for Nan McKay – Page 39
 - 8-K. Increase the 4- and 5- Bedroom PBV Payment Standards, Which Have Fallen Below the 90% Minimum, Effective November 2, 2017 – Page 42
9. AGENDA
 - 9-A. Recognition of Food Bank Volunteers for the New Senior Sites Program



- 9-B. LifeSTEPS Annual Report on Social Services (Presentation – 15 minutes) Page 46
- 9-C. Authorize the Executive Director to Execute Documents necessary to Create a New Nonprofit Ownership Entity or LLCs for Housing Authority Owned Properties to Comply with HUD Requirements for Project-Based Voucher Contracts; Authorize the Executive Director to Execute and Record Regulatory Agreements at Housing Authority Owned Properties at 80% AMI As Necessary – Page 63
- 9-D. North Housing Project Update; Approve a \$3.3 Million Loan to Island City Development for Pre-Development and Demolition Costs at the North Housing Site – Page 89
- 9-E. Appoint a New Vice Chair of the Board; Receive Board Direction on the Appointment of a New Member to the Ad Hoc Asset Management Committee - Page 92
- 10. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
- 11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)
- 12. ADJOURNMENT OF REGULAR MEETING
- 13. ADJOURNMENT OF CLOSED SESSION

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Note

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- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- KNOW YOUR RIGHTS UNDER THE Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review.
- In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.





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DRAFT MINUTES

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD WEDNESDAY September 20, 2017

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

1. ROLL CALL -

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

Absent: Commissioner Allen (Absent at Roll Call. Arrived for Open Session)

2. Public Comment on Closed Session

3. Closed Session – 6:00 p.m. – Adjournment to Closed Session to Consider

3-A. Executive Director Evaluation

3-B. Conference with Real Property Negotiator – (Gov. Code. Sec. 54956.8)
Agency Negotiator: Vanessa Cooper, Executive Director and Victoria Johnson,
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Property: Parcel 1 (see attached metes and bounds description)

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Under Negotiation: Price and Terms of Land

4. Adjournment of Closed Session

5. RECONVENE REGULAR MEETING – 7:00 p.m.

6. Announcement of Action Taken in Closed Session, if any. Chair Tamaoki announced that the Board authorized the Executive Director and the Housing and Community Development Director to negotiate on behalf of the Housing Authority and asked that they report back at the Closed Session in October.

PLEDGE OF ALLEGIANCE



7. Public Comment (Non-Agenda)

Richard Neveln talked about fall prevention and about the seminar that was held at the Alameda Free Library. He suggested that some training be provided at the senior centers in Alameda. This speaker also suggested that font size be addressed for public announcement and that some rearrangement of furniture in the Independence Plaza lobby be addressed to allow seniors better access to the information that is posted.

Chair Tamaoki announced that Commissioner Shipe is resigning her position with the Board and presented her with a certificate of appreciation for her services to the Board of Commissioners.

Chair Tamaoki recognized Commissioner Kurrasch for his service as Board Chair for many years and presented him with a certificate of appreciation.

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.

Richard Neveln requested that we defer to the name on the speakers slip and that we address speakers by their name. Mr. Neveln also commented that the parking lot for the Farmer's Market be referred to as the Independence Plaza Parking lot because the set-up is directly in front of Independence Plaza.

Ms. Cooper said that for privacy issues, we do not mention tenant names. However, at Mr. Neveln's request, he would like his name identified when he speaks at these public forums, we will concur.

Commissioner McCahan commented on the lease-up report. Commissioner McCahan also commented that he is pleased to see the lack of crime on the crime report. Commissioner Rickard asked about crime island-wide. MS. Cooper said that she would have the officer here next meeting to talk about this.

Commissioner Rickard asked about the impact of the higher price of the homes at 2100 Clement. Ms. Johnson explained that the higher sale price was calculated based on lower interest rates and lower HOA fees compared to the fees originally projected, but this will be offset by lower operating costs in the long-term. Commissioner Rickard asked if there is a plan to buy other BMR units as they are available. Ms. Cooper said we currently have an agreement only at this property, but each time an opportunity is presented we can come back to the Board, or the Board might indicate a general philosophy. Commissioner Rickard asked for a copy of the Rosefield Village site plan that was approved and Ms. Cooper said that she would provide a copy. Commissioner



Rickard said that he would like to maximize the leveraging potential of the site plan approval (for larger number of units).

Chair Tamaoki commented on the acquisition of the four units on page 18 and said that he thought it was an excellent deal. On page 32 Chair Tamaoki commented on the HVAC failure and thanked the Independence Plaza Resident Manager and Assistant Resident Manager for their creativity and quick response to keep our tenants comfortable during the heat wave. Chair Tamaoki also commented on page 39 Investment Report as it relates to large withdrawals and proposed we may want a policy to ensure that the balances are maintained somewhat evenly among the different funds. Ms. Cooper concurred and will review.

Commissioner Shipe moved to accept the minutes and Commissioner Kurrasch seconded. The motion carried unanimously. Items accepted or adopted are indicated by an asterisk. (Commissioner Rickard Recused)

Commissioner Rickard moved to accept the balance of the consent calendar and Commissioner McCahan seconded. The motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

- *8-A. Approve Minutes of the Board of Commissioners Regular Meeting held August 16, 2017 - Page 9
- *8-B. Accept the Monthly Overview Report Administration/I.T./H.R.– Page 14
- *8-C. Accept the Monthly Overview Report Housing & Community Development – Page 17
- *8-D. Accept the Monthly Overview Report Housing Programs Department – Page 22
- *8-E. Accept the Monthly Overview Report Rent & Community Programs – Page 26
- *8-F. Accept the Monthly Overview Report Property Operations –Page 27
- *8-G. Accept the Monthly Development Report for Del Monte Senior Housing – Page 34
- *8-H. Accept the Monthly Development Report for 2437 Eagle Avenue – Page 37
- *8-I. Accept the Quarterly Investment Report – Page 39
- *8-J. Accept the Quarterly Police Report – Page 46
- *8-K. Grant a Public Utility Easement (PUE) to Alameda Municipal Power for Infrastructure Equipment at Stargell Commons, as Land Owner, and Provide Consent to Easement as Lender– Page 51
- *8-L. Approve Changes to the Property Management Policy – Page 69
- *8-M. Approve Outside Employment of Executive Director, Per 2014 Employment Contract between the Board of Commissioners and Vanessa Cooper and Approve a Carry Forward of Unused Annual Professional Development/Training Allowance – Page 91

9. AGENDA

- 9-A. Discussion of Offer by Carmel Partners to Purchase Parcel at Proposed North Housing Site – (Discussion Only)

Greg Pasquali, introduced himself and Michael Ruiz from Carmel Partners. He gave a brief overview of Carmel Partner's history and experience. Mr. Ruiz provided a handout. He talked about the plans for Admiral Cove. He said that there is a limited



window to explore opportunities so they would be moving quickly. Mr. Pasquali said that he is open and excited to work with the Housing Authority.

No Action was taken.

- 9-B. Convene an Adhoc Committee Comprised of up to Three Board Members and staff for a Period of up to Three Months to Discuss the Request by Carmel Partners to Purchase a Portion of North Housing for Market Rate Rental Housing— Page 93

Ms. Cooper said that this is put out as an option that may help us move forward faster. There is no requirement to do this. The Adhoc Committee would not be authorized to take any action. Any action request would return to the Board of Commissioners. It would be some opportunity to get some input from the Board. This is not considered a public meeting.

Commissioner Rickard said that if this item were to move forward he suggest the title be revised to be more specific. Ms. Cooper suggested expanding the title to say to purchase or other real estate transactions.

Chair Tamaoki invited board members to volunteer to be on the Adhoc Committee. Chair Tamaoki volunteered himself to be on the Adhoc Committee. Commissioner McCahan volunteered to be on the Adhoc Committee.

Commissioner Shipe moved to form the Adhoc Committee and appoint John McCahan and Kenji Tamaoki as members. Ms. Cooper said that she would confer with general counsel tomorrow to make sure changing the title is in order. The title would say to purchase or other real estate transactions. All in favor.

- 9-C. Approve the Executive Director to Negotiate the Subordination of the 1993 Bond Regulatory Agreement and the 2000 Loan Agreement, to the new Fannie Mae SunTrust Loan and Subordination to the CalHFA Regulatory Agreement Associated with the Refinance and Rehabilitation of Playa del Alameda Apartments— Page 107

Ms. Cooper introduced Asset Manager, Kathleen Mertz, to speak on this item. Ms. Cooper also disclosed that our general counsel has a conflict of interest with this item and serves on the other side of that deal and that AHA has used a separate legal counsel on this item.

Ms. Mertz mentioned three subordination agreements in the staff report. The third agreement came in late so she presented handouts to the Board. Ms. Mertz gave background on the project and how it was previously financed and the current re-financing proposal. She talked about the impacts of the Subordination Agreements and answered questions from the Board. There was discussion about Regulatory Agreements and the Board asked for assurance about future affordability.

Commissioner Kurrasch moved to accept the staff recommendation on page 108 and Commissioner Allen seconded. The motion carried unanimously.



9-D. Verbal Update on AHA-Provided Board Member Email Addresses

Ms. Cooper provided a packet of information to the Board pertaining to information request from the Board and upcoming ground breaking ceremony at Eagle Avenue.

Ms. Cooper also gave a handout to the Board on how to set-up their new AHA email address. She gave some background on usage.

Commissioner Kurrasch said he has been in support of this idea for some time and talked about the benefits. There was more discussion about emails.

9-E. Appointment of one or two Board Members to the RFP Panel for the Agency's Auditor (No Memo)

The Auditor's function is appointed by the Board and reports to the Board. AHA received five RFPs for the Agency's Auditor. Ms. Cooper is offering a place to have a Board member on this panel. Commissioner Kurrasch volunteered.

Chair Tamaoki took a vote to appoint Commissioner Kurrasch to be on the RFP Panel for the Agency's Auditor. All voted in favor.

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

None

11. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

None

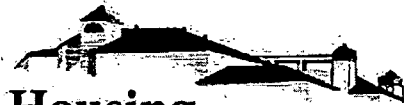
12. ADJOURNMENT OF REGULAR MEETING

There being no further business, Chair Tamaoki adjourned the meeting at 8:04 p.m.

Kenji Tamaoki, Chair

Vanessa M. Cooper
Executive Director/Secretary





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To: Honorable Chair and
Members of the Board of Commissioners

From: Janet Basta
Director of Human Resources and Operations

Date: October 18, 2017

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 the primary focus in the past month. We completed the first round of interviews for the Director of Finance position, and will continue to recruit for this position along with the Controller position over the next 1-2 months. Temporary staff, including our Nan McKay consultant, are keeping the Finance Department running well, and we are moving conservatively in filling these two key finance positions. In the meantime, we have posted the Senior Accounting Technician position, so we can begin to identify potential candidates for this position(s) now as well. Additionally, first round interviews are underway for the Maintenance Supervisor position, and will start soon for the Property Management Supervisor position.

Our series of supervision trainings for our Direct Reports team will continue in October, and Suzanne Warner, the new Director of Rent and Community Programs, will be able to join for the remainder of the series.

Bill Egan with ICMC-RC, AHA's deferred compensation plan provider, presented an overview of the programs and a session on saving for retirement at the September All Staff meeting. The following week, Randi Carmen was available on-site to assist staff with enrolling or modifying the levels of participation in the program. The past month was also open enrollment season for all of AHA's benefit programs except for the flexible spending accounts (Cafeteria Plan), and staff had the opportunity to modify their current elections or enroll if they had not done so in the past.

On October 5, Janet Basta presented a workshop on resume writing to FSS participants enrolled in the parent group. Additional resources on writing cover letters and interviewing were also provided to attendees.

September 29 was the date of our annual clean-up/records retention day. Items identified for destruction will be included in an agenda packet in the upcoming months, once items proposed for destruction have been quality controlled.

Information Technology/Administration

Yardi held its annual Yardi Advanced Solutions Conference (YASC) during September in San Diego. The three management analysts in the Administration department attended the three-day training conference and the Director of Housing Programs. Staff attended classes on a wide range of topics including administration of the software system, summaries of new features in upcoming releases, set-up and operation for accounting systems, eLearning group permissions and best practices, and the operation and set-up of Rent Café. Staff is now reviewing some settings in Yardi to see if performance can be improved.

Staff assisted with the moving of IT equipment for the Rent Program and provided some coordination between the 3rd party IT firm and staff for the move and set-up at the new office.

During a recent internet outage of the main internet provider at the AHA's office, the back-up internet service provided staff with internet access within less than five minutes of the main system going down. The outage was due to issues on the vendor's side, but staff was minimally impacted due to the back-up system. This secondary system was procured a couple of years ago for just such an outage.

RECOMMENDATION

For information only.

Respectfully submitted,


Janet Basta
Director of Human Resources and Operations

JCB/TMSC



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To: Honorable Chair and
Members of the Board of Commissioners

From: Victoria Johnson
Director of Housing and Community Development

Date: October 18, 2017

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

AHA Office/Independence Plaza Elevator Repairs – Staff has begun efforts to install rescue devices on the elevators at the Housing Authority Office and Independence Plaza. The purpose of the device is to provide immediate rescue services in the event of a power outage – should such occur the carriage will automatically descend and open on the first floor.

China Clipper, Pool Demolition/Fill – Pendleton Construction has begun the demolition and fill of the non-operational swimming pool at China Clipper. The contractor will also be removing the chain link fence, masonry pillars and wood awnings from the site. The project is scheduled to be completed within 60 days.

Independence Plaza, ADA Upgrades – Staff has applied for the permits to ADA upgrade 20 units, common area entrances and the parking lot at Independence Plaza. Staff is simultaneously preparing the bid package, which will be published once the permit is secure.

Rosefield Village, 738 Eagle Avenue Substantial Rehab Project – The contractor has begun the finish work, as well as the exterior ADA ramp. The projected completion date is November 10.

San Diego Road Foundation Repair – Staff has been engaged to manage a residential rehab project for a City owned property located at 2815 San Diego Road. The scope, which is currently being defined, will primarily regard foundation repairs.



Maintenance Support – HCD Staff has been assisting Property Management with maintenance support, while the department works to fill the vacant supervisor position. Such projects have included heater repairs, water heater installation and landscaping services.

Inclusionary and Below Market Rate Programs

Staff administers the Below Market rate Homeownership Program on behalf of the City of Alameda. The policies that govern the program were approved about 20 years ago and the Board has previously asked staff to evaluate the program and to recommend ways that it can be improved.

Staff has begun analyzing the allocation of preference points. Currently, applicants for a BMR unit may receive a maximum of three preference points with one point awarded for each of the criteria below:

- Persons who live or work in the City of Alameda
- Persons who are first-time home buyers
- Households with more persons than available bedrooms (For example, a household of 4 or more would receive a preference point for a 3 bedroom unit.)

In 2015 – 2017, 32 new homes were available for sale. The total number of applications and distribution by total preference points is listed below:

Development	Home Type	Number Homes for Sale	Number of Eligible Pre-Applications	With 3 Preference Points	With 2 Preference Points	With 1 Preference Point	With 0 Preference Points
Alameda Landing Phase 1	TH	9	411	122	197	85	7
Alameda Landing Phase 2 - Symmetry Homes (3-bedrooms)	TH	4	516	228	206	79	3
Alameda Landing Phase 2 - Linear Homes (2-bedrooms)	TH	3	360	158	140	60	2
Marina Shores - 50% AMI	Condo	3	378	132	180	64	2
Marina Shores - 80% AMI	Condo	7	503	119	232	150	2
Marina Shores - 120% AMI	Single-Family Homes	6	449	131	211	101	6
TOTAL		32	2617	890	1166	539	22

Staff has also begun researching the preferences used by neighboring cities. Depending on our findings, we may recommend the use of different preferences,



starting in 2018 as part of the overall set of recommendation to update the program policies.

