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

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

AGENDA **SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**

DATE & TIME **Wednesday December 5, 2018 –**

Special 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 (Non-Agenda)

3. CONSENT CALENDAR

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

3-A. Approve Minutes of the Board of Commissioners Meeting held October 17, 2018 and November 7, 2018 – Page 1
3-B. Accept the Monthly Overview Report for Operations, H.R., and I.T. – Page 29
3-C. Accept the Monthly Overview Report for the Housing Programs Department – Page 31
3-D. Accept the Monthly Overview Report for the Rent Stabilization Program – Page 34
3-E. Accept the Monthly Overview Report for Property Operations – Page 35
3-F. Accept the Monthly Overview Report for Housing & Community Development – Page 41
3-G. Approve Chapter 8 Property Acquisition (APN 74-428-21) and Authorize the Executive Director, or her Designee, to Negotiate and Execute Purchase Documents – Page 44
3-H. Accept the Monthly Development Report for Littlejohn Commons and Authorize a Project Budget Increase of Up to $500,000 and Authorize the Executive Director, or her designee, to Negotiate and Execute Documents Related to the Budget Increase – Page 46
3-I. Accept the Monthly Development Report for Everett Commons – Page 49
3-J. Accept the Monthly Development Report for Rosefield Village – Page 51
3-K. Accept the Monthly Development Report for North Housing – Page 75
3-L. Accept the Quarterly Investment Report – Page 78
3-M. Accept the Annual Customer Survey – Page 85

4. AGENDA

4-A. Approve a Donation of $2,500 to the Butte County Housing Authority to Provide Assistance to Households Displaced by the Camp Fire and Approve the Board Chair to Send a Letter of Support – Page 103

4-B. Adopt the Resolution to Adopt a Revised Pay Schedule with a Modification in Wage Range Assigned to the Deputy Executive Director Position and a Change in Rates to the Resident Manager-Related Positions – Page 104

4-C. Accept Presentation of Agency Pension Liabilities and Provide Direction to Staff on the Establishment of a Trust for Pension Liabilities in Order to Return with a Prefunding Request in Early 2019 – Page 108

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

6. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

7. ADJOURNMENT

* * *

Note

- If you need special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (TDD: 510 522-8467) or vmondo@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility.

- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.

- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.

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DRAFT MINUTES

REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD WEDNESDAY OCTOBER 17, 2018

The Board of Commissioners meeting was called to order at 7:06 p.m.

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

   Present: Commission Chair Tamaoki, Commission Vice Chair McCahan, and Commissioners Hadid, Kay, and Kurrasch.

   Absent: Commissioners Rickard and Weinberg

2. Public Comment (Non-Agenda)

   No Public Comment.

3. CONSENT CALENDAR

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

   Items accepted or adopted are indicated by an asterisk.

   Executive Director Vanessa Cooper made an amendment to agenda item 3-R and changed the title to "Authorize the Executive Director or Designee to Approve a Contract for Fair Market Rent Survey to a Qualified Party, Not to Exceed $250,000." This amendment is being made because depending on applications, Ms. Cooper may have a conflict of interest, in which case Commission Chair Tamaoki or Vice Chair McCahan would award the contract.

   The Board of Commissioners agreed and moved on to the Consent Calendar. Commissioner Kay questioned why the HQS inspection pass rate is so low, especially since maintenance is viewing units prior to the HQS inspections. Staff provided an explanation of the numbers.

Vice Chair McCahan provided a suggestion for Ms. Lisa Caldwell, Director of Property Operations, to add a "Leases Pending" column to the vacancy table.

Commissioner Kurrasch welcomed our police officer in the audience and noted that he was glad to see the report and statistics on the police activity at our properties.

Commission Chair Tamaoki complimented staff on the Section 8 Directors Roundtable. Chair Tamaoki asked for more information on the Alameda Unified School District ROPS pass through fund allocation. Ms. Kathleen Mertz, Director of Housing & Community Development, explained that in May of this last year, AHA signed a memorandum of understanding (MOU) with AUSD to use a portion of the redevelopment funds on some of our projects. Staff explained that cost overruns at Littlejohn related to some insurance and hard costs, lead to the approximately $300,000 number in this report. The AUSD funds for this period are about $268,000.

Commission Chair Tamaoki asked if there are any additional obligations that come along with accepting funding from AUSD. Ms. Mertz stated that with Littlejohn Commons (Del Monte), there are no obligations. At Everett Commons there is a preference point at lease up in the randomized lottery to AUSD employees, and any of AHA's future projects would be similar. Ms. Mertz explained that the MOU includes three years of funding, 2016 – 2019. AHA is working with AUSD to create timelines for future projects.