Community Development Block Grant (CDBG)

Staff is recommending the reprogramming of \$780,078 of CDBG funds that remain from FY 2010 – 2017. The proposed uses are:

- \$305,078 Replace the water main at Eagle & Everett
- \$350,000 Replace the bathroom trailer that is used by the Midway Shelter
- \$125,000 Structural Repair at San Diego Road Public Facility

Pre-development Loans

The Housing Authority has made separate pre-development loans to Island City Development on behalf of three development projects: Del Monte, Everett & Eagle and Rosefield. The Del Monte and Everett and Eagle loans have been repaid.

The original loan amounts and unexpended balances for Rosefield as of August 31, 2017 are shown below. This includes invoices that have been presented but not yet paid.

Rosefield Village

Pre-development Loan	\$1,000,000
Usage through August	\$ 261,136
Balance	\$ 738,864

Pipeline

Eagle & Everett Apartments – The construction closing transaction was completed on June 29th and a separate report on the project is attached. A successful and well-attended groundbreaking ceremony was held on October 5th.

Del Monte Senior - A separate report on the project is attached.

North Housing – A joint Board meeting with the BoC and members of the Alameda Point Collaborative and Building Futures with Women and Children boards is scheduled for 10/18/17. A separate report with a request for a pre-development loan is attached.

Rosefield Village – Staff will continue to work with a team of professional consultants to move the project forward and is scheduling interviews with development consulting firms that offer a broad range of services including the potential for a co-developer partnership. An update report will be presented to the Board by the end of the year.

Asset Management

Staff continues to collect data for the property profile summary spreadsheet and affordability matrix for the AHA portfolio, including partner properties. Staff manages the



eight (8) organizational entities for which we are responsible, including audit support, property tax exemptions, and regulatory and tax filings. Staff continues to support audit preparation and completes quarterly bank reporting to our financial partners.

The Playa del Alameda refinance closed on October 16, 2017. The AHA received proceeds in the amount of \$286,124. Staff was able secure assurance of future affordability through recording a Memo of Agreement that references the affordability requirements of the original AHA loan agreement.

RECOMMENDATION

For information only.

Respectfully submitted,

Victoria Johnson de

Victoria Johnson
Director of Housing and Community Development





Housing Authority of the City of Alameda

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To: Honorable Chair and
Members of the Board of Commissioners

From: Lynette Jordan
Director of Housing Programs

Date: October 18, 2017

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 month of August.

PAYMENT STANDARD PROPOSAL

HUD is required to annually review and publish Fair Market Rents (FMRs). Under the new regulations, HUD's proposed FMRs were published in the Federal Register on September 1, 2017, with an effective date of 30 days after the date of publication. A payment standard is the maximum amount of subsidy that AHA can pay to an owner on behalf of a voucher holder

Bedroom	0	1	2	3	4
2018 FMRs -published	\$1540	\$1855	\$2323	\$3219	\$3946

A full payment standard memo is provided on the consent calendar for review.

HOUSING PROGRAMS FUNDING AND UTILIZATION UPDATE

AHA Executive Management staff continued to meet bi-weekly in the month of September to monitor our funding and leasing options by utilizing the HUD Two-Year Forecasting Tool (TYT). Our forecast shows there will be close to \$294,000 remaining in HAP reserves at year-end or 1.2%.

Based on this data staff expects to change the deadline for leasing vouchers from November 15, 2017. There are currently 26 participants searching for housing in the City of Alameda. Reminder letters are drafted and will go out this month to all searchers and HPD will meet with Beyond Emancipation our Foster Youth referral agency this month to

remind them of the deadline as well. AHA will not issue any new vouchers and staff will continue to monitor our attrition rate and HAP spending, to make adjustments if needed.

Since launching the Landlord Leasing Incentive Program in August 2016, staff has successfully added **45 additional units**, which has helped AHA to maintain our lease-up rate for the Section 8 program. The leasing incentive will also end November 15.

FSS Recruitment

Active recruitment efforts continue in the FSS program. After hosting several FSS recruitment events we have enrolled two new program participants in the month of September, increased our waitlist of potential new program participants to eight. Our goal is to increase our total program enrollment to 35 active participants.

We had one participant graduate in the month of September with an escrow balance of \$35,692.76. This participant was been enrolled in the program for five years and was an active participant for the five-year program. Successful outcomes like this show us this program is very much worthwhile and beneficial.

Owner Workshop

HPD hosted the first of two Annual Owners Workshop sessions on September 21, 2017 from 2-4 pm at Independence Plaza. The workshop was open to all owners currently participating in the Housing Choice Voucher (HCV) program and any owners/landlords interested in participating in the program in the future.

The workshop included guest speakers from the following agencies:

- ECHO Fair Housing
- Environmental Health
- Vector Control
- AHA Housing and Community Development
- AHA Rent Program

This year's workshop included an appreciation presentation for our owners to thank them for their continued program participation. The owner's workshop was well received, and staff received very positive feedback from our owners and speakers.

The next workshop will be Thursday October 19, 2017 from 5-7pm to accommodate those owners on our program that work.

Staff Development

In the month of September

- HPD staff attended weekly Nelrod trainings held in-house.
- Yardi Conference in San Diego California on September 12-14.

Attending the annual Yardi conference is an opportunity to get the first hand information on what is new and what new technologies and upgrades Yardi has in the pipeline. The HPD department was in the process of implementing Rentcafe online recertification process when it was pulled and placed back into development. At the Yardi conference, staff had the opportunity to speak with either other PHA's who are in the implementation stage also or considering the use of Rentcafe. Networking with other PHA undergoing this process will be very valuable as staff moves forward in the process. Yardi production staff informed us there is a good chance Rentcafe will be ready to move forward as early as November.

Upcoming Training Schedule: (AHA will host on-site at Independence Plaza)

1. Housing Quality Standards (HQS) by Nan McKay & Associates Staff - October 23-26, 2017

This 3-day training provides information on general room standards, and an analysis of inspection results focusing on the four SEMAP indicators that relate to HQS inspections. This class also includes a discussion of the new Uniformed Physical Condition Standards (UPCS-V). Staff will learn what constitutes a decent, safe, and sanitary unit and hear about the latest guidance regarding biennial inspections.

2. Housing Choice Voucher (HCV) Occupancy Training- by NAHRO Staff - November 13-17, 2017

HCV Occupancy Training is three trainings: eligibility, rent calculation, and occupancy, all rolled into one. Upon completion of this training, staff should be able to explain and apply HUD regulations and guidance to determine eligibility, the intake process, occupancy, and rent calculation in the HCV program. In this training staff will also learn to calculate the HAP and family share for an HCV family using the payment standard, utility allowance, and gross rent.

HPD September Department Statistics

Statistics	Jul	Aug	Sep
Annual Re-examinations Processed	96	114	160
Rent Increases Processed	72	28	27
Interim Re-examinations Processed	50	32	46
HQS Inspections Conducted	55 55% pass rate	68 36% pass rate	55 44% pass rate
HQS in AHA Owned	0	0 Annuals	35 55% pass rate

	Annuals completed	completed	
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Voucher issuance and lease up data for September 2017

Statistics	Jul	Aug	Sep
Section 8 Movers seeking housing	10	4	10
New voucher holders seeking housing	24	15	11
Voucher holders ported out and seeking elsewhere	8	9	7
Total voucher holders seeking housing	42	28	28
Total vouchers leased up in month	1	7	6
Non- Port Leased up	0	7	3
Port Move-In Leased up	1	0	3
New Vouchers Issued	0 (HCV) 3 (FUPY)	0(HCV) 1(FUPY)	0(HCV) 0(FUPY)

RECOMMENDATION

For information only.

Respectfully submitted,

Lynette Jordan dc

Lynette Jordan
Director of Housing Programs

VC/all



Housing Authority of the City of Alameda

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Suzanne Warner
Director, Rent and Community Programs

Date: October 18, 2017

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

RENT PROGRAM:

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

CITY COUNCIL ITEMS:

AHA continues to operate the program under Ordinance 3148. The repeal of Ordinance 3180 will be effective October 19th, 2017.

Landmark Realty v. Housing Authority of the City of Alameda: On 09/19/17, the Housing Authority was named as a defendant in a lawsuit initiated by Landmark Realty LLC. The Complaint follows an administrative citation (AC 02381) issued for violation of Alameda Municipal Code Chapter VI, Article XV 6-58.35. The summons has been referred to the City Attorney's Office and they will be requesting to dismiss the Housing Authority as a named defendant.

STAFFING: Suzanne Warner joined the team as the Director of Rent and Community Programs on September 25th.

OFFICES: The Rent Program has moved offices effective October 2nd. Public services and meetings continue to be held at 701 and 703 Atlantic Avenue.

Respectfully submitted,

Suzanne Warner dc
Suzanne Warner
Director of Rent and Community Programs



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To: Honorable Chair and
Members of the Board of Commissioners

From: Lisa Caldwell, Director of Property Operations

Date: October 18, 2017

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

Effective July 1, 2017 The John Stewart Company took over the property management of Rosefield Village. AHA Property Management staff and The John Stewart Company staff are working closely to ensure a smooth transitions for the tenants. Weekly calls have been scheduled for the next few months to go over tenant, financial reporting and the property needs. The John Stewart Company was selected through an RFP process and we are confident they can meet the needs of AHA and the tenants.

VACANCY – September

Vacancies remain low due to the tight market conditions and the strong lease up coordination between the Property Management and Housing Programs departments. Applicants from our waitlists have been outreached or are in process for all vacant units. Three applicants are processed at a time for each vacancy.

Property	Unit #	Vacancies end of September	Rate
Anne B. Diament Plaza	65	0	0%
China Clipper Plaza	26	1	4%
Eagle Village	42	0	0%
Esperanza	120	0	0%
Independence Plaza	186	3	2%
Parrot Village	50	1	2%
Rosefield Village	46	0	0%
Combined Smaller Sites *	38	0	0%
Total	573	5	1%

*Lincoln House (4), Lincoln/Willow (5), Parrot Gardens (8), Senior Condos (7), Sherman Street (9), Stanford House (4) and 1 detached home located on Paru Street.

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 recently added Eagle Village.

In September there were four (6) units at Rosefield that were permanently offline due to the upcoming rehabilitation of the property, these units are not included in the vacancy numbers & rate listed above. Two additional units have become vacant since The John Stewart Company took over management in July. All units that become vacant at Rosefield will not be leased at this time. These units will be used to address any reasonable accommodations within Rosefield, right sizing current residents (not mandatory) and to move residents in substandard units if the vacant unit is in better condition. After all of the above are addressed the remaining vacant units will be moved offline.

RENT COLLECTIONS – September

Most rents for September were collected. Legal proceedings will be started on the households who did not pay if agreements cannot be reached for the past due payments. Many tenants have come gotten into the habit of paying their rent after the 5th of the month and either including the \$10 late fee as part of their rent or not paying the late fee at all. There are many tenants that owe over \$100 in late fees. Having to chase down the late fee payments and issuing numerous 3-day notices each month has become an administrative burden on staff. Referrals are made to the social workers each month for late payers and almost all pay after the 3 day notice is up. Staff will be raising the late fee from \$10 to \$25 effective January 1, 2018. A \$25 late fee is standard in the affordable industry. All residents will receive notice of the upcoming change.

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

GPR - Budget vs. Collected

Property	ABD	China Clipper	Eagle Village	ESP	IP	Parrot Village	All Other Sites	Total
					Tenant Rent Only			
Budgeted GPR	72,500	31,358	77,014	254,047	131,840	109,460	45,750	721,968
Collected	81,451	30,007	74,165	297,130	132,083	138,375	48,148	801,359
Collection Rate	112%	96%	96%	117%	100%	126%	105%	111%

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

Below are the collection rates for Rosefield Village for the months of July and August. For both months the property collection rate was above 95%. As mentioned above there are currently 6 units offline at Rosefield.

GPR - Budget vs. Collected

Rosefield	July	August
Budgeted GPR	79,531	79,531
Collected	84,700	84,787
Collection Rate	106%	107%

Rent increase notices for 2017 are wrapping up for all sites (except Independence Plaza). The rent increase notices are provided 60 days prior to the effective date. 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 tenant based voucher holder households that are over housed and paying for an extra bedroom outside of the voucher size. Increases are generally within 5%. However the contract rent remains significantly lower (20-30% lower) than the payment standard. Over time if the agency has sufficient HAP funds available, contract rents should be brought closer to the payment standard which will help with cash flow and upgrades at the sites.

Staff is preparing for 2018 rent increases. Increases will be within the 5% range again and are still below the payment standard.

All residents at Independence Plaza have not had rent increases since 2014 and after 2026, the property will not be operation if rents are not increased significantly due to the loss of RDA funds. Staff will be presenting a rent increase structure to the Board in November.

Effective September 1st only one rent level is available for new move ins at Independence Plaza. The new move in rents will be:

Bedroom Size	Rent
1 bedroom	\$900
2 Bedroom	\$1100

Any future change to rent levels will be provided in writing from the Executive Director.

All new move-ins (except reasonable accommodation transfers from other AHA owned sites) will come from the Affordable Waitlist opened in 2016. All existing tenants who applied to be on this list were added to the list in 2016. Existing residents on the 2016 affordable waitlist may be offered a unit at the new move in rents once their name comes to the top of the waitlist, provided that they are income qualified. They do not need to move but the unit will be re-designated as "Affordable".

Reasonable accommodation requests transferring into IP from other AHA owned properties must be proposed by the Director of Property Operations and approved by the Executive Director. Such transfers must meet all other new move in conditions.

CONTRACTS

The majority of property management related contracts have been brought to the board for extensions and approval of contract amendments not to exceed 5 years. The only pending contract at this time is the elevator service contract which expired July 31, 2017 and is at its 5 year term. Due to staff changes within the Agency we have entered into a 6 month extension to the original contract and are committed to going through the RFP process before the 6 month extension is over. The estimated time of the start of the RFP process for the elevator service contract will be November of this year.

RESIDENT SERVICES

For the month of September LifeSTEPS provided 116.25 hours of individual case management to 236 residents on matters of rent, utilities, housekeeping, coping and emotional support, transportation assistance, healthcare and medical needs.

LifeSTEPS provided 8 educational classes in September. 3 classes were held at Anne B. Diamante, 1 at Esperanza, 3 at Independence Plaza and 1 for our scattered sites for a total of 55 participants. Topics for the workshops included Emergency Preparedness, Fall Prevention Awareness, and Money Smarts on a Fixed Income.

Furthermore, 24 hours were spent conducting community building enrichment activities such as a donut social, coffee social, breakfast potluck and an open forum discussion with a total of 55 residents throughout our portfolio attending. Additional services for the month included a food giveaways in conjunction with the Alameda food bank and nutrition classes, and educational scholarship outreach. 518 residents attended these additional services.

Activity	Participants	Hours
Educational Classes	55	7.50
Additional Services and Education	518	33.5
Individual Case Management	236	116.25
Community Building Enrichment Activities	55	24

The Reading Room at Esperanza is open weekly for children's reading and other activities. Alameda Family Services continues to provide services at Esperanza for families, seniors and the homeless. The agreement is up for renewal in the fall and discussions have commenced.

After school services are provided the Boys & Girls Club of Alameda and are open to all AHA households under a Memoranda of Understanding (MOU).

In a new partnership with AHA, the Alameda Food Bank is now providing services twice a month to both Anne B Diament and independence Plaza. The following households total were served. It is hoped to expend this service to Esperanza in coming months.

Property	Total number of units	May households served (two deliveries)
Anne B Diament	65	38 (one delivery for September)
Independence Plaza	186	40, 48

MAINTENANCE

The Maintenance Supervisor position is currently vacant and recruitment has begun. The job was posted on August 31st and we hope to have the position filled soon.

Annual HQS inspections for 2017-2018 have begun at Eagle Village.

Staff has completed the preventive maintenance for Eagle Village and are currently working on preventive maintenance at Ann B. Diament.

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

Month	Goal	July	August	September
Emergency	24 Hours	16.00 Hours	Within 24 Hours	Within 24 Hours
Urgent	3 Days	2.75 Days	2.00 Days	2.00 Days
Routine	7 Days	6.00 Days	6.00 Days	4.00 Days

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

Work Order Analysis by Completion Month

Year: 2017

Property Name	Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
AHA OFFICE	N/A	8	8	16	12	14	14	25	25	10				132
SHERMAN STREET	9	5	12	7	3	2	2	1	2	3				37
LINCOLN HOUSE	4	4	4	4	4	2	3		2	2				25
ESPERANZA	120	75	93	199	92	48	45	42	63	27				684
PARROT VILLAGE	50	77	36	29	28	25	32	26	28	17				298
Detached Homes	1	1												1
ANNE B DIAMENT PLAZA	65	24	16	28	27	18	19	12	75	39				258
ROSEFIELD VILLAGE	46	47	55	34	12	15	14		2	1				180
PARROT GARDENS	8	9	3	5	2	2	3	2		1				27
STANFORD HOUSE	4	3	4	5	6	4	1		3					26
LINCOLN/WILLOW	5	2	9	9		1	1		1	1				24
SENIOR CONDOS	7	2	7	4	2		4	1	2					22
CHINA CLIPPER PLAZA	26	39	18	10	8	6	6	11	10	4				112
EAGLE VILLAGE	42	9	7	16	11	24	20	14	59	25				185
INDEPENDENCE PLAZA	186	92	61	76	155	177	82	47	77	44				811
Total	573	397	333	442	362	338	246	181	349	174				2,822

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

FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

For information only.

Respectfully submitted,

Lisa Caldwell
Lisa Caldwell
Director of Property Operations

VMC/all



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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: October 18, 2017

Re: Sherman & Buena Vista LP Project Update

BACKGROUND

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

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

DISCUSSION

Construction of the Project started on December 27, 2016. The current percent complete as of the end of September billing is 54%. To date, a total of 50 days of time extensions have been approved due to rain delays, plan coordination issues, design omissions and other factors.

Current construction activities include building weather barrier and lath and stucco installation. The PVC roof is nearly completed. First floor sheet rock in process. Electrical rough-in is continuing.

The construction contract totals \$11,148,028. The development budget includes a 5% hard cost construction contingency in the amount of \$557,401. There are three owner

approved prime contract change orders (PCCO) at this time. Approved PCCOs now total \$162,059 including both added costs and credits. There are other change order requests and proposed credits currently under review by staff and the design team.

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	12,306	149,753	11,310,087
Construction Contingency	557,401	-12,306	-149,753	395,342
Soft Cost Contingency	143,686	-351	-34,525	108,810

General Construction Contract Utilization				
Contract Total	Value of Work Completed	Retention Withheld	Payments to Date	Balance to Finish
11,310,087	6,129,039	612,904	5,516,135	5,793,952

As required by the Tax Credit Allocation Committee (TCAC), the 10% test has been certified and submitted.

FINANCIAL IMPACT

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

	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land	3,435,000	3,435,000	100%	
Hard Costs	11,705,429	5,516,135	47%	6,189,294
Soft Costs	4,059,874	2,303,438	57%	1,756,436
Total	19,200,303	11,254,573	59%	7,945,730

Honorable Chair and
Members of the Board of Commissioners

October 18, 2017
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Respectfully submitted,



Vanessa M. Cooper
Executive Director

VMC:tl



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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: October 18, 2017

Re: Everett and Eagle LP Project Update

BACKGROUND

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

The Everett and Eagle LP (2437 Eagle Family) project (Project) includes the new construction of 20 units located at 2437 Eagle Ave. The ground breaking ceremony was held on October 5, 2017. 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.

DISCUSSION

Construction of the Project started on July 7, 2017. The current percent complete as of the end of September billing is approximately 7%.

Current GC activities include site grading underground utility installation and ground improvement work (drilled displacement columns).

The construction contract totals \$11,593,223 including two approved prime contract change orders for a total of \$36,957. 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	11,556,226	25,495	11,463	11,593,223
Construction Contingency	577,813	-25,495	-11,463	540,855
Soft Cost Contingency	148,371	-1,670	-47,252	99,449

General Construction Contract Utilization				
Contract Total	Value of Work Completed	Retention Withheld	Payments to Date	Balance to Finish
11,593,223	823,634	82,363	741,271	10,851,952


FINANCIAL IMPACT

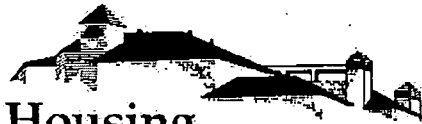
A pre-development loan from AHA to ICD in the amount of \$1M was made on behalf of the Project and was paid back in August.

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	741,271	6%	11,392,808
Soft Costs	2,759,942	1,670,073	61%	1,089,869
Total	14,928,921	2,427,178	16%	12,501,744

Respectfully submitted,


Vanessa M. Cooper
Executive Director
VMC:tl



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To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: October 18, 2017

RE: Budget Variance Report for June 30, 2017

BACKGROUND

On May 18, 2016 the Board of Commissioners approved a two-year operating budget for all programs covering the fiscal years July 1, 2016 through June 30, 2018. A revision was approved May 17, 2017 by the Board of Commissioners. This high-level, year-end Budget Variance Report covers preliminary unaudited financial operating results compared to the revised budget approved in May, for the 12-month period of July 1, 2016 to June 30, 2017. Although the year-end financial data is accrued, the month-to-month financials are on a cash basis. The numbers are subject to change based on the final audit report.

DISCUSSION

Revenue

Overall, total revenue income is higher than the year-to-date budget by \$3,732,759 (8%). This is mainly due to the cash donation to AHA of \$3.6 million from developer, Tim Lewis Partners, and the land donation to AHA valued at \$3.41 million from City of Alameda for the Del Monte Affordable Housing Project. AHA subsequently made a loan to ICD's Sherman Buena Vista LP in the donated amount for the project and leased the donated land into the Limited Partnership as well. Therefore, neither the land nor the funds are available to cover the current year's operational expenses. There is also a land lease related prior year adjustment of \$4mn. Again, this is not available as cash as it is an appraisal value.

The net rental income (total tenant revenue) is \$11,549,281 (7%) higher compared to budget due to low vacancy rates in the very tight housing market in the Bay Area, especially for low-income tenants and Housing Choice Voucher (HCV) holders. See the Property Operations overview for details on vacancies and rent collection.

Agency-wide, the Other Income including the land and cash donations mentioned above and the professional service revenue is \$138,367 (2%) less than the year-

to-date budgeted revenue. This is mainly due to the lower amount of the billing for the CDBG program due to vacant positions. These positions have now been filled.

Administrative Fee income in the HCV Program is higher than the year-to-date budget by \$82,0011 (5%). This is mainly due to a higher disbursement by HUD of the Administrative Fee revenue compared with our budgeted revenue which included a project higher proration than actual.

Expenses

Agency-wide total operating expenses are lower than the year-to-date budget by \$143,777(1%). This is mainly due to the lower benefit expenses by \$260,419 (31%). Please note that salary and benefit expenses include temporary staffing costs, which are considerably above budget due to the use of temporary staff to fill permanently budgeted positions at this time. The Board was previously notified that legal, expenses would be above budget for the year. Maintenance contracts are above budget, but are offset by lower salary and benefit costs due to vacancies.

The pension contribution (PERS/PARS) line exceeds budget by \$975,170 due to the unbudgeted but required OPEB contribution made at the year-end to the AHA's CBERT fund held with CalPERS for post-employment benefits.

The AHA made a one million dollar donation to the City for the Estuary Park in December 2016, as previously approved by the Board. This was taken from the reserves of Esperanza. However, because this was not booked as a receivable in 2014 when the obligation was made, the item appears in this fiscal year as an expense, which is required by accounting rules (GAAP).

Net income (before depreciation and principal payments) is \$13,198,146. This is \$5,373,293(\$69) over budget most of which is made up in the land and cash donations and the \$4mn prior year adjustment.

HOUSING ASSISTANCE PAYMENTS (HAP) PASS-THROUGH

The Housing Assistance Payments (HAP) Pass-through budget includes all the Housing Choice Voucher/Section 8, Shelter Plus and Bessie Coleman (SRO) programs. The year-to-date HAP revenue is \$1,256,778 (5%) below the budget. The HAP payments to landlords are \$26,385,637 (5%) less than the year-to-date budget. The budget was based on the 2016 Budget Authority which was cut by HUD to 97.1% proration in 2017.

HUD established a project reserve, whereby AHA can draw additional HAP funds if our HAP costs exceed any month's HAP budget authority. This HUD-held HAP reserve began with a balance of \$3.6 million dollars at the start of the calendar year. Staff will continue to monitor closely the HAP revenue and expenditure, and the federal budget process to ensure a sufficient cash flow for the program. In order to make HAP payments over \$3m will be or was drawn from reserves and the

current projection for year-end HUD-held reserves is \$294,000. See the Payment Standards memo for more information on leasing and steps Staff is taking to manage HUD Budget Authority and reserves.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

Nan McKay and Associates continues to provide on-site consulting and training services full-time in the absence of a Director of Finance. A number of other positions have been filled with temporary staff and recruitment is ongoing for positions currently vacant. See consent agenda item regarding an extension of the Nan McKay contract.

The 2016-17 audit is currently underway, with field visits throughout October. Field-testing for the Section 8 program is almost complete. The audit report will be presented in early 2018.

The Resident Manager II has recently started accepting rent checks at Independence Plaza, providing additional convenience and service to the seniors onsite. The goal is to roll out this service at Anne B. Diamant in the next 12 months.

Staff is working on a number of improvements to the General Ledger, Yardi accounting system and especially the budgeting module to improve financial reporting. An effort is also underway to supplement our finance policies with step-by-step desk instructions for each key role to assist with continuity of knowledge.

Staff issued an RFP for auditors earlier this summer. HUD requires that the audit contract be rebid every 5 years. Five firms submitted and interviews will take place in November. Commissioner Kurrasch will serve on the panel along with staff and the Board will make the final selection.

RECOMMENDATION

For information only.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VC

Attachments: 1. Budget Variance Report

Budget Comparison June 30, 2017

	YTD Actual	YTD Budget	Variance	% Var
INCOME				
REVENUE				
TENANT REVENUE				
Vacancy Loss	0	-576,793	576,793	100
Rent Free Unit	0	-122,532	122,532	100
Write Off	0	-115,358	115,358	100
Net Tenant Rental Revenue	3,598,210	0	3,598,210	N/A
Maintenance Charges	36,084	13,650	22,434	164
Late Charges	5,880	650	5,230	805
Tax Increment Payments from the City of Alameda	1,505,282	1,500,633	4,649	0
Tenant HAP Subsidy	6,374,405	6,367,719	6,686	0
Commercial Rents	29,420	27,911	1,509	5
TOTAL TENANT REVENUE	11,549,281	10,763,381	785,900	7
FEDERAL GRANTS				
HAP Revenue	317,615	0	317,615	N/A Shelter Plus Program
TOTAL FEDERAL GRANTS	317,615	0	317,615	N/A
OTHER INCOME				
Investment Income - Unrestricted	88,475	0	88,475	N/A
Interest Income	50,978	84,309	-33,331	-40
Coupon/Interest/Dividend Income	50,492	0	50,492	N/A
Investment Income - Realized	-2,681	0	-2,681	N/A
Interest on Equip. Reserve	1,300	0	1,300	N/A
Mortgage Interest Income	3,033	0	3,033	N/A
Investment Income- Restricted	7	0	7	N/A
Interest - Replacement Reserve	7,147	0	7,147	N/A
Other - Income	7,037,666	7,010,000	27,666	0
Laundry Commission	30,756	30,671	85	0
Land Fee/Ground Lease	5,364	9,405	-4,041	-43
Other Miscellaneous Revenue	4,392	0	4,392	N/A
Professional Service Revenue	1,212,907	1,515,960	-303,053	-20
Fraud Recovery	5,037	0	5,037	N/A
Other Management Fees	10,436	0	10,436	N/A
Miscellaneous Other Revenue	100	0	100	N/A
Gain/Loss on Sale of Fixed Assets	6,569	0	6,569	N/A

Budget Comparison June 30, 2017

	YTD Actual	YTD Budget	Variance	% Var
TOTAL OTHER INCOME	8,511,978	8,650,345	-138,367	-2
HUD GRANT				
HUD Operating Grants	-26,601,471	-27,858,249	-1,256,778	-5
Administrative Fees from HUD	-1,683,079	-1,601,068	82,011	5
PORT-In Administrative Fees	7,103	0	7,103	N/A
Administrative Fees Paid (PORT-Outs)	64,724	0	-64,724	N/A
Prior Year Adjustments	-4,000,000	0	4,000,000	N/A to be reclassified
TOTAL HUD GRANT	32,226,929	29,459,317	2,767,612	9
TOTAL REVENUE	52,605,802	48,873,043	3,732,759	8
EXPENSES				
OPERATING EXPENSES				
ADMINISTRATIVE				
Administrative Salaries	3,162,507	3,353,676	191,169	6
Temporary Help - Administrative	387,682	191,317	-196,366	-103
Auditing Fees	32,500	45,636	13,136	29
Admin Employee Benefits - Medical/Dental	577,686	838,105	260,419	31
Admin Employee Benefits - PERS/PARS	1,265,390	290,220	-975,170	-336
Admin Employee Benefits - FICA	46,122	64,668	18,546	29
Admin Employee Benefits - SUI	14,163	28,755	14,592	51
Admin Employee Benefits - Life/LTD	18,433	36,971	18,538	50
Employer Benefits Contributions - Other	12	0	-12	N/A
Admin Employee Benefit - WC	22,007	26,451	4,444	17
Employer Benefit Contribution - WC	0	81	81	100
Office Supplies/Equipment	83,818	70,518	-13,300	-19
Dues & Subscriptions Publications	15,563	8,089	-7,474	-92
Postage	22,986	53,268	30,282	57
Telephone	38,195	41,628	3,433	8
Bank Charges and Check Supplies	30,878	32,129	1,251	4
Forms and Copies/Printing	9,594	0	-9,594	N/A
Classified Ads and Public Notices/outreach material	38,511	16,160	-22,351	-138
Legal Expense	218,511	147,356	-71,155	-48