Chair Tamaoki asked if AHA will come back before the Board to ask for consent on the specific breakdown of funds from AUSD and Ms. Mertz said that it is similar to the Rosefield resolution. The process has been setup for the Board to authorize staff to find the funding source(s) and not really specific dollar amounts found from each source. Once funding has been identified and investor negotiations have taken place, staff will come back to the Board of Commissioners to get authorization on the global amount and budget of funding.

Chair Tamaoki noted he sees that we are expanding the Property Management Agreement with the John Stewart Company, and wanted to double check that this will not affect our current staff. Ms. Cooper said that expanding the agreement will not cause any staffing changes internally and that the maintenance staff will be reallocated elsewhere since there is plenty of work to be done.

Commissioner Kurrasch motioned to accept the consent calendar with the amendment to item 3-R and Vice Chair McCahan seconded.

*3-A. Approve Minutes of the Board of Commissioners Meeting held September 19, 2018
*3-B. Accept the Monthly Overview Report for Operations, H.R., and I.T.
*3-C. Accept the Monthly Overview Report for the Housing Programs Department
*3-D. Accept the Monthly Overview Report for the Rent Stabilization Program
*3-E. Accept the Monthly Overview Report for Property Operations
*3-F. Accept the Monthly Overview Report for Housing & Community Development
*3-G. Accept the Monthly Development Report for Littlejohn Commons

*3-H. Accept the Monthly Development Report for Everett Commons

*3-I. Approve and Authorize the Executive Director to Execute the First Amendment to the John Stewart Company Contract for Rosefield Village Dated July 1, 2017 to include an extension to June 30, 2020 and minor contract changes and Enter into a New Contract for Eagle Village effective January 1, 2019 in an amount not to exceed $175,000

*3-J. Authorize the Executive Director to Execute Administrative Amendments to the LifeSTEPS Contract Dated July 1, 2017

*3-K. Authorize the Executive Director to Negotiate and Sign the Following Contracts: A Three-Year Contract for HR Counsel Services to the Law offices of Liebert Cassidy Whitmore Not to Exceed $250,000 and A Three-Year Contract with the Law Offices of Wiley Price & Radulovich and/or Atkinson, Andelson, Loya, Ruud & Romo for Additional HR Legal Services Not to Exceed a Total of $100,000. All Contracts are on an As-Needed Basis

*3-L. Accept the Holiday and Office Closure Schedule for 2019

*3-M. Accept the Housing Authority 2017-18 Fiscal Year-End Report

*3-N. Accept the Annual Police Activity Report for FY 2018

*3-O. Accept the Budget Variance Report for August 31, 2018

*3-P. Accept Board of Commissioners Meeting Schedule for 2019

*3-Q. Approve Outside Employment of Executive Director, per 2014 Employment Contract Between the Board of Commissioners and Vanessa Cooper

*3-R. ~~Authorize the Executive Director to Approve a Contract for Fair Market Rent Survey to a Qualified Party for a Period of Four Months, Not to Exceed $250,000~~
Authorize the Executive Director or Designee to Approve a Contract for Fair Market Rent Survey to a Qualified Party, Not to Exceed $250,000

*3-S. Authorize the Executive Director to Negotiate and Approve a Third Extension of Amount and of the 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 $390,000 and to Extend the End Date to December 31, 2019

4. <u>AGENDA</u>

4-A. Accept a Presentation on the North Housing Parcel

Ms. Vanessa Cooper introduced Ms. Danielle Thoe, Management Analyst, who gave the North Housing presentation. Ms. Cooper thanked all of those who attended the first public North Housing Community Meeting. She noted that the project now has a website and excellent aerial photographs.

Ms. Thoe discussed the timeline moving forward and talked through the community engagement meetings. Since, community buy-in is key, efforts have been made to involve stakeholders and the general public and to understand the opinions of the neighbors and public. The community meeting schedule was advertised in many ways including: postcards mailed to site neighbors, newspaper announcements in four languages, AHA newsletter articles, and a North Housing email list.

Next steps will be to continue both the community engagement process and monthly partner meetings with Building Futures and APC. AHA will continue to move the Development Plan through City staff review in early November, then to a Planning

Board Study Session, followed by a Planning Board Hearing. Also, a meeting is scheduled with Carmel Partners on the topics of safety and security of the site.

Ms. Thoe then discussed pre-development funds and explained how staff has a much better idea of costs and work necessary to get through the Development Plan than earlier in the process. As a result, staff is now asking for additional funding for the pre-development costs and the Development Plan. Staff is requesting a total of $3.4 million on top of what was already approved. Ms. Thoe reiterated that the Development Plan is for the entire 12-acre site, not just one building. As part of this request, staff is asking for $2.5 million for demolition of the existing buildings. This cost estimate is based on the bids Carmel Partners received for their demolition of three buildings with similar requirements and guidelines that we will have.

Ms. Cooper reminded the Board that the agreement with APC and Building Futures requires this money be paid back to AHA first from future revenue. If the partners decided to sell any of the land at any time, the cash from that transaction would first go back to paying development expenses like the $3.4 million being requested.

Commissioner Kurrasch asked if the first buildings being demolished would allow for the new roads to be put in place and Ms. Cooper confirmed that this is correct – six buildings are currently under demolition. Staff is requesting funds for the demolition of the other sixteen AHA buildings. This does not include Habitat for Humanity's buildings.

Commissioner Kurrasch asked if Carmel Partners had agreed to take care of the sewers, and Ms. Cooper confirmed that they have.

Vice Chair McCahan commented on Lake Alameda, the property north of the AHA site. Ms. Thoe confirmed that it is owned by the City and while it is currently fenced in, there are anticipated plans to take down this fence to allow walking and biking access.

Vice Chair McCahan asked if there is intent to build housing on the old Miller School site. Commissioner Kurrasch explained that the plan is to move Island High School to this location. Ms. Thoe noted that the transfer of that site to AUSD has taken place.

Commission Chair Tamaoki commented on the $3.7 million and asked if this amount is anticipated to cover all costs until ground is broken. Ms. Thoe stated that this amount is for the Development Plan and it is anticipated that additional funding will be needed before the first building will get to ground breaking. Ms. Mertz added that for Everett Commons and Littlejohn Commons, it cost around $1 million of predevelopment funds to get AHA to closing, and this is a larger project with a larger overall process of a Development Plan for hundreds of units. Staff will then have to come back with the specific plans for each project. Although per unit, the Development Plan is not a huge upfront cost and there will probably be more cost later, it is likely that per unit costs will be less than previous projects because many issues will have been addressed and planned out in the Development Plan.

Commission Chair Tamaoki asked for clarification on whether each individual site will be leased out to a new tax credit partnership and that partnership would then pay AHA for the right to use the land. Ms. Cooper confirmed that there would be land leases.

Commissioner Kurrasch motioned to accept items 4-A and 4-B and Commissioner Hadid seconded. All were in favor.

Ms. Cooper thanked those Commissioners who have attended the Community Meetings and extended the offer to everyone for attending the future Community Meetings.

4-B. Accept the Monthly Development Report for North Housing and Approve a $3.4 Million Loan Amendment to Island City Development for Pre-Development at the North Housing Site and Authorize Executive Director to Negotiate and Execute the Loan Documents

This item was discussed and accepted along with the presentation in Agenda Item 4-A.

4-C. Accept the Monthly Development Report for Rosefield Village, Adopt a Resolution Authorizing Submission of Funding Applications, and Approve a $1.3 Million Loan Commitment Amendment to Island City Development for the Rosefield Redevelopment Project and Authorize Executive Director to Negotiate and Execute Loan Documents

Ms. Cooper introduced Ms. Kathleen Mertz, Interim Director of Housing and Community Development. Ms. Mertz directed attention to the updated Board memo (included with the meeting minutes as Attachment A), which was distributed at the beginning of the meeting because AHA will also need to form new owner entities for the project. This is similar to what was done for Littlejohn Commons and at Everett Commons. ICD as the general partner and the initial limited partner, the Housing Authority, formed a partnership and a new legal entity.

This project has been ongoing since 2015 and staff has been working to finalize a financing plan since that time. Staff was aware that the A1 competitive application was going to be opened because AHA already has a non-competitive Base Allocation. The competitive application portion was released on October 1, 2018. There was a six-week turnaround time with this application, so staff has been working to update documents as the project increased to 91 units changing the documentation to be submitted.

AHA originally approved a $5.7 million loan for 60 units, but because of the increase to 91 units staff discovered a gap in funding. The additional funding request is $1.3 million, which staff hopes to backfill with additional sources as the project progresses. Staff specifically requested a resolution for the authorization to apply for any and all funding sources as it becomes available. A resolution is also necessary for the A1 application.

Commissioner Kurrasch said it was good to leverage our money the proper way. He added that being able to add 30 units to the property makes the Board very happy.

Ms. Mertz mentioned that in June 2018, when the Capital Needs Planning was done with the reserve analysis, AHA did identify Rosefield as needing repair, so this agenda item fits in line with the overall schedule of investing in AHA properties and leveraging new growth.

Commission Chair Tamaoki asked how much money AHA will be looking for from A1 funds in the second round of funding. Ms. Mertz said that right now, it appears to be about $8.5 million. Chair Tamaoki commented that he wanted to make sure that AHA is having a net benefit.

Chair Tamaoki also asked if the 20% of units at 20% AMI are required to be homeless housing. Ms. Mertz explained that it is not a threshold requirement, but for the additional competitive points, yes, it does. Ms. Cooper commented that the question of whether or not this project can find the funding without the competitive points is a question that has not been resolved. Homeless families can still live in the unit without it being set aside specifically for homeless housing. Ultimately this will come down to working with the financial advisor to see which way AHA needs to go to get this project funded. Ms. Mertz added that it is leaning towards applying for the competitive points.