Budget Comparison June 30, 2017

	YTD Actual	YTD Budget	Variance	% Var
Payroll charge	7,186	7,161	-25	0
Office Rent	0	16,970	16,970	100
Administrative Support	0	47,500	47,500	100
Training/Conferences and Travel	104,074	99,028	-5,046	-5
Membership Dues and Fees	8,196	0	-8,196	N/A
Collection Loss	-9,666	0	9,666	N/A
Contracts - Administrative Services/Consultant	246,434	289,813	43,379	15
Contracts - Application Service Provider - Yardi	133,370	151,401	18,031	12
Contracts - Computer/Telephone Maintenance/Email	99,322	122,551	23,229	19
Contracts - Housing Program Services	432	0	-432	N/A
Contracts - Human Resource Services	9,863	43,001	33,138	77
Contracts - Housing Inspection Services	43,428	51,308	7,880	15
Contracts - Temporary Labor	0	17,245	17,245	100
Contracts - Office Machine Maintenance	3,289	15,351	12,062	79
Contracts - Office Machine Lease	11,011	0	-11,011	N/A
Contracts - Web Hosting/Maintenance/Web Ads	24,958	36,133	11,175	31
Association Dues	29,750	28,400	-1,350	-5
TOTAL ADMINISTRATIVE	6,696,208	6,170,889	-525,318	-9
TENANT/SOCIAL SERVICES/POLICE				
Tenant Services - Salaries	77,797	127,496	49,699	39
Police Services	210,000	210,000	0	0
TOTAL TENANT/SOCIAL SERVICES/POLICE	287,797	337,496	49,699	15
RELOCATION				
TOTAL RELOCATION	10,475	29,109	18,634	64
TENANT SERVICES EMPLOYEE BENEFITS AND INSURANCE				
TOTAL TENANT SERVICES EMPLOYEE BENEFITS AND I	53,094	85,041	31,947	38
TENANT SERVICES				
TOTAL TENANT SERVICES	133,339	168,338	34,999	21
UTILITIES				

Budget Comparison June 30, 2017

	YTD Actual	YTD Budget	Variance	% Var
Water	237,785	244,066	6,281	3
Electricity	125,205	133,314	8,109	6
Gas	52,123	53,449	1,326	2
Sewer	262,062	310,985	48,923	16
Garbage	439,752	480,059	40,307	8
TOTAL UTILITIES	1,116,927	1,221,873	104,946	9
MAINTENANCE				
MAINTENANCE SALARIES				
Maintenance - Salaries	823,013	1,151,061	328,048	29
TOTAL MAINTENANCE SALARIES	823,013	1,151,061	328,048	29
MAINTENANCE MATERIALS				
TOTAL MAINTENANCE MATERIALS	172,879	239,525	66,646	28
MAINTENANCE CONTRACTS				
TOTAL MAINTENANCE CONTRACTS	1,043,448	955,988	-87,460	-9
MAINTENANCE EMPLOYEE BENEFITS				
TOTAL MAINTENANCE EMPLOYEE BENEFITS	332,019	525,304	193,285	37
TOTAL MAINTENANCE	2,371,359	2,871,878	500,519	17
GENERAL EXPENSES				
Interest Expense	1,053,376	1,094,298	40,922	4
Mortgage Financial Service Charge	65,591	0	-65,591	N/A
Other Expense	521	0	-521	N/A
Insurance - Workers Compensation	7,424	464	-6,960	-1,500
Insurance - Liability	50,930	30,304	-20,626	-68
Insurance - Property	72,965	70,370	-2,595	-4
Insurance - Vehicle	9,017	9,881	864	9
Other General Expenses	17,142	0	-17,142	N/A
TOTAL GENERAL EXPENSES	1,276,965	1,205,317	-71,648	-6

Budget Comparison June 30, 2017

	YTD Actual	YTD Budget	Variance	% Var
TOTAL OPERATING EXPENSES	11,946,164	12,089,941	143,777	1
MOD REHAB AND SPC EXPENSES				
TOTAL MOD REHAB AND SPC EXPENSES	24,789	206,664	181,875	88
EXTRAORDINARY EXPENSES				
Pre-development Cost	4,163	100,000	95,837	96
TOTAL EXTRAORDINARY EXPENSES	4,163	100,000	95,837	96
HOUSING ASSISTANCE PAYMENTS (VOUCHER)				
Housing Assistance Payments - Landlords	26,301,864	27,651,585	1,349,721	5
Housing Assistance Payments - FSS	49,197	0	-49,197	N/A
Utility Allowance to Tenants	34,576	0	-34,576	N/A
TOTAL HOUSING ASSISTANCE PAYMENTS (VOUCHER)	26,385,637	27,651,585	1,265,948	5
OTHER EXPENSES				
Depreciation Expense (added back npn- cash item)	1,469,513	0	-1,469,513	N/A
Donations	1,001,000	1,000,000	-1,000	0
TOTAL OTHER EXPENSES	2,470,513	1,000,000	-1,470,513	-147
TOTAL EXPENSES	40,831,266	41,048,190	216,924	1
NET OPERATING INCOME	11,728,633	7,824,853	3,903,780	50
Depreciation Expense (added back non- cash item)	1,469,513	0	-1,469,513	N/A
NET INCOME	13,198,146	7,824,853	-5,373,293	-69%



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: October 18, 2017

RE: Authorize the Executive Director to negotiate and approve an extension of amount (and term) for the contract between the Housing Authority of the City of Alameda and Nan McKay and Associates up to a total not to exceed amount of \$280,000 to extend the end date to June 30, 2018

BACKGROUND

AHA first engage with Nan McKay as a result to an RFP process issued in June 2016 for financial systems and controls review and on-going consulting services. In early 2017, Nan McKay did a financial review of the finance department and started providing monthly support services. With the change in staffing in the summer, Nan McKay is now providing full-time finance management services. The contract has been increased over the course of the past 7 months subject to the Executive Director's maximum approval of \$250,000. The current contract's do not exceed is at slightly less than \$173,000 and expires October 31, 2017.

DISCUSSION

The services that are currently provided included day-to-day financial processing; supervision and staff training; submission of the routine HUD reports including the VMS and FDS; and audit preparation.

To date the following amount has been spent since January 1 under this contract: \$113,600 (not including September's services). It is expected that monthly services will continue to run at approximately \$14,200 per month until a new hire is in place.

Staff are working to recruit a new Director of Finance and Controller. However, the recruitment market is especially tough at this time. AHA is one of four comparative Public Housing Authorities that have conducted or are conducting searches in the past 2-3 months for finance positions. It is essential to retain these services to maintain the day-to-day working of the Finance department and the agency. Once a new hire is in place, Nan McKay will provide hand-over and coaching services as needed to assist with continuity and successful onboarding.


FINANCIAL IMPACT

The costs will be met with salary and benefits savings in the Finance Department.

RECOMMENDATION

Authorize the Executive Director to negotiate and approve an extension of amount (and term) for the contract between the Housing Authority of the City of Alameda and Nan McKay and Associates up to a total not to exceed amount of \$280,000 to extend the end date to June 30, 2018

Respectfully submitted,


Vanessa M. Cooper
Executive Director

VMC

Attachment: Amendment No. 1 to Consultant Agreement

AMENDMENT NO. 1 TO CONSULTANT AGREEMENT

This Amendment of a Consultant Agreement by and between the Housing Authority of the City of Alameda, public body, corporate and politic (hereinafter "AHA") and Nan McKay and Associates, a California corporation, whose address is 1810 Gillespie Way, Suite 202, El Cajon, CA 92020 (hereinafter "Consultant"), made with reference to the following:

RECITALS

- A. On November 1, 2016 a Consultant Agreement was entered into by and between AHA and Consultant.
- B. The effective date of this Amendment shall be November 1, 2017.
- C. The Original Consultant Agreement limited the Compensation to Consultant to not exceed thirty-nine thousand three hundred forty and zero cents (\$39,340.00) for the initial one-year term of the contract.
- D. Six contract modifications have been executed increasing the do not exceed total to one hundred seventy-two thousand three hundred ninety-six and zero cents (\$172,396.00).
- E. The original expiration date of the contract was October 31, 2017, but allowed for up to four 1-year extensions.
- F. All conditions of the Consultant Agreement will remain the same except as amended below.

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

The contract shall be extended for an 8-month term to June 30, 2018.

The Compensation to Consultant will include an additional one hundred seven thousand six hundred four dollars and zero cents (\$107,604.00), so the not to exceed amount will modified to two hundred eighty thousand dollars and zero cents (\$28039,340,000.00).

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

Nan McKay and Associates

Housing Authority of the City of Alameda

Raymond G. Adair
Vice President, Financial Services

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 Commission

From: Vanessa M. Cooper
Executive Director

Submitted by Lynette Jordan, Director of Housing Programs

Date: October 18, 2017

Re: Increase the 4- and 5- Bedroom PBV Payment Standards, Which Have
Fallen Below the 90% level to the 90% Minimum, Effective November 2,
2017

BACKGROUND

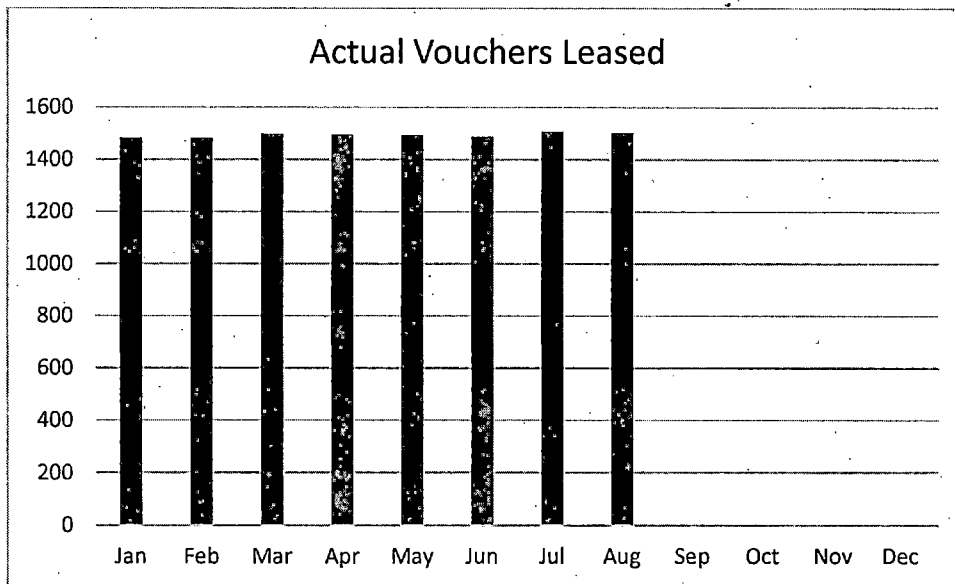
HUD is required to annually review and publish Fair Market Rents (FMRs). Under the new regulations, HUD's proposed FMRs were published in the Federal Register on September 1, 2017, with an effective date of 30 days after the date of publication. A payment standard is the maximum amount of subsidy that AHA can pay to an owner on behalf of a voucher holder.

Bedrooms	0	1	2	3	4
2015 FMRs - final	\$1,039	\$1,260	\$1,585	\$2,213	\$2,716
2016 FMRs - final	\$1,380	\$1,663	\$2,103	\$2,932	\$3,268
2107 FMRs - final	\$1,435	\$1,723	\$2,173	\$3,017	\$3,477
2018 FMRs - published	\$1,540	\$1,855	\$2,329	\$3,219	\$3,946

FMRs are used to determine payment standard amounts for the Housing Choice Voucher program and to determine rents for Project-Based Voucher contracts. The U.S. Department of Housing and Urban Development (HUD) annually estimates FMRs based on the 40th percentile of rents charged for standard rental housing in the FMR areas. HUD requires Housing Authorities to set Payment Standards between 90% and 110% of the FMR.

DISCUSSION

With significantly higher Payment Standards in 2016-2017, Housing Choice Voucher participants have been successful in leasing units despite a tight market. Through an aggressive marketing campaign, including the financial owner incentives, staff was able to add an additional 45 new units to the program, which helped to stabilize leasing. The chart below shows the number of leased vouchers over the past year (January through August 2017). This table shows that the program has stabilized the number of vouchers under lease during this time. The new units do not reflect an increase in leased voucher holders because some participants have been displaced but were not able to find a new unit to lease.



In CY 2016, AHA had a budget authority of \$25,688,988 (1,845 units). Actual leasing was 17,964 unit months for the year (average of 1,497 units per month or 81.1% of units). Actual expenditure for the year was \$24,256,763 or 94.4% of budget authority. With the over 30% increase in payment standards between 2015 and 2016, resulting from the market study, HUD provided an additional 11% of HAP to spend. Budget Authority expenditure increased in late 2016 and early 2017 as owner-submitted rent increase requests were processed

In CY 2017, AHA had a Budget Authority of \$24,095,159 (1,845 units) based on a 97.1% proration of actual HAP spent in CY2016. From January through August 2017 actual leasing is 11,961 unit months for the year (average of 1,495 units per month or 54% of

annual unit months available which is 81% using 8 months). Actual expenditure was \$18,177,666. Using only 8/12ths of the annual Budget Authority, this is a 113% utilization rate. Projected total expenditure, due to the higher payment standards is \$27,476,704. AHA started the fiscal year with \$3,674,311 in HUD-held reserves. Due to the proration and increased per unit costs, staff expects to expend \$3,381,269 of the HUD-held reserves by the year-end, which will leave approximately \$293,042 in HUD-held reserves.

For CY2018, the funding outlook is still unclear with the Continuing Resolution due to expire December 15, 2017. Staff recommends taking an extremely cautious approach until funding is clear. Although AHA should receive renewal funding based on actual HAP spent in 2017, there may be another proration and AHA must reserve sufficient HAP reserves to bring on 42 PBV units at Del Monte and Eagle in 2018. In order to avoid shortfall, Staff is planning to terminate all searching new vouchers (with the exception of continued movers) effective November 15, 2017, and will consider, if necessary, stopping PBV to HCV conversions and port absorptions. If AHA is close to shortfall at the end of the year, HUD may require all leasing to halt.

Below are the 2017 Housing Choice Voucher Payment Standards. Staff is proposing no changes to the HCV Payment Standards at this time, although it should be noted that the actual standards would be around 100% of FMR for all unit sizes, which may slow lease up for movers.

Unit Size	10/02/16 Payment Standard	Proposed HCV	Percent of FMR
0	\$1578	\$1578	102%
1	\$1895	\$1895	102%
2	\$2390	\$2390	103%
3	\$3318	\$3318	103%
4	\$3824	\$3824	97%
5	\$4397	\$4397	97%

Our Administrative Plan allows for the Project Based Voucher (PBV) payment standards to be different than the HCV payment standards. Staff is suggesting continuing this approach since we have few recruitment difficulties with PBV properties though owners still need to be able to cover increasing costs of operations. There would be no change to the PBV payment standards for zero to three bedrooms as they are between the required 90-110%, of FMR. Staff will only make an adjustment to the four and five bedroom PBV payment standards that are now below 90% of the new FMR. This decision could be revisited in 2018 if additional HAP funds are available. Due to limits on the HUD-held reserves, it is important that funds be targeted at private market owners who will take HCV in an attempt to retain private landlord voucher housing.

The current and proposed payment standards for PBV are below:

Unit Size	05/2/2017 Payment Standard	Proposed PBV	Percent of FMR
0	\$1423	\$1423	92%
1	\$1723	\$1723	93%
2	\$2173	\$2173	93%
3	\$3017	\$3017	94%
4	\$3477	\$3552	90%
5	\$3998	\$4085	90%

FINANCIAL IMPACT

There is no anticipated fiscal impact to these changes. The revised PBV payment standards would affect only four and five bedroom units at Project-Based Voucher properties based on their renewal date. There are (37) four and five bedroom units and they are all located at Alameda Point Collaborative, Esperanza, and Parrot Village. Since all AHA properties charge significantly below the Payment Standards, the fiscal impact is expected to be neutral for the AHA PBV contracts. There are six four-bedroom units at APC, which are all at the payment standard, so HAP payments may increase \$450 per month starting June 2018 if the comparable units show that APC can charge the payment standard. This would be approximately \$18,900 for calendar year 2018 in additional HAP.

One impact could be that being a Section 8 landlord in the private market is less attractive, due to the less competitive rents and more Section 8 tenants are given notices. However, adjustments can be made in 2018 if AHA receives additional funding for 2018. Staff also recognizes the need to plan carefully for the 2018 year as there are two additional PBV properties coming on line that will need to be funded.