Chair Tamaoki commented that this will be a management challenge if AHA does not know the type of services needed for each of the specific tenants that are housed. Ms. Cooper commented that this is part of the reality of creating affordable housing today. Both the County and the State funding sources are targeted towards helping homeless individuals and veterans. If AHA does not need to opt in to house the homeless at Rosefield, AHA will not, but if this is the only funding that can be secured, then that is the direction of this project.

Commissioner Kay mentioned that the success of helping and housing homeless individuals does not work without providing services and Ms. Cooper agreed that AHA will commit to providing these services through an expert 3rd party provider to help in this capacity.

Several board members and staff continued the discussion on the need for homeless services and systems in Alameda.

Chair Tamaoki commented that homelessness issue needs to be addressed as a society and the Housing Authority is the agency to deal with this issue. The goal of creating additional homeless units over at the North Housing site is something that is strongly supported because this housing will be able to be designed in the way that it should be designed.

Vice Chair McCahan motioned to accept and Commissioner Kurrasch seconded. A Roll Call Vote was taken and all were in favor.

4-D. Conduct Public Hearing to Hear Comments on Housing Authority Significant Amendment Effective January 2019 or upon HUD Approval

Ms. Cooper introduced Ms. Tonya Schuler–Cummins, Senior Management Analyst, who spoke on this item and Ms. Lynette Jordan, Director of Housing Programs who spoke on the next item. Ms. Schuler–Cummins explained that staff previously came before the Board with a significant amendment contingent on a waiver from HUD to put specific families at Park Alameda. HUD responded that they will not approve the waiver, but proposed a new route. This proposes a voluntary, disability-specific supportive services preference for the nine units at Park Alameda, which is the first part of the significant amendment. The second part of the significant amendment allows under housed families in Project-Based Voucher units to stay in their current unit if supportive services are available to them.

Ms. Schuler–Cummins stated that all of the public noticing has been done and AHA did not receive any written comments. AHA conducted two public meetings for the Resident Advisory Board (RAB). While one of the Resident Advisory Board Members is now on the Board of Commissioners and no longer eligible for the committee, the other two members stated that they were in favor via a phone conversation, but were unable to attend a meeting. There was no public comment which altered any of what is being presented and the significant amendment has been posted on the AHA website, the Main Library, and a notice of the location and meetings in the newspapers. There now needs to be an open public hearing for oral comments before the resolution can be adopted.

Commission Chair Tamaoki opened the public hearing at 8:20 p.m.; there being no Public Comment, the hearing was closed at 8:20 p.m.

4-E. Adopt A Resolution Approving A Significant Amendment to FY 2019 Annual Plan, Effective Upon Acceptance by HUD or 75 days after HUD Submittal

Ms. Schuler–Cummins stated that the next agenda item is to "Adopt the Resolution Approving A Significant Amendment to FY 2019 Annual Plan, Effective Upon Acceptance by HUD or 75 days after HUD Submittal," and Chair Tamaoki asked the Board if there were any further questions. Ms. Cooper added that there has been outreach for next year's Resident Advisory Board and there are six individuals interested, so Ms. Cooper will review a recommendation next week for the new Resident Advisory Board.

Commissioner Kay motioned to accept 4-E and Commissioner Hadid seconded. Roll call was taken and all were in favor.

4-F. Amend the Housing Authority of the City of Alameda (AHA) Section 8 Administrative Plan Chapters 2, 3, 4, 5, 7, 8, 10, 12, 15, 16. The Title Page and Table of Contents to comply with The Violence Against Women Reauthorization of 2013 (VAWA) Final Rule, Public and Indian Housing (PIH) Notices 2016-9, 2017-08, 2017-12, 2017-13, 2013-9, and to comply with Quadel Administrative Plan Final Review

Ms. Cooper explained that the Administrative Plan regulates the Section 8 Program and, on a regular basis, AHA goes through the chapters and updates the plan to be in compliance. These changes may take place due to new legislation, new items by HUD, or edits which AHA makes to meet best practices.

Ms. Lynette Jordan, Director of Housing Programs, explained that these edits are to make sure that AHA is in compliance with HUD notices and the latest regulations. AHA previously updated the Violence Against Women's Act (VAWA) items but in reviewing the chapters this round found a few reauthorization dates which needed to be updated. Changes are being made to allow for triannual recertifications and a correction to clarify voucher issuances for 180 days. There are also changes to current practices to make sure that AHA is in alignment with our new procurement policy, and a new lead-based paint procedure which AHA has already implemented, but is now aligning the plan. There were also some changes to the HOTMA sections. AHA is already Affirmatively Furthering Fair Housing, but with this change clarifies that this applies to all of the AHA programs. All the changes have been redlined and the copy in the packet shows these edits.