RECOMMENDATION

Increase the four and five bedroom PBV payment standards, which have fallen below the 90% level to the 90% minimum, effective November 2, 2017.

Respectfully submitted,

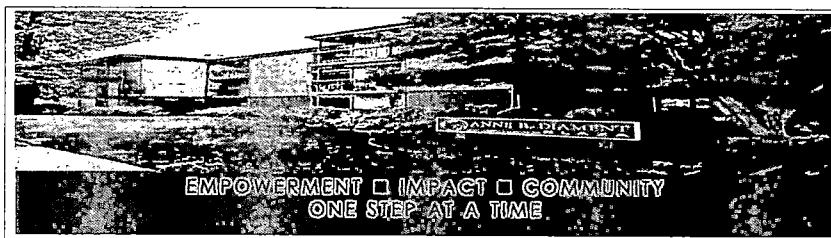
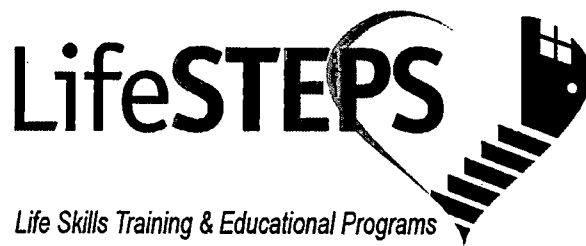


Vanessa M. Cooper
Executive Director

VMC/lj

ITEM 9-B

**LifeSTEPS Annual Report on Social Services
(Presentation – 15 minutes)**



OUR MISSION

is to provide effective educational and supportive services to maximize the strengths of individuals and build resilient communities.

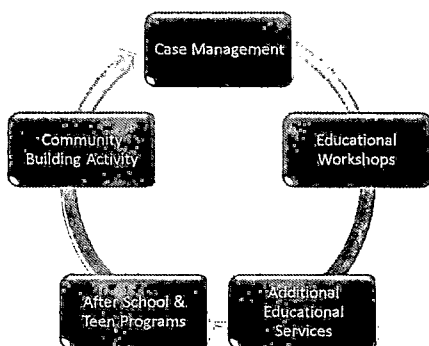
OUR VISION

is that every person touched by LifeSTEPS will be empowered with the skills, resources, and support to maintain stable housing and break the cycle of poverty.



EMPOWERMENT ■ IMPACT ■ COMMUNITY
ONE STEP AT A TIME

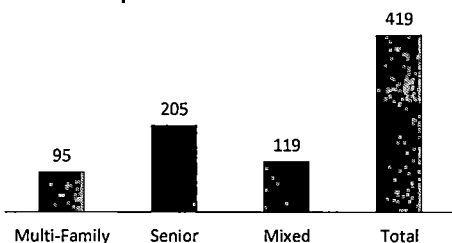
WHAT WE DO



- 300+ Communities in CA
- 30,000+ Homes (40% Senior)
- 55,800+ Bedrooms
- Wrap-Around Social Services to Affordable Housing Residents
- Supportive Services to Chronically Homeless, Veterans, Senior and Disabled populations
- Family Self-Sufficiency Program

AHA UNITS TOUCHED*

Unduplicated Households Served

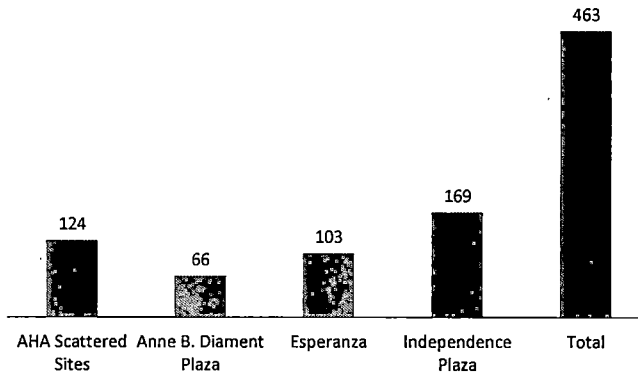


- 79% of all Multi Family Site Units were Served.
- 82% of all Senior Site Units were Served.
- 60% of all Mixed Site Units were Served.
- 74% of all AHA Site Units

*does NOT include community building activities – only Classes, Workshops and Case Management are reflected above

AHA UNDUPLICATED RESIDENTS SERVED*

Unduplicated Residents Served



*does NOT include community building activities – only Classes, Workshops and Case Management are reflected above

NEEDS ASSESSMENT – FINANCIAL

241 (43%) of all AHA residents participated in the LifeSTEPS Needs Assessment Survey. The following slides are a sampling of the outcomes self-reported by the residents.

Multi Family Site residents surveyed reported the following:	% Self Reported
Have enough to pay rent	82%
Have enough to pay household expenses	77%
Have enough to get through a financial crisis	18%

Senior Site residents surveyed reported the following:	% Self Reported
Have enough to pay rent	83%
Have enough to pay household expenses	83%
Have enough to get through a financial crisis	26%

NEEDS ASSESSMENT - FINANCIAL

When funds fall short, Multi Family Site residents are most likely to cut or delay	% Self Reported	When funds fall short, Senior Site residents are most likely to cut or delay	% Self Reported
Cable/Internet	51%	Cable/Internet	48%
Food	51%	Transportation	41%
Utilities	50%	Food	37%
Transportation	31%	Health Care	24%
Rent	30%	Utilities	13%
Health Care	12%	Rent	8%

NEEDS ASSESSMENT - CASE MANAGENT

Multi Family Site residents surveyed would like help in the following areas	% Self Reported	Senior Site residents surveyed would like help in the following areas	% Self Reported
Financial/Rental Assistance	60%	Health Care/Medical Needs	56%
Health Care/Medical Needs	40%	Financial/Rental Assistance	36%
Employment	37%	Relationship Issues	36%
Parenting	37%	Employment	6%
Housekeeping Issues	28%		
Relationship Issues	25%		
Childcare	20%		
Transportation	18%		

NEEDS ASSESSMENT – EDUCATIONAL WORKSHOPS

Multi Family Sites residents surveyed would like more educational workshops in the following areas	% Self Reported	Senior Sites residents surveyed would like more educational workshops in the following areas	% Self Reported
Finances and Budgeting	93%	Aging Issues	55%
Exercise/Nutrition	90%	Computer	50%
Computer	68%	Exercise/Nutrition	46%
Finding a Job, Career Counseling	63%	Finances and Budgeting	28%
Parenting	56%	Disaster Preparedness	12%
ESL	39%	Leadership	10%
Disaster Preparedness	38%	ESL	5%
Leadership	34%	Finding a Job, Career Counseling	5%
Aging Issues	23%		

NEEDS ASSESSMENT – ACTIVITIES OF DAILY LIVING

Senior Site residents surveyed identified difficulty in performing the following tasks:	% Self Reported
Walking	28%
Housekeeping	24%
Toileting	20%
Shopping	19%
Hygiene	16%
Dressing	15%
Transportation	14%
Eating	12%
Accounting (Bills)	9%
Food Preparation/Cooking	8%
Medication Management	7%
Using Telephone	6%

NEEDS ASSESSMENT - SAFETY NET

Multi Family Site residents are likely to turn to the following when help is needed	% Self Reported
Family	85%
LifeSTEPS	56%
Friends	52%
Neighbors	17%
Church	10%

Senior Site residents are likely to turn to the following when help is needed	% Self Reported
Family	69%
LifeSTEPS	67%
Church	35%
Friends	24%
Neighbors	15%
Group or Club	3%

NEEDS ASSESSMENT - WHAT RESIDENTS ARE SAYING

Resident Comments:

"I do not know what I would do without these services."

"Very helpful, much needed."

"This program has been a big help to the community.

LifeSTEPS has everything covered!"

"LifeSTEPS have been very helpful to me. I don't know what I would do if I didn't have the help. Really appreciate the services provided."

SERVICES PROVIDED

The next set of slides is a roll-up of the attendance, number of sessions and hours provided by LifeSTEPS staff for classes, community building activities and case management. This is a sampling of the work put into getting individual resident outcomes.



THRIVING IN PLACE SERVICES JULY 1, 2016 – JUNE 30, 2017 ECONOMIC AND SOCIAL SELF-SUFFICIENCY

Type of Class	# in Attendance (Duplicated)	# in Attendance (UnDuplicated)	# of Sessions	Hours of Service
Food Giveaways <i>Improves Health and Creates Stability</i>	688	186	14	43.25
Health & Wellness <i>Healthy Aging Skills</i>	484	16	52	100.50
Resident Meetings <i>Creating Community</i>	187	85	14	29.00
Life Skills Education <i>Keeping Seniors Engaged</i>	146	81	15	36.50
Financial Skills <i>Budgeting/Health Care Costs</i>	126	59	13	28.25
Computer Skills <i>Combating Isolation</i>	20	16	2	3.75
Totals	1,651	219	110	251.00

THRIVING IN PLACE SERVICES

JULY 1, 2016 - JUNE 30, 2017

CASE MANAGEMENT

Type of Case Management	Individualized Meetings	Unduplicated Residents	Hours of Service
Client Assistance	273	68	265.50
Education	68	33	55.25
Health and Wellness Services	199	100	166.25
	11	9	13.00

Total Case Management	
Older Adult and Special Needs Cases	443
Unduplicated Meetings	586
Unduplicated Households	122
Unduplicated Residents	127
Time Spent (Hours)	528

THRIVING IN PLACE SERVICES

JULY 1, 2016 - JUNE 30, 2017

COMMUNITY BUILDING

Type of Community Building Activity	# in Attendance (Duplicated)	# of Sessions	Hours of Service
Socials, General	715	64	129.5
Community Events	102	7	14.0
Games	85	9	17.0
Potlucks	8	1	2.0
Crafts	2	1	1.5
<i>Totals</i>	912	82	164.0

MULTI-FAMILY SERVICES
 JULY 1, 2016 - JUNE 30, 2017
 ECONOMIC AND SOCIAL SELF-SUFFICIENCY

Type of Class	# in Attendance (Duplicated)	# in Attendance (UnDuplicated)	# of Sessions	Hours of Service
Health & Wellness <i>Healthy Living/Parenting</i>	146	83	18	29.50
Financial Skills <i>Budgeting/Credit Counseling</i>	118	87	12	11.25
Employment <i>Job Search/Job Skills</i>	93	61	10	9.25
Life Skills Education <i>Communication/Adult Education</i>	42	29	5	13.25
Resident Meetings <i>Creating Community</i>	13	13	1	2.00
Totals	412	157	46	65.00

MULTI-FAMILY SERVICES
 JULY 1, 2016 - JUNE 30, 2017
 CASE MANAGEMENT

Type of Case Management	Individualized Meetings	Unduplicated Residents	Hours of Service
Client Assistance	398	121	267.25
Education	205	123	67.75
Health and Wellness	149	109	116.50
Services	6	5	4.50

Total Case Management	
Mixed Use and Multi-Family Cases	666
Unduplicated Meetings	870
Unduplicated Households	197
Unduplicated Residents	206
Time Spent (Hours)	500

MULTI-FAMILY SERVICES
 JULY 1, 2016 - JUNE 30, 2017
 COMMUNITY BUILDING

Type of Community Building Activity	# in Attendance (Duplicated)	# of Sessions	Hours of Service
Socials, General	218	20	39.50
Crafts	71	7	13.75
Games	57	5	11.00
Holiday	49	1	5.00
Community Events	35	5	9.75
Potlucks	10	1	2.00
<i>Totals</i>	440	39	81.00

AHA RESIDENT IMPACT

LifeSTEPS measurement system divides hundreds of individual outcomes into reporting categories. The following slides are a sampling of the outcomes and numbers served reported by our on-site staff from July 2016 to July 2017.



AHA RESIDENT IMPACT

AHA Site Outcomes: Economic Self Sufficiency - Health

- 251 residents increased their health and economic self sufficiency including:
 - 184 residents received food donations.
 - 77 residents received mental health information, resources, and/or referred to support group services.
 - 55 residents received crisis intervention services.
 - 32 residents received individual or family counseling.
 - 7 residents learned stress reduction techniques.



AHA RESIDENT IMPACT

AHA Site Outcomes: Economic Self Sufficiency - Health

- 55 residents received medical, dental or vision services or were connected to a new medical provider.
- 38 residents were provided diet and exercise tips and/or created a Health Care Plan.
- 31 residents received education on emergency preparedness.
- 19 residents completed a parenting class or workshop.
- 18 residents received unpaid In-Home Help while 2 residents now receive IHSS.



AHA RESIDENT IMPACT

AHA Site Outcomes: Economic Self Sufficiency - Financial

- 312 residents increased their economic self sufficiency including:
 - 117 residents completing a budget and/or received budgeting education.
 - 65 residents completing financial education.
 - 9 residents completing financial counseling.



AHA RESIDENT IMPACT

AHA Site Outcomes: Economic Self Sufficiency - Financial

- 23 residents received eviction prevention services
- 24 residents avoided eviction due to LifeSTEPS services
- 71 residents received rental assistance (non-LifeSTEPS)
- 12 residents received help with transportation including bus passes
- 24 residents received utilities assistance programs



AHA RESIDENT IMPACT

AHA Site Outcomes:

Economic Self Sufficiency - Employment

- 172 residents received job skills or employment counseling services including:
 - 78 residents obtained new job skills
 - 23 residents completed a job skills/training program and/or received help with their resume
 - 14 residents received employment counseling
 - 14 residents acquired computer skills



AHA RESIDENT IMPACT

AHA Site Outcomes:

Social Self Sufficiency

- 321 residents participated in services leading to social self sufficiency including:
 - 118 residents completed LifeSTEPS curriculum
 - 108 residents participated in life skills classes (non-LifeSTEPS curriculum)
 - 59 residents received information on cultural knowledge and resources
 - 13 residents received legal assistance



HEALTHY LIVING: FOOD FOR LIFE



Through partnership with the Alameda Food Bank, LifeSTEPS facilitates the delivery of emergency groceries to AHA households.

This is an on-going effort to help supplement the diets of AHA residents and give short-term hunger relief.

COMMUNITY SUPPORT MAKES THE DIFFERENCE

Oakland Native, Bernice is a soulful and dynamic senior who loves her community at Anne B Diament. For over 30 years, she was a hip hop music promoter and a bus driver. At a young age she knew that taking care of people and making them feel good was her God given talent and ability. That ability would be explored, tested and defined as she raised 3 biological children and another 21 foster children! After retirement and successfully raising so many children, Bernice decided that Anne B Diament would be the best community for her next phase in life.

Once moved in, she began to embrace and settle into the transition of the retired life, but she was still missing something. That something was the need to active in her community. So when the food bank launched in March of this year, Bernice knew this was her chance to seize the opportunity by becoming a volunteer. When asked what inspires her to volunteer at the food bank, Bernice states the smiles she sees on people's faces feeds her sense of purpose. "Makes me want to dance all the time. It takes my mind off of all the worries, pain, illnesses that I have. It makes me feel whole". Bernice goes on to express that if she could work the food bank everyday she would feel well, "My Cache Creek, is the food bank!"



With LifeSTEPS setting into place the bi-weekly Food Bank deliveries at Anne B Diament, it not only brings food, but it brings purpose to Bernice!

CLIENT ASSISTANCE PROGRAM HELPS RESIDENTS IN CRISIS

The LifeSTEPS Client Assistance Program (Craig's Fund) is an enhanced service available to residents, focused on providing help during times of crisis.

Through this program LifeSTEPS provides:

- Emergency Rental Assistance
- Transportation Assistance
- Medical/Prescription Help
- Other Assistance

The purpose of the program is to keep people in their homes, while also teaching them financial management skills.



RENTAL ASSISTANCE KEEPS RESIDENTS IN HOUSING DURING CRISIS



Tanya has faced many financial challenges since her work hours were cut. Her positive attitude and optimism have kept her going despite the odds. She keeps a smile on her face and maintains a calm demeanor even in her time of struggle.