Commissioner Kurrasch commented on the good work and Commissioner Hadid stated that as a past member of the RAB, he appreciates what AHA does and all of the work that goes into these changes. Ms. Cooper commented that AHA is always looking for new RAB members and their input is important because it helps AHA to make sure changes are being made in the right direction. Ms. Cooper thanked Ms. Schuler–Cummins and Ms. Jordan for their hard work in making the update to these chapters. Chair Tamaoki commented that keeping track of all the changes is impressive.

Commissioner Kurrasch motioned to accept and Commissioner Kay seconded. All were in favor.

4-G. Accept Goals for the Executive Director for the Period of October 1, 2018 to September 30, 2019 and Approve an Increase of Five Percent (5.0%) in the Executive Director's Compensation, Effective on the Next Payroll Date Following the Completion of the Executive Director Performance Review Which was Held September 19, 2018

Ms. Cooper commented that each year goals are set for the Executive Director, and then around this time each year the Executive Director is evaluated against these goals. The Board previously met about the evaluation in September to review these goals as a proposal, and Ms. Cooper would like to make one change to the proposed goals based on comments from that meeting. The change is to bring forward the recruitment of the Deputy Executive Director. This recruitment was previously planned for 2019, but per Ms. Basta's memo, this recruitment has been moved up.

Chair Tamaoki asked for further comments. Ms. Cooper said that several of the goals hinge upon the Strategic Plan which will be brought back before the Board. The Strategic Plan text is more or less complete, but staff is working on the picture issue. As mentioned previously, the authenticity of the report feels different if the pictures reflect AHA's actual participants, but this brings about a privacy issue so staff is working to solve this problem.

Chair Tamaoki asked to change Goal 2, Item i from "and make them more efficient" to read "and improve efficiency".

Ms. Cooper proposed adding letter "j" to Goal 2 with the approximate language: "Start the recruitment of the Deputy Director position in early October with a goal of hiring in first quarter of 2019."

Chair Tamaoki asked if the board would like to make a motion to move the recommendation as amended and Vice Chair McCahan motioned to accept as amended, and Commissioner Hadid seconded; all were in favor.

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

None

6. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Commissioner Kay commented on how many people attended the Littlejohn Commons Grand Opening and that she was totally impressed with every aspect of the building and it was thrilling to see the reaction of everyone that attended and their impressions of the building. Ms. Cooper said that these comments would be passed along to staff.

Commissioner Hadid thanked staff and told them to keep up the hard work.

Vice Chair McCahan commented there was a high degree of emotion coming away from the grand opening and everyone should be very proud of the work that was done.

Commission Chair Tamaoki was unable to attend the Littlejohn Commons Grand Opening but acknowledged staff's work on this project.

Commissioner Kay commented that another organization she works with just had 4,200 people apply for housing and this just emphasizes again the need for housing.

Vice Chair McCahan will not be able to attend the next meeting and wanted to make an announcement to all residents that the Christ Church will have a citywide free Thanksgiving dinner and the Fire Department is hosting a toy drive program for all residents. Families that qualify can go through the food bank and signup starting November 1, 2018. Ms. Cooper commented that AHA would like a toy barrel in the lobby.

7. ADJOURNMENT

There being no further business, Chair Tamaoki adjourned the meeting at 8:40 p.m.

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners

Attachment A

Housing
Authority of the City of Alameda

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To: Honorable Chair and Members of the Board of Commissioners

From: Kathleen Mertz, Interim Director of Housing and Community Development

Prepared By: Danielle Thoe, Management Analyst

Date: October 17, 2018

Re: Accept the Monthly Development Report for Rosefield Village, Adopt a Resolution Authorizing Submission of Funding Applications, and Approve a $1.3M Loan Commitment Amendment to Island City Development for the Rosefield Redevelopment Project and Authorize Executive Director to Negotiate and Execute Loan Documents

BACKGROUND

Since early 2015 staff has been working to prepare a redevelopment plan for the buildings at Rosefield Village. It was initially expected that the site could be preserved through substantial rehabilitation but two separate structural reports indicated that the nine 1979 pre-fabricated buildings have reached the near-end of their useful life. Staff adjusted the project scope to include redevelopment of the property rather than rehabilitation of the existing buildings.

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

In December 2017, the Board approved a loan of $5.7 million of AHA funds to support the project. In September 2018, AHA was awarded $1.67 million of A1 County Bond funds from the City base allocation.

DISCUSSION

This project will be developed by Island City Development. The overall project scope includes both rehabilitation of existing structures and construction of a new building in the middle of the site where the existing 40 pre-fabricated buildings are located. The new building includes 78 units, (a mix of 1-, 2-, and 3-bedroom apartments) onsite laundry, property management offices, social service coordination offices, community room, and central courtyard with play structures. The thirteen existing units on the east and west sides of the new building will be renovated. There will be a lot line adjustment to create one large parcel instead of having two separate parcels.

With the newly approved design, staff is working to update the preliminary project budget. Staff continues to work with our financial consultant on a financing plan that will position the project for funding in 2019. Potential sources include Low-Income Housing Tax Credits, AHA Loan, County Measure A1 Bond funds, HOME funds, AUSD-CIC Pass Through Funds (former redevelopment agency), No Place Like Home, and Federal Home Loan Bank Affordable Housing Program funds. In anticipation of multiple funding applications, staff have prepared an Authorizing Resolution for these potential funding applications rather than having to return to the Board for individual authorizations. As part of these applications, staff will need to form the future ownership entities for the Low Income Housing Tax Credit partnership. Staff proposes using the same structure as with Everett Commons and Littlejohn Commons: Island City Development is the general partner and the Housing Authority is the initial limited partner, which will be replaced with the tax credit investor at closing. The investor will be solicited using a Request for Proposal process once the financing plan is finalized.

County Measure A1 Bond Funds
The County released a competitive Request for Proposals for Measure A1 Bond the regional pool funds. The application has a quick turn-around, with a due date of November 13, 2018 and completing a successful application will become the immediate focus of staff for Rosefield. Among the competitive scoring priorities is a threshold requirement for 20% of units to be designated for households at 20% AMI or below. In addition, there are additional points awarded for priority populations such as homeless households, seniors, and persons with disabilities. County A1 funds require a Project Labor Agreement for any project with greater than 79 units which if applicable to the whole Rosefield redevelopment rather than just the new building, could increase hard costs by up to 20%. The exact construction cost will not be known until the project goes out to public bid. While this new funding opportunity is exciting for the project's ability to successfully compete for Low-Income Housing Tax Credits in 2019, there will be overall cost increases as well. As discussed above, staff is working with our financial consultant to complete a competitive application for these funds.

On Monday, October 2nd HCD staff held a resident meeting in coordination with, and with staff present from, AHA Property Operations and the John Stewart Co. HCD staff presented an update on the project, including sharing the news of design review approval. Staff will be releasing an updated Relocation Plan for public comment within the coming month. The update includes requirements related to the funding sources.

A total of 14 units at Rosefield Village are now vacant. Approximately five units have been rented under short-term (six-month leases).

FINANCIAL IMPACT

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

The chart below summarizes expenses through September.

Rosefield Village		
Pre-development Loan from AHA	$	1,000,000
Usage through September 2018	$	425,711
Balance	$	574,289

In December the Board committed $5.7 million in AHA loan funds that will repaid through net cash flow over time. The source of funds is $2 million fee received in December 2017 from the Alameda Landing project, and $3.7 million from Esperanza refinance reserves held in the LAIF and CAMP accounts. Additionally, staff requests an increase of this commitment by $1.3 million, to total $7 million in AHA loan funds for the project. The funds provided could be used for construction and/or permanent financing. The loan would include an interest rate at 3% and an affordable housing regulatory period of 55 years, equal to the term of the loan. The source of these funds will be existing reserves held in the LAIF account but staff fully expects this commitment to be back-filled or supplemented with additional funding sources such as the AUSD pass-through funds or Federal Home Loan Bank funds once they are awarded in 2019. This increased commitment will be included as leverage for the current application for competitive County A1 Bond funds from the regional pool that is due November 13, 2018.

RECOMMENDATION

Accept the Monthly Development Report for Rosefield Village, adopt a Resolution authorizing submission of funding applications, and approve a $1.3M loan commitment amendment to Island City Development for the Rosefield Redevelopment Project and authorize Executive Director to negotiate and execute loan documents.

Respectfully submitted,

Kathleen Mertz
Interim Director of Housing and Community Development

Attachment: Resolution Authorizing Submission of Funding Applications

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No.______

AUTHORIZE THE SUBMITTAL OF LOCAL, REGIONAL, STATE, AND FEDERAL FUNDING APPLICATIONS FOR THE REDEVELOPMENT OF ROSEFIELD VILLAGE; THE EXECUTION OF AGREEMENTS AND DOCUMENTS FOR AWARDED FUNDING AND ANY AMENDMENTS THERETO.