Due to her family size, Tanya tends to struggle with providing for her children. Because she didn't have the funds, LifeSTEPS provided her children with school supplies. LifeSTEPS has also worked with Tanya to teach her better money management skills and shared grocery resources.

Tanya was referred by the Alameda Housing Authority for non-payment of rent back in June of 2017. Due to unexpected expenses she had fallen a little behind on her rent. Our Director of Social Services explored the options and found St. Barnabas Church was able to help the family. Tanya was provided rental assistance allowing her to pay the back rent owed. Now the family is able to plan for the future and start saving.

Tanya now uses local food donations to assist her family with groceries. The family is learning how to budget their expenses and they have begun to save funds for emergencies.

Tanya is also involved in LifeSTEPS educational classes, her favorite class is Smart Money because it allows her to budget her finances and find economic places to shop.



Empowerment
Impact
Community
One STEP at a time

For More Information:
Beth Southorn,
beth@lifestepsusa.org

Offices in:

Sacramento County –
4041 Bridge Street,
Fair Oaks, CA 95628

Los Angeles County –
11847 Wilshire Blvd., Suite 300,
Los Angeles, CA 90025

Santa Clara County –
99 N. First Street, Suite 208,
San Jose, CA 95113

Orange County –
14131 Yorba Street,
Tustin, CA 92780

www.LifeSTEPSusa.org



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: October 18, 2017

Re: Authorize the Executive Director to Execute Documents necessary to
Create a New Nonprofit Ownership Entity or LLCs for Housing Authority
Owned Properties to Comply with HUD Requirements for Project-Based
Voucher Contracts; Authorize the Executive Director to Execute and
Record Regulatory Agreements at Housing Authority Owned Properties
at 80% AMI As Necessary.

BACKGROUND

Project Based Voucher Contracts: Six Housing Authority owned properties have a Project Based Voucher (PBV) Housing Assistance Payment (HAP) contract in place. These contracts provide significant federal funding to house Very Low Income (VLI) seniors and families. These properties are Anne B Diamant, China Clipper, Lincoln-Willow, Stanford House, Parrot Village, and Esperanza. The buildings cannot operate without this funding.

In 2015 HUD published PIH Notice 2015-05 that clarifies contract requirements for PHA-owned units under the PBV Program. It states that the contract administrator and the owner cannot be the same legal entity and therefore, the PHAs must establish a separate legal entity to serve as owner if they are the contract administrator. In the AHA portfolio, this requirement will be triggered at the time the existing contracts are renewed, and the first set of renewals will occur in April 2018. As has been discussed with the Board previously, AHA must take action in the next six months in order to preserve this funding.

Affordability Restrictions: As a related task, staff reviewed the title report on each property to validate the known deed restricted lending and regulatory requirements. Nine of the AHA owned properties are not completely deed restricted as affordable housing. All Housing Authorities are subject to the California Health and Safety Code for operating housing for low-income households, but this is a statutory constraint rather than a property specific deed restriction. The lack of an affordability deed restriction is a potential



vulnerability for our already limited low income affordable housing stock in Alameda. Benefits to recording such a deed restriction include preserving all of the Housing Authority's assets as affordable housing for Low Income families, meeting the needs of Health and Safety Code and, assuming another entity is created for the PBV properties, meeting the requirements for compliance with the property tax exemption available for low income housing, commonly referred to as the welfare tax exemption.

DISCUSSION

Project Based Voucher Contracts

The Housing Authority Section 8 Department is the contract administrator for 12 Project Based Voucher Contracts, plus two upcoming contracts. For six of these contracts, AHA is both the contract administrator and the property owner. The table below is a summary, sorted by contract expiration date.

Property Name	Contract #	Property Owner	Contract Execution	Contract Expiration
Anne B. Diament Plaza	CA062-PBV-001	Housing Authority of the City of Alameda	5/1/2008	4/30/2018
China Clipper Plaza	CA062-PBV-002	Housing Authority of the City of Alameda	5/1/2008	4/30/2018
Lincoln Willow	CA062-PBV-003	Housing Authority of the City of Alameda	5/1/2008	4/30/2018
Stanford House	CA062-PBV-005	Housing Authority of the City of Alameda	5/1/2008	4/30/2018
Breakers at Bayport	CA062-PBV-006	The Breakers at Bayport, L.P.	10/31/2008	10/30/2018
Alameda Point Collaborative	CA062-PBV-008	Alameda Point Collaborative	6/1/2009	5/30/2019
Shinsei Gardens	CA062-PBV-007	Shinsei Gardens Apartments, L.P.	9/5/2009	9/4/2019
Parrot Village	CA062-PBV-004	Housing Authority of the City of Alameda	9/1/2009	8/31/2024
Esperanza	CA062-PBV-009	Housing Authority of the City of Alameda	4/1/2010	3/31/2025
Park Alameda	CA062-PBV-010	The Alameda Islander, L.P.	12/27/2012	11/30/2027
Jack Capon	CA062-PBV-011	Jack Capon Villa, LP	1/16/2014	12/31/2029
Stargell	CA062-PBV-012	Stargell Commons LP	6/15/2017	6/14/2032
Del Monte		Sherman and Buena Vista LP	AHAP	
Everett and Eagle		Everett and Eagle LP	AHAP	

The AHA plans to renew these contracts, as it is permitted to do, in order to preserve a significant portion of the affordable housing stock in Alameda and to meet its other obligations to lenders on some of these properties. However, it cannot renew the contracts where it is the property owner as well as the contract administrator, per the HUD guidance discussed above. It can only renew the contract if there is a separate legal entity to serve as property owner. If these contracts are not renewed, 148 very low-income families, 64 of which are very low-income seniors, will lose the rental subsidy at their current unit and the safety net that the voucher program provides in the Bay Area market of escalating housing costs. The rental subsidy is approximately \$2,525,000 per year. Additionally, because these are Project Based voucher contracts, these contracts are key to being able to refinance the properties in the future for capital improvements and long term preservation.

To meet the challenge presented by the new HUD guidance to establish a separate legal entity to own the property, staff consulted with legal counsel about the options, as well as



other Public Housing Authorities. Staff concludes there are four options for establishing a separate ownership entity.

1. **Create a Limited Partnership** – This option adds administrative burden to manage the for profit limited partnership, including audit and tax filings, triggers transfer taxes, and creates a new “placed in service date” that might thwart any future refinance opportunities using the Low-Income Housing Tax Credit program (LIHTC).
2. **Create a sole member Limited Liability Company (LLC)** – If AHA is the sole member, this option creates a small administrative cost, requires audit and tax filings, does not violate the LIHTC 10 year placed in service rule, avoids transfer taxes because it is still considered a government unit, and is eligible for the welfare tax exemption if all units are used for low-income housing (80% AMI or below). This can be a title holding LLC, which avoids the annual state LLC tax. There is limited need for independent auditing of this entity because it is considered “disregarded” for tax purposes because it has a sole member and all activity rolls up to the sole member.
3. **Create a new 501(c)3 nonprofit corporation (Instrumentality)** – This option creates a small administrative cost, requires annual audits and tax filings, does not violate the LIHTC 10 year placed in service rule, avoids transfer taxes because it is a charitable organization, and is eligible for the welfare tax exemption if all units are used for low-income housing (80% AMI and below). By creating this new nonprofit entity as an instrumentality, the board members are the exact same as the AHA Board of Commissioners. The Ownership control is equivalent to what the Board has now, but through a nonprofit corporation rather than directly as a government entity. This nonprofit entity would require regular board meetings, subject to the Brown Act, similar to current Board of Commissioner meetings and these would be run concurrently with the regular Board meetings.
4. **Transfer the properties to ICD** – This option is to use the existing nonprofit affiliate, Island City Development, as the separate legal owner. Like #3 above, the advantages of a nonprofit owner entity are the same. A possible disadvantage is that it has a three member Board of Directors rather than the full Housing Authority Board of Commissioners.

Staff also looked at the option of utilizing a third party contract management for these PBV contracts. However this would lead to a significant reduction in HAP and Administrative fees funding in the Housing Programs department because all vouchers at these six sites would need to move to the third party contractor. Although this option remains open to AHA in the future, it is not recommended at this time.

Staff recommends creating a new 501(c)3 nonprofit corporation to transfer ownership of the Housing Authority owned properties subject to a Project Based Voucher Contract to comply with PIH Notice 2015-05. This option will take some months to establish the entity and apply to the IRS for the 501(c)3 tax exempt status, at which time staff will come back to the Board for final approval of the property transfer documents. Staff expects this to happen in the first quarter of 2018. The priority properties for transfer to a new, Board controlled, nonprofit corporation are Anne B Diament, China Clipper, Lincoln-Willow, and Stanford House because their contracts renew in 2018. Parrot Village and Esperanza



will renew in 2024 and 2025, respectively, but any transfer will also be subject to bank lender approval. The first set of Project Based Contracts renew May 1st so the transfer must be completed prior to this date. As a side note, this option has been used by other California Public Housing Authorities (PHAs), so the Board can be confident that there is precedent in the industry. Examples of other PHAs that have done this include Alameda County and the City of Santa Barbara. As a back up to this plan, in case the nonprofit corporation cannot be established by April 2018, staff is also requesting authorization, if necessary, to establish a sole member LLC to service as a title holding company until the nonprofit authorization is approved by the IRS. However, there has been limited activity in this arena for levying taxes on a property transfer or a refinance under the Low-Income Housing Tax Credit program, which is why it is not the first recommended approach. Staff does not recommend proceeding with options 1 or 4.

Affordability Restriction

With respect to affordability, the most effective means to ensure long term affordability at a property is to record a deed restriction that limits the income eligibility of the households that can live there. The key driver of this deed restriction is to ensure that affordability for low income families in Alameda is preserved indefinitely. Staff is therefore recommending the recordation of an Affordability Agreement that restricts rent and income levels to 80% AMI for any properties that are not otherwise 100% deed restricted as low-income housing. This benefits the Housing Authority, the tenants, and the City in the following ways:

1. The existing and future tenants have assurance their homes will continue to operate as affordable housing despite the rental market
2. The Housing Authority has assurance that its owned properties meet the requirements of the California Health and Safety code
3. The properties that transfer to a new nonprofit owner (for example, if they have a PBV contract) will benefit from a continued property tax abatement because they are 100% regulated as low-income housing (government entities do not have to pay taxes, but a nonprofit is eligible for the exemption if operated as low-income housing at 80% of Area Media Income or below)
4. The City's supply of affordable housing is protected and preserved for the long term

Most Housing Authorities that own property either own Public Housing or former Public Housing, which is deed restricted by HUD, or own property through an LIHTC partnership for new construction. Esperanza is no longer funded as Public Housing, but there is a HUD required deed restriction that was executed in 2009 (at the time of disposition from HUD) which restricts occupancy to low-income households at 80% AMI for twenty (20) years. Moreover, any new housing that is developed using the Low-Income Housing Tax Credit program is subject to a 55 year deed restriction that limits initial occupancy to low-income households at 60% AMI.

Within the Housing Authority's portfolio of properties, nine rental properties do not have a recorded deed restriction identifying the use as affordable housing. These include Anne B Diament, China Clipper, Eagle Village, Parrot Village, Independence Plaza, Lincoln-Willow, Parrot Gardens, Rosefield Village and Stanford House. While some of these properties benefit from a partial deed restriction, there is currently no other regulatory



mechanism to ensure these properties are preserved as affordable housing for low-income families. Given the uncertainty in the federal budget and future housing policy, a regulatory agreement can add a layer of certainty that units must be preserved as affordable. Therefore, staff recommends an Affordability Agreement that restricts rent and income eligibility to low-income households (80% AMI). The welfare tax exemption is only available to units operating at or below 80% AMI. (The Board may also consider a 120% limit for one or more properties, although uncertainty at the State level regarding the income restrictions presented by the Health and Safety Code may in due course further restrict all PHA activities to 80% AMI.)

After conferring with real-estate counsel on this matter, staff recommends a self-regulating approach to ensure long term affordability. The attached template Affordability Agreement is available for reference. The highlights of the agreement include:

- Units are restricted to eligible households at or below 80% AMI. NOTE: This 80% restriction for 100% of the units reinforces the eligibility for the welfare tax exemption for the properties as discussed above.
- Property Management will provide an annual self-certification of ongoing compliance. If a 3rd party property manager is involved, it would provide this compliance certification. Income verification is done annually at the sites anyway so this would not create an additional burden.
- The Agreement term is a minimum of 20 years.
- If no other preference applies, then a Section 8 voucher preference is invoked, assisting with the preservation of housing for Section 8 tenants in Alameda.
- Existing residents are grandfathered in as eligible households, even if they are over the income limit.
- If residents become over-income then the resident will pay 30% of their income for rent. For example, a two person household that exceeds \$93,500 annually would pay \$2,337 rent.
- The Agreement would be subordinated to any existing or future loans and regulatory agreements.

The attached template will need to be tailored to fit the exact circumstance of each of the 9 properties, including lender approval if necessary. Staff will not make substantive changes after Board approval. This agreement can be modified by Board approval in the future.

FISCAL IMPACT

Formation of a new nonprofit corporation and application to the IRS for a 501(c)3 exemption would be completed by legal counsel and staff. The estimated total cost for counsel, staff time, and filing fees is \$40,000. (Staff will come back to the Board for costs related to the property transfers to the new nonprofit corporation, as discussed above.) Ongoing annual fees include audit and tax filings, state reporting, and annual welfare exemption filings to be completed by staff and a certified public accountant. The estimated annual cost is \$25,000. These costs will be charged to the properties impacted. Managing this entity, along with the other existing AHA entities, will be handled by Asset Management.



The Housing Authority rental revenue will not be affected by these property level regulatory agreements because the rental revenue at these properties is generally restricted by the voucher payment standard. Future revenue is not expected to be impacted by a low-income restriction because a future refinance would likely involve a housing program subsidy that targets low and very low-income households rather than households over 80% of AMI.

RECOMMENDATION

Authorize the Executive Director to Execute Documents necessary to Create a New Nonprofit Ownership Entity or LLCs for Housing Authority Owned Properties to Comply with HUD Requirements for Project-Based Voucher Contracts ; Authorize the Executive Director to Execute and Record Regulatory Agreements at Housing Authority Owned Properties at 80% AMI as necessary.

Respectfully submitted,



Vanessa Cooper

Exhibit A: Template Regulatory Agreement



Exhibit A

**Recording requested by
And when recorded mail to:**

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attention: Executive Director

Exempt from recording fees pursuant to
Cal. Gov't Code § 27383

APN: _____

AFFORDABLE HOUSING AGREEMENT

This Affordable Housing Agreement (“**Agreement**”) dated _____, 2017, is entered into between **THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA**, a public body corporate and politic (the “**Housing Authority**”) and **THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA**, a public body corporate and politic (“**Owner**”).

RECITALS

The following recitals are a substantive part of this Agreement.

A. Owner is the owner of that certain real property located in the City of Alameda, County of Alameda, State of California, more particularly described in Exhibit A attached hereto (“**Property**”).

B. The Property is the site of a []-unit residential development (“**Housing Project**”) that Owner desires to operate as affordable housing for rental to low- or moderate-income households (each an “**Affordable Unit**”, and collectively, the “**Affordable Units**”).

C. Owner and the Housing Authority desire by the execution of this Agreement to assure the Property and the Affordable Units remain affordable for a minimum of twenty (20) years following the date of recordation of this Agreement (the “**Effective Date**”).