WHEREAS, the Housing Authority owns real property at the 700 block between Eagle Avenue and Buena Vista Avenue commonly known as Rosefield Village (the Property); and

WHEREAS, the Board of Commissioners of the Housing Authority thinks it is in the best interest of the agency, the Property, and the residents to redevelopment the Property to replace the aging pre-fabricated units in the center of the Property and renovate the other buildings to extend the useful life of the Property and ensure long-term affordability at the Property; and

WHEREAS, the Housing Authority is authorized to do business in the State of California and is empowered to enter into an obligation to receive local, regional, state, and federal funds for the acquisition, construction, rehabilitation, or preservation of affordable multifamily rental housing, including but not limited to Low-Income Housing Tax Credits, County A1 Bond funds, HOME funds, AUSD-CIC Pass Through Funds, No Place Like Home, State HCD Program funds, Tax-Exempt Bonds, and Federal Home Loan Bank Affordable Housing Program funds, (collectively the Funding); and

WHEREAS, the Housing Authority will need to form a new limited partnership ownership entity to participate in the Low Income Housing Tax Credit program with its affiliate Island City Development as the general partner and the Housing Authority as the initial limited partner.

NOW, THEREFORE, IT IS RESOLVED: That the Housing Authority is hereby authorized to submit applications for Funding for the redevelopment of Rosefield Village.

RESOLVED FURTHER: If the application is approved, the Housing Authority or its affiliated development entity is hereby authorized to incur an obligation for the Funding and to enter into, execute, and deliver, a loan agreement, and any and all other related documents including but not limited to, a promissory note, a deed of trust and security agreement, a regulatory agreement, a development agreement and certain other documents that may be required by the lender as security for, evidence of or pertaining to the loan, and all amendments thereto (collectively, the Loan Documents).

RESOLVED FURTHER: Staff are authorized to form the new limited partnership ownership entity within which Island City Development will be the general partner and the Housing Authority will be the initial limited partner.

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

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

ATTEST:

Vanessa M. Cooper Executive Director/Secretary	Kenji Tamaoki, Chair Board of Commissioners

Adopted:

Date

Housing
Authority of the City of Alameda

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

701 Atlantic Avenue • Alameda, California 94501-2161

DRAFT MINUTES

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA
HELD WEDNESDAY NOVEMBER 7, 2018

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

PLEDGE OF ALLEGIANCE

1. ROLL CALL - Board of Commissioners

Present: Commission Chair Tamaoki, Commission Vice Chair McCahan, and Commissioners Hadid, Kay, Kurrasch, and Weinberg.

Absent: Commissioner Rickard

2. Public Comment on Closed Session

Commission Chair Tamaoki stated the agenda of this Special Board of Commissioners Meeting and read the agenda item aloud. Chair Tamaoki explained that this is a disciplinary matter involving an individual who has requested an open session meeting. Ms. Ali confirmed that she would like an open session and Chair Tamaoki explained a complainant's rights. The Commission's role was to determine whether to uphold or reject arbitrator Richard C. Solomon's Advisory Opinion and Award as to Ms. Ali's termination. A copy of the Advisory Opinion was provided to the Commissioner's and made a part of the record and included in these minutes as Exhibit A. Ms. Ali was given 10 minutes to give her presentation. (Upon Ms. Ali's request to be heard in open session, the findings of the independent arbitrator were released as public information and copies were provided for the audience.)

Chair Tamaoki asked if the Housing Authority of the City of Alameda would like to come forward and Mr. Nakano from Liebert Cassidy Whitmore spoke on AHA's behalf. Mr. Nakano was given 10 minutes for his presentation.

Commission Chair Tamaoki confirmed that there were no further questions and asked for public comment before moving into closed session.

A member of the public came forward and explained her housing situation and need for housing as she is currently homeless. She was then directed to speak with AHA staff.

Chair Tamaoki adjourned to closed session at 7:31 p.m.

3. Adjournment to Closed Session Pursuant to Government Code 54957 to Consider: Public Employee Discipline/Dismissal/ Release

4. RECONVENE SPECIAL MEETING

The special meeting was called back to session at 7:55 p.m.

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

Chair Tamaoki commented that since Ms. Ali did not return after closed session, the Board meeting would move forward. Chair Tamaoki announced the action taken in Closed Session, which was to adopt the recommendation in full. All Commissioners were in favor with the exception of Commissioner Hadid who abstained.

6. Public Comment (Non-Agenda)

None

7. <u>AGENDA</u>

7-A. Public Employee Discipline/Dismissal Release

Commissioner Hadid abstained and all other Commissioners voted in favor of adopting the recommendation.

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

None

9. <u>ADJOURNMENT</u>

There being no further business, Chair Tamaoki adjourned the meeting at 7:56 p.m.