NOW THEREFORE, the parties acknowledge and agree as follows:

ARTICLE 1. DEFINITIONS

1.01 “**Affordable Rent**” is the amount of rent considered as “affordable rent” for persons and families of low or moderate income (as defined in California Health and Safety Code Section 50093), adjusted for family size appropriate to the unit, pursuant to California Health and Safety Code Section 50053(b) or any successor statute thereto, provided that Owner is permitted, at its option, to use the occupancy standards and rent levels used by the California Tax Credit Allocation Committee (“**CTCAC**”) to the extent available. If the statute is no longer in effect and

no successor statute is enacted, the Housing Authority shall establish the Affordable Rent for purposes of this Agreement. For purposes of this Section 1.01, to the extent CTCAC does not provide for family size appropriate for each unit, "adjusted for family size appropriate to the unit" shall mean a household of two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit.

1.02 "Applicable Laws" means all applicable laws, ordinances, statutes, codes, orders, decrees, rules, regulations, official policies, standards and specifications (including any ordinance, resolution, rule, regulation standard, official policy, condition, or other measure) of the United States, the State of California, the County of Alameda, City of Alameda, or any other political subdivision in which the Housing Project is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Owner or the Housing Project.

1.03 "Area Median Income" shall mean the median income and income levels for households in Alameda County, California, as published or utilized from time to time by CTCAC. If CTCAC ceases to publish or utilize such information, Owner shall use the median income for households in Alameda County, California, as published from time to time by the United States Department of Housing and Urban Development ("HUD") in a manner consistent with the determination of median gross income under Section 8 of the United States Housing Act of 1937, as amended, and as defined in Title 25, California Code of Regulations, Section 6932. In the event that such income determinations are no longer published by HUD, or are not updated for a period of at least 18 months, the Housing Authority shall provide the Owner with other income determinations that are reasonably similar with respect to methods of calculation to those previously published by HUD.

1.04 "Eligible Households" shall mean households meeting the income restrictions as set forth in Section 2.01.

ARTICLE 2. RENT, INCOME AND OCCUPANCY RESTRICTIONS

2.01 Rent and Income Restrictions.

(a) All of the Affordable Units shall be rented to Eligible Households whose gross income does not exceed one hundred twenty percent (120%) of the Area Median Income at an Affordable Rent.

(b) In addition to and notwithstanding the foregoing, Owner may have an on-site management staff person residing on the Property in one (1) unit designated as a resident manager's unit, and such manager's unit shall not be subject to the above affordability restrictions so long as such unit is occupied by an on-site management staff person for the Housing Project. If at any time such unit is not occupied by an on-site management staff person, such unit shall be operated as an Affordable Unit and shall be made available to Eligible Households whose gross income does not exceed one hundred twenty percent (120%) of the Area Median Income at an Affordable Rent.

(c) Except to the extent permitted under rules implemented by CTCAC, at the time any lease is executed or renewed, the minimum and maximum occupancy of each unit shall

be limited as provided in the chart below. At the request of Owner, the Housing Authority may make exceptions to the foregoing occupancy standards to the extent such exceptions are permitted by Applicable Laws, and do not increase the Housing Authority's obligations or liabilities under this Agreement, or diminish or impair the Housing Authority's rights and remedies under this Agreement.

<u>Number of Bedrooms</u>	<u>Minimum Occupancy</u>	<u>Maximum Occupancy</u>
0	1	2
1	1	3
2	2	5
3	3	7
4	4	9
5	5	11

(d) Not more than once per year, Owner may adjust rents in occupied Affordable Units to the level allowed for the family size appropriate to the unit. Owner may adjust the rent upon vacancy of an Affordable Unit to the level allowed for the family size appropriate to the unit. Owner must notify each tenant and the Housing Authority in writing of any increase in monthly rent for an Affordable Unit at least thirty (30) days in advance of the effective rent adjustment date. The written notice of rent increase provided to the Housing Authority shall indicate: (1) the rent adjustment for each Affordable Unit; (2) the new rental amount for each Affordable Unit; and (3) the effective date of the adjustment for each Affordable Unit. Failure to provide the notice required shall be considered a failure to perform by Owner under this Agreement and subject to the terms of Article 11.

(e) The determination of a status as an Eligible Household shall be made by Owner prior to initial occupancy of the Affordable Unit by such household; provided that, if Owner fails to perform any term or provision of this Agreement related to the determination of status of an Eligible Household, as reasonably determined by the Housing Authority, then until such failure has been cured and upon written request by the Housing Authority, such determination shall be subject to review and approval by the Housing Authority. The income of all persons residing in the Affordable Unit shall be considered for purposes of calculating the household income. Owner shall not discriminate against prospective tenants with qualified Public Housing Authority Section 8 certificates or vouchers who are otherwise qualified.

(f) Immediately prior to the first anniversary date of the occupancy of an Affordable Unit by an Eligible Household, and annually thereafter, Owner shall re-certify the income of the occupants of such Affordable Unit by obtaining a completed Tenant Income Certification based upon the current income of each occupant of the Affordable Unit. The Tenant Income Certification shall be in the form attached hereto as Exhibit B or in a form acceptable to the Housing Authority. Annual income recertifications shall also contain those documents used to certify initial eligibility.

(g) If an occupant of an Affordable Unit no longer qualifies as an Eligible Household due to an increase in income, the occupant may continue to occupy the former Affordable Unit; provided, however, Owner may increase the rental rate for such former

Affordable Unit to the lesser of (a) market rate and (b) one-twelfth (1/12) of thirty percent (30%) of such tenant's actual annual income. Owner shall send written notice to the Housing Authority with the address and bedroom/bathroom mix of any occupant that pays rent greater than the equivalent Affordable Rent for an Eligible Household under Section 2.01(a).

2.02 Marketing and Leasing Program.

(a) Owner shall actively market rental of all units within the Housing Project, including the Affordable Units. Prior to lease-up of the Affordable Units, Owner shall provide the Housing Authority with a copy of its marketing program for the Housing Project, which shall include a marketing program for the Affordable Units ("**Affordable Units Marketing Program**"). The Housing Authority shall review the Affordable Units Marketing Program and either approve or request modifications to the Affordable Units Marketing Program within thirty (30) days after receipt. Until all Units have been initially occupied by an Eligible Household in accordance with this Agreement, Owner shall provide monthly updates to the Affordable Units Marketing Program commencing thirty (30) days after the date the Affordable Units Marketing Program is initially approved by the Housing Authority. The Housing Authority hereby acknowledges and approves the Affordable Units Marketing Program as in effect on the Effective Date.

(b) Owner is responsible for implementing the Affordable Units Marketing Program actively and in good faith. The Housing Authority may extend the required marketing period in its discretion if Owner delays implementation or otherwise fails to comply with the Affordable Units Marketing Program as approved by the Housing Authority.

ARTICLE 3. REPORTING REQUIREMENTS FOR HOUSING PROJECT

3.01 Reporting Requirements. Owner shall submit an annual Certification of Continuing Compliance attached hereto as Exhibit C or in such other format as may be reasonably requested by the Housing Authority. Owner shall also make available all information to support such Certification of Continuing Compliance, including, without limitation:

- (a) The number of persons per Affordable Unit;
- (b) Name of each Affordable Unit Tenant;
- (c) Initial occupancy date;
- (d) Rent paid per month; and
- (e) Gross income per year.

The Housing Authority, from time to time during the term of this Agreement, may request additional or different information, if such information is required in order for the Housing Authority to comply with its reporting requirements, and Owner shall promptly supply such additional or different information in the reports required hereunder. Owner shall maintain all necessary books and records, including property, personal and financial records, in accordance with requirements prescribed by the Housing Authority with respect to all matters covered by this

Agreement. Owner, at such time and in such forms as the Housing Authority may require, shall furnish to the Housing Authority statements, records, reports, data and information pertaining to matters covered by this Agreement. Upon reasonable advance request for examination by the Housing Authority, Owner, at any time during normal business hours, shall make available all of its records with respect to all matters covered by this Agreement. Owner shall permit the Housing Authority to audit, examine and make excerpts or transcripts from these records at the Housing Authority's sole cost.

The first annual report and annual income certification ("**Initial Report**") shall be submitted to the Housing Authority within thirty (30) days of the date of the initial rental of all the Affordable Units on the Property. Subsequent annual reports and annual income certifications or recertifications shall be submitted to the Housing Authority on July 15th of each calendar year during the term of this Agreement.

3.02 Housing Authority Approval of Lease Forms. The Housing Authority shall have the right to review and approve Owner's form of lease for the Affordable Units, including disclosures of the affordability restrictions on the Affordable Units, prior to Owner's use of such form.

ARTICLE 4. PROVISION OF SERVICES AND MAINTENANCE OF PROPERTY

4.01 Maintenance. During the term of this Agreement, Owner shall maintain, or cause to be maintained, the Property, including all improvements thereon, in a manner consistent with the provisions set forth therefor in the Alameda Municipal Code, and shall keep the entire Property free from any accumulation of debris or waste materials prior to and after construction.

If, at any time, Owner fails to maintain the Property, and has either failed to commence to cure such condition or to diligently prosecute to completion the condition or the condition is not corrected after expiration of sixty (60) days from the date of written notice from the Housing Authority to the Owner, the Housing Authority may perform the necessary corrective maintenance, and Owner shall pay such costs as are reasonably incurred for such maintenance. The Housing Authority shall have the right to place a lien on the Property should Owner not reimburse the Housing Authority for such costs within sixty (60) days following the Housing Authority's written demand for reimbursement of such costs. Owner, on behalf of itself, its heirs, successors and assigns, hereby grants to the Housing Authority and its officers, employees and agents, an irrevocable license to enter upon the Property to perform such maintenance during normal business hours after receipt of written notice from The Housing Authority and Owner's failure to cure or remedy such failure within sixty (60) days of such notice. Any such entry shall be made only after reasonable notice to Owner, and the Housing Authority shall indemnify and hold Owner harmless from any claims or liabilities pertaining to any such entry by the Housing Authority. Failure by Owner to maintain the Property in the condition provided in this Article 4 may, in the Housing Authority's reasonable discretion, constitute a default under this Agreement.

ARTICLE 5. NO TRANSFER

5.01 Prohibition. Except with respect to Permitted Transfers (as defined below), Owner shall not make any total or partial sale, transfer, conveyance, encumbrance to secure financing,

assignment or lease of the whole or any part of the Property, the Housing Project or this Agreement without the prior written approval of the Housing Authority, which approval shall not be unreasonably withheld.

5.02 Permitted Transfers. Notwithstanding any other provision of this Agreement to the contrary, the Housing Authority approval of an assignment or transfer of this Agreement or conveyance of the Property or Housing Project, or any part thereof, shall not be required in connection with any of the following (the “**Permitted Transfers**”):

- (a) The lease of Affordable Units to Eligible Households.
- (b) Assignments for financing purposes, and any subsequent transfer to the lender providing such financing by foreclosure or deed in lieu of foreclosure thereunder, subject to such financing being considered and approved by the Housing Authority.
- (c) Transfer of the Property and Housing Project to an affiliate entity which controls, is controlled by or under common control with Owner.
- (d) In the event of an assignment by Owner pursuant to subparagraph (c) not requiring the Housing Authority’s prior approval, Owner nevertheless agrees that at least thirty (30) days prior to such assignment or transfer it shall give written notice to the Housing Authority of such assignment or transfer and that such transferee shall be required to assume Owner’s obligations under this Agreement pursuant to a written assignment and assumption agreement in a form reasonably acceptable to the Housing Authority.

5.03 Housing Authority Consideration of Requested Transfer. The Housing Authority agrees that it will not unreasonably withhold approval of a request made pursuant to this Article 5 provided (a) the Owner delivers written notice to the Housing Authority requesting such approval, and (b) the proposed assignee or transferee possesses comparable operational experience and capability, and comparable net worth and resources, as Owner, and (c) the assignee or transferee assumes the obligations of the Owner under this Agreement pursuant to a written assignment and assumption agreement in a form reasonably acceptable to the Housing Authority. Such notice shall be accompanied by evidence regarding the proposed assignee’s or purchaser’s qualifications and experience and its financial commitments and resources sufficient to enable the Housing Authority to evaluate the proposed assignee or purchaser pursuant to the criteria set forth herein and other criteria as reasonably determined by the Housing Authority. The Housing Authority shall approve or disapprove the request within forty-five (45) days of its receipt of the Owner’s notice and all information and materials required herein.

ARTICLE 6. NO DISCRIMINATION

Owner covenants, by and for itself and any successors in interest, that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Owner, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with

reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the Property.

ARTICLE 7. NO IMPAIRMENT OF LIEN

No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any ground lease or memorandum thereof, mortgage, deed of trust or other financing or security instrument; provided, however, that any successor of Owner to the Property and Housing Project shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

ARTICLE 8. DURATION

The covenants contained in Articles 2, 3, 4 and 5 of this Agreement shall be deemed to run with the Property and Housing Project until the date which is twenty (20) years following the Effective Date.

ARTICLE 9. SUCCESSORS AND ASSIGNS

The covenants contained in the Agreement shall be binding upon Owner and its heirs, successors and assigns, and such covenants shall run in favor of the Housing Authority and its successors and assigns for the entire period during which such covenants shall be in force and effect, without regard as to whether the Housing Authority is or remains an owner of any land or interest therein to which such covenants relate. The covenants contained in the Agreement, without regard to technical classification and designation, shall be for the benefit of and shall be enforceable only by the Housing Authority, and its successors and assigns.

ARTICLE 10. SUBORDINATION AGREEMENT

Except as otherwise expressly provided below, this Agreement shall have priority over the liens of all mortgages, deeds of trust and other liens (other than the lien for current, unpaid property taxes) and Owner shall cause all such mortgagees, deed of trust beneficiaries and other lien holders to execute and deliver to the Housing Authority for recordation in the Official Records of Alameda County, a subordination agreement, in a form reasonably acceptable to the Housing Authority, subordinating such mortgages, deeds of trust and other liens to this Agreement thereby ensuring the priority of this Agreement over all such mortgages, deeds of trust and other liens. Notwithstanding the subordination provisions set forth herein, the Housing Authority may, in its sole discretion, subordinate this Agreement. Notwithstanding the foregoing, the Housing Authority shall subordinate this Agreement, pursuant to a subordination agreement form reasonably acceptable to the Housing Authority, to debt financing for the Property if such debt financing includes affordability covenants that (1) expire after the expiration of this Agreement, and (2) require income targeting of equal or greater affordability with respect to all units in the Property. In connection with any subordination (whether this Agreement will be senior or junior), Owner shall pay an administrative fee to the Housing Authority in the amount of \$750 and shall reimburse the Housing Authority for all out-of-pocket costs in connection therewith, including attorney's fees.

ARTICLE 11. DEFAULT AND REMEDIES

11.01 Any failure by Owner to perform any term or provision of this Agreement shall constitute a "Default" (1) if Owner does not cure such failure within thirty (30) days following written notice of default from the Housing Authority, or (2) if such failure is not of a nature which can be cured within such thirty (30) day period, Owner does not commence substantial efforts to cure the failure within thirty (30) days and thereafter prosecute to completion with diligence and continuity the curing of such failure. Any notice of default given under this Agreement shall identify the nature of the failure in performance which the Housing Authority claims constitutes the Default and the manner in which such Default may be satisfactorily cured. Any failure or delay by the Housing Authority in asserting any of its rights or remedies, including specific performance, as to any Default shall not operate as a waiver of any Default or of any such rights or remedies or deprive the Housing Authority of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

11.02 In the event of any Default, the Housing Authority and its successors and assigns shall have the right to exercise any and all of the following rights and remedies:

(a) Charge a monthly non-compliance fee in the amount of \$50 per month or portion thereof with respect to each unit in the Property that is not operated and occupied in compliance with this Agreement; to the extent that any material breach of this Agreement affects common areas or all of the units (such as a Default under Section 4.01), such non-compliance fee shall apply to all units in the Housing Project.

(b) Collect all rents and income in connection with the operation of the Housing Project and use the same and the reserve funds for the operation and maintenance of the Housing Project.

(c) Take possession of the Housing Project and bring any action necessary to enforce any rights of Owner with respect to the operation of the Housing Project, and operate the Housing Project in accordance with the terms of this Agreement until such time as the Housing Authority, in its sole discretion, shall determine that Owner is again in a position to operate the Housing Project in accordance with the terms of this Agreement.

(d) Maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach, including, without limitation, seeking specific performance.

ARTICLE 12. NOTICES, DEMANDS AND COMMUNICATIONS

Any approval, disapproval, demand, document or other notice to be provided under this Agreement shall be given in writing and shall be sent: (a) for personal delivery by a delivery service that provides a record of the date of delivery, the individual to whom delivery was made, and the address where delivery was made; (b) by first-class certified United States mail, postage prepaid, return receipt requested; or (c) by a nationally recognized overnight courier service and marked for next day business delivery. All notices shall be addressed to the party to whom such notice is to be given at the property address stated herein or to such other address as a party may designate by written notice to the other. Any written notice, demand or communication shall be deemed received: (a) immediately if delivered by personal delivery as provided hereinabove;

(b) on the third (3rd) day from the date it is postmarked if delivered by first-class mail, postage prepaid, return receipt requested; and (c) on the next business day if sent via nationally recognized overnight courier and marked for next day business delivery. Notices sent by a party's attorney on behalf of such party shall be deemed delivered by such party.

To the Housing
Authority:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attention: Executive Director

To Owner

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attention: Executive Director

ARTICLE 13. ATTORNEYS' FEES

In any action or proceeding which either party brings against the other to enforce its rights hereunder, the unsuccessful party shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees, which amounts shall be a part of the judgment in any action or proceeding.

ARTICLE 14. RECORDATION OF AGREEMENT

Immediately following the Effective Date, this Agreement and the Notice of Affordability Restrictions on Transfer of Property in the form attached hereto as Exhibit D, shall be recorded against the Property in the Official Records of Alameda County.

ARTICLE 15. MISCELLANEOUS

Each party agrees to cooperate with the other in the implementation and administration of this Agreement and, in that regard, shall execute any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. The words "include" and "including" shall be construed as if followed by the words "without limitation." All exhibits and attachments hereto are incorporated by reference as though fully restated herein. This Agreement shall be interpreted as though prepared jointly by both parties, and shall be construed in accordance with and be governed by the laws of the State of California. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby. A waiver by either party of a breach of any of the covenants, conditions or agreements hereunder to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof. No waiver by the Housing Authority of any of the conditions hereof shall be effective unless in writing expressly identifying the scope of the waiver and signed on behalf of an authorized official of the Housing Authority. Any alteration, change or modification of or to the Agreement, in order to become effective, shall be made in writing and in

each instance signed on behalf of each party hereto.

IN WITNESS WHEREOF, the Housing Authority and Owner have caused this Agreement to be executed on their behalf by their respective officers thereunto duly authorized, on the Effective Date first above written.

HOUSING AUTHORITY:

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

By: _____
[Signature must be notarized]
Vanessa M. Cooper
Executive Director

OWNER:

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

By: _____
[Signature must be notarized]
Victoria Johnson
Director of Housing and Community Development

[Signatures must be notarized.]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2017, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2017, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

EXHIBIT A

Description of Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ALAMEDA, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

[TO BE COMPLETED]

EXHIBIT B

Tenant Income Certification

Project Name and Address: _____

Date: _____

- Affordable Units: 50% of Median Income
 80% of Median Income
 120% of Median Income

Address/Unit Number: _____

Rent: _____

Tenant/Household Name: _____

Date of Lease: _____

Size of Household: _____

Expiration: _____

Total Household Income: _____ per year

The following list includes each member of the household and their income. Attached are federal or state income tax returns for the most recent tax year, current stubs from paychecks or other evidence of the income of each income-producing member of the household.

Name of Household Member	Relationship	Age	Social Security Number	Annual Income	Source of Income/ Name of Employer
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

I/We the undersigned have read and answered fully, frankly and personally each of the above questions under penalty of perjury and do hereby swear they are true.

Head of Household Date

Owner/ Agent Date

EXHIBIT C

CERTIFICATION OF CONTINUING COMPLIANCE

Project Name and Address: _____

Date: _____

Total Affordable Housing Units in Project:

Very Low Income Units (not to exceed 50% of Median Income): _____

Low Income Units (not to exceed 80% of Median Income): _____

Moderate Income Units (not to exceed 120% of Median Income): _____

The Owner, in accordance with the Affordable Housing Agreement dated _____ (the "Agreement") does hereby certify to the Housing Authority of the City of Alameda that Owner is in continuing compliance with the Agreement, and that to the knowledge of the undersigned no default exists under said Agreement. Specifically, it hereby is confirmed that each Eligible Household currently residing in a unit in the Project has completed a Certificate of Tenant Eligibility and Income Verification in the form approved by the Housing Authority of the City of Alameda and that from and after the Effective Date under the Agreement, all of the occupied units in the Project have been rented to (or are vacant and last occupied by) Eligible Households [*Check box if applicable and attach appropriate documents:* except as indicated in the attached documents].

Signed: _____
Owner/ Agent

Date: _____

[Attached pages as applicable.]

EXHIBIT D

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

[attached]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

Housing Authority of the City of
Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attention: Executive Director

*Exempt from recording fees pursuant to
Cal. Gov't Code Section 27383*

Space Above This Line For Recorder's Use Only

**NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY**

(Note: Above Title and text below must remain in 14-point type or larger)

Important notice to owners, purchasers, tenants, lenders, brokers, escrow and title companies, and other persons, regarding affordable housing restrictions on the real property described in this Notice: Restrictions have been recorded with respect to the property described below (referred to in this Notice as the "Property") which restrict the price and terms at which the Property may be sold or rented. These restrictions may limit the sales price or rents of the Property to an amount which is less than the fair market value of the Property. These restrictions also limit the income of persons and households who are permitted to purchase and rent the Property.

Title of Document Containing Affordable Housing Restrictions:

Affordable Housing Agreement (referred to in this Notice as the "Affordable Housing Restrictions").

Parties to Affordable Housing Restrictions:

the Housing Authority of the City of Alameda ("Housing Authority")

and

the Housing Authority of the City of Alameda ("Owner").

The Affordable Housing Restrictions are recorded: (check one)

as Document No. _____, official records of Alameda County, on _____, 2016; or

concurrently with this Notice, official records of Alameda County.

Legal Description of Property:

See Exhibit A (Attached hereto)

Street Address of Property:

_____, Alameda, California.

Assessor's Parcel Number of Property: _____

Summary of Affordable Housing Restrictions (check as applicable):

The Affordable Housing Restrictions restrict the amount of rent which may be charged for the rental housing unit or units on the Property, as follows:

30% of maximum annual income for households whose gross income does not exceed the applicable income level.

The Affordable Housing Restrictions restrict the sales price which may be charged for the sale of the ownership housing unit or units on the Property, as follows:

_____.

The Affordable Housing Restrictions restrict the income level of the tenant or buyer of the Property, as follows:

100% of units at 120% Area Median Income, except one of such units may be a manager's unit.

Term of Restrictions: 20 years, commencing on _____, 201_ and terminating on _____, 203_.

This Notice does not contain a full description of the details of all of the terms and conditions of the Affordable Housing Restrictions. You will need to obtain and read the Affordable Housing Restrictions to fully understand the restrictions and requirements which apply to the Property. In the event of any conflict between the terms of this Notice and the terms of the Affordable Housing Restrictions, the terms of the Affordable Housing Restrictions shall control.

This Notice is being recorded and shall be indexed against the Housing Authority and the current Owner of the Property.

HOUSING AUTHORITY:

Dated: _____, 2017

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

By: _____

[Signature must be notarized]

Vanessa M. Cooper
Executive Director

OWNER:

Dated: _____, 2017

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

By: _____

[Signature must be notarized]

Victoria Johnson
Director of Housing and
Community Development

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2017, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2017, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ALAMEDA,
COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

[TO BE COMPLETED]



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: October 18, 2017

Re: North Housing Project Update; Approve a \$3.3 Million Loan to Island City
Development for Pre-Development and Demolition Costs at the North Housing
Site

BACKGROUND

In 2012, the Housing Authority was approved to receive approximately 13 acres of land from the Navy at the former Coast Guard housing site known as North Housing. The approval requires that the land will first be transferred to the City of Alameda and then to the Housing Authority in order to build 90-unit permanent supportive housing units plus common area amenities. Alameda Point Collaborative (APC) and Building Futures with Women and Children (BFWC) are the other development partners and will serve as the service providers for residents of the new development.

The Navy had notified the City and AHA that it was prepared to begin the land transfer process in 2016, but the schedule was changed when the Navy initiated the process to sell the 14-acre parcel adjacent to the North Housing site. It is now expected that the AHA site will be transferred in 2018.

DISCUSSION

In recent weeks, staff has been working with the City Attorney and Planning staff to begin to prepare for the transfer of the land. The City Council is required to approve an Ordinance to allow the transfer to occur, and outside counsel will assist to prepare the necessary documents. Once transferred, the Housing Authority will assume responsibility for the maintenance of the site and staff will seek to minimize liability and risk. Staff has also been notified by EBMUD that it will be necessary to install new water lines and to install fire hydrants upon transfer.



In 2015 and 2016, Ninyo and Moore Geotechnical and Environmental Sciences Consultants performed several studies of the site including a Hazardous Building Materials Survey. Due to the presence of lead and asbestos, disposal of the demolished buildings will be regulated as hazardous waste. Staff has not obtained contractor bids, but the consultant has advised that the cost to demolish each building will be approximately \$150,000. There are 20 residential buildings on the AHA site. The following is an estimate of total acquisition, pre-development and demolition costs over the next 18 months.

- Surveying and Environmental Services - \$100,000 (CDBG grant)
- Civil Engineering and Utility Design - \$30,000
- Pollution Liability and Other Insurance - \$100,000
- Development Consultant/Project Management - \$30,000
- Legal Services - \$30,000
- Fencing and Security costs - \$20,000
- Initial Site Planning Services - \$50,000
- City and EBMUD Fees - \$40,000
- Demolition (20 buildings), Disposal and Monitoring - \$3 million

This budget is tentative, subject to the results of a public bid for demolition and disposal. Assuming a June 2018 transfer, the expected time frame for the site acquisition and building demolition is shown below.

DATE	TASK
January 2018	Draft legal documents for City Council
February 2018	Utility Planning and Application
April – May 2018	First and Second Reading of Ordinance
June 2018	Obtain Insurance, Site Transfer
July 2018	IFB for Demolition
October 2018	Demolition Notice to Proceed
January 2019	Demolition Complete, Environmental Clearance

In 2012 AHA, APC and BFWC signed a Memorandum of Understanding that outlines the roles and responsibilities of each party. This MOU states broadly that AHA is responsible to serve as “fiscal agent”, to secure financing, to develop and then to manage the project, and to provide regular quarterly reports to the partners regarding project finances. The providers are responsible to apply for the funds needed to provide long-term services to the project and then to perform those services. The MOU also states that each of the parties shall be reimbursed for pre-development and other project expenses that have been incurred at the time of sale or financing. Staff will meet with APC and BFWC over the next months to negotiate an updated and revised MOU that reflects the current circumstances and that further clarifies financial and legal responsibilities.



FISCAL IMPACT

In prior fiscal years, CDBG funds in the amount of \$150,000 were approved within the CDBG program budget to be used for the site survey and environmental reports needed to facilitate the transfer of the site. These are grant funds that can be used for eligible expenses. As of 9/30/17, approximately \$100,000 of these funds remains available.

Many pre-development costs can eventually be reimbursed from the project construction loan when the financing is closed. However, the costs associated with demolition may not be recoverable through the project loan, either because the project cannot absorb the cost or because the activity itself is not eligible for reimbursement (according to accounting or tax law).

In 2016 the Board considered and accepted a three to five-year cash reserve schedule that shows a total of \$7.1 million of reserve funds allocated to the North Housing project. This loan will count towards that total. All AHA funds loaned to ICD on behalf of the North Housing project will be drawn from the Esperanza loan proceeds that are now held in the LAIF or CAMP accounts.

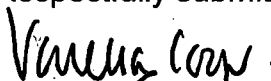
The primary benefits of using ICD to receive the loan and for project management is to establish that the reserve funds have been obligated to the project and to simplify the financial underwriting when applications for funding are submitted to the County, State and private funders. Funds loaned to ICD are maintained in a separate account(s) and are documented with a Promissory Note. As the project progresses, staff will provide ongoing and detailed tracking of the funds including reporting on any costs that will not be reimbursed through the construction loan. If and when it is determined that loan funds will not be reimbursed, the funds will be posted as a receivable to AHA and may be recovered over time through project cash flow.

Staff will return to the Board for the approval of the updated MOU, for approval of all major contracts and will provide regular project reporting.

RECOMMENDATION

Staff requests Board approval of a loan to Island City Development in the amount of \$3,300,000 to be used to meet the pre-development and demolition expenses at North Housing and to authorize the Executive Director or designee to execute contracts and agreements in accordance with the Authority's procurement policy

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

Prepared by: Kathleen Mertz, Asset Manager

Date: October 18, 2017

Re: Appoint a New Vice Chair of the Board; Receive Board Direction on the
Appointment of a New Member to the Ad Hoc Asset Management
Committee

DISCUSSION

Due the recently resignation of Commissioner Stephanie Shipe, the position of Vice Chair is vacant. The Board is asked to appoint a Vice Chair effective October 18, 2017

The Board currently has an Ad Hoc Asset Management Committee (Committee). In addition, there is one full time Asset Manager staff person. In August, the Board approved an updated activity schedule for the Committee, culminating with a 5-Year Cash Flow and Capital Needs Report in April 2018. The updated timeline depends upon staff work, then a check in with the Committee to review the progress and provide feedback.

With Commissioner Shipe's resignation from the Board and the Committee, only Commissioner Rickard is left on the Committee. The Board may appoint another member of the Committee to replace Ms. Shipe or alternatively, the Board can put the Committee on hold until staff completes the 5-year Cash Flow and Capital Needs Report in 2018. If the later is chosen, staff would continue to report on the outcomes to Board as per the approved schedule of activities approved in May (attached).

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends that the Board appoint a new Vice Chair of the Board; receive Board Direction on the appointment of a New Member to the Ad Hoc Asset Management Committee.



Honorable Chair and
Members of the Board of Commissioners

October 18, 2017
Page 2 of 3

Respectfully submitted,



Vanessa M. Cooper
Executive Director

Attachment: Approved Asset Committee Schedule



Ad Hoc Asset Management Committee Activity Schedule
Board Approved August 16, 2017

Date	Activity
March 2017	Define Scope of the Committee
April 2017	Independence Plaza Needs Analysis, with presentation from Jack Geary
May 2017	Independence Plaza Summary Findings and Assumptions
June 2017	Property PNAs, CIP work plan, REO schedule, and Portfolio Snapshot template
July 2017	No Meeting
August 2017	Tour AHA Owned Properties
September 2017	Tour LIHTC Partner Properties
October 2017	Portfolio Cliff Schedule
November 2017	No Meeting
December 2017	Review Updated PNA Analysis
January 2018	Refinance Scenarios Part 1
February 2018	Refinance Scenarios Part 2
March 2018	5-Year Cash Flow and Capital Needs Report
April 2018	5-Year Cash Flow and Capital Needs Report to Board