Exhibit A: IN THE MATTER OF ISLAH ALI, Appellant and HOUSING AUTHORITY OF THE CITY OF ALAMEDA, Respondent OAH Case No. ARB-16-0183. ADVISORY OPINION AND AWARD

Vanessa M. Cooper
Executive Director/Secretary

Kenji Tamaoki, Chair
Board of Commissioners

Exhibit A

IN THE MATTER OF

ISLAH ALI, Appellant

and

HOUSING AUTHORITY OF THE CITY OF ALAMEDA, Respondent

OAH Case no. ARB-16-0183

ADVISORY OPINION AND AWARD

ARBITRATOR:	Richard C. Solomon
DATE OF HEARING:	February 12-16, 2018, and May 21-23, 2018
APPEARANCES:	Jacqueline Coulter-Peebles, Esq. For the appellant Matthew Nakano, Esq. and Richard Bolanos, Esq. Liebert Cassidy Whitmore, for respondent

INTRODUCTION:

The hearing officer was duly selected by mutual agreement of the parties pursuant to Article IX(B)(1) of the respondent's personnel policy (dated Aug. 17, 2016) which, at an employee's option, provides for a hearing before a neutral hearing officer who shall issue an advisory opinion.[1] The parties have stipulated that the matter is properly before me. All witnesses were sworn and subject to cross-examination. Oral and documentary evidence was received, and the hearing was recorded and transcribed by Jeannette Samoulides, CSR. Upon conclusion of the hearing, the parties agreed to submit post-hearing briefs after they receive the hearing transcript. Those briefs have been received, and the matter is now deemed submitted for an advisory decision.

THE ISSUES

1. Did the respondent have just cause to suspend appellant for four days in February, 2016;
2. Did the respondent have just cause to terminate appellant's employment?
3. And, if not, what is the appropriate remedy?

[1] That policy calls for the Agency's Executive Director to appoint the hearing officer. Because the Executive Director was involved in the matter as a percipient witness, the parties mutually agreed to waive that requirement and, instead, select me as hearing officer.

EXHIBITS

Respondent's exhibits are listed in the reporter's transcript at pp. 4-10 and appellant's exhibits are listed at pp. 11-15.

SUMMARY OF THE EVIDENCE[2]

The respondent Housing Authority is charged with providing subsidized housing for eligible tenants in a mix of approximately 1500 properties owned by private owners and by the respondent itself either outright or in partnership with other owners. During the time period relevant to this matter, Housing Authority staff performed two essential functions, among others: qualifying tenants for assistance, both initially and on an on-going basis, and inspecting units on a scheduled basis to ensure that they are safe and habitable. Both tasks had performance and productivity goals or standards which employees were expected to meet.

Ms. Ali was initially hired in 2004 as a Housing Specialist. This position determined whether applicants were eligible for housing assistance, performed rent reasonableness calculations for units in the federal rent subsidy program, processed annual recertifications of participants' income, and the like. The job was essentially administrative and was done in the office. The Housing Inspector inspected units in the program, using a written checklist or, later, an electronic tablet, and determined whether units in the program met minimum health and safety standards and were thus suitable for occupancy. The Housing Inspector also had to generate appropriate notifications to the owner and tenant as to the result of the inspection and, when using paper records, scan them into the Authority's computer system. Both positions require attention to detail, keeping accurate records, and completing tasks on time.

In 2012, Ms. Ali requested that her job title be changed to Housing Inspector because most of her time was spent on inspections; this request was granted in March, 2013.

In 2015, the Housing Authority, following a change in HUD rules, changed the frequency of inspections from yearly to every other year. This resulted in a 50% reduction in appellant's work load as an inspector. The respondent offered appellant a choice: work part-time as an inspector or transition back to a Housing Specialist position and perform both inspections at the reduced load and the rent calculation/eligibility work routinely done by Housing Specialists. Ms. Ali chose the latter. Her new position was to start in February, 2016. I return to appellant's evolving job duties after a necessary description of performance issues.

Supervisors noted performance problems from the beginning of her employment. Her performance review three months into her probationary period noted that she needed "to improve [her] punctuality." RX 61. The same deficiency was noted in her six month review (RX 62) and one year review. RX 63. Punctuality became an ongoing issue throughout her employment. Respondent allows employees a choice as to when to start work. Regardless of the start time, they are expected to be clocked in (using a program on their desktop computers) and

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[2] As is commonly done in arbitration matters, much detail was introduced by respondent to explain the respondent's mission, job classifications, and the like. This evidence was helpful to understand the "back story" but, for brevity's sake, only facts relevant to the disciplinary issues will be summarized.

ready to work at their chosen start time. The program does allow a "rounding" period to cover the times when they are a few minutes early or late, by rounding or converting the actual time clocked in to the designated start time. Management witnesses all testified that this was for payroll purposes and could not be interpreted to, for example, assuming an 8:30 start time, allow an employee to clock in at 8:40 every morning because that would, in effect, transform the 8:30 agreed-upon starting time to an 8:40 start time. Appellant continually referred to this ten minute period as a "grace period," meaning that arrival at work within that grace period counted as being timely. Appellant testified, uncontradicted, that she never arrived beyond the ten minute limit.

Respondent disagreed with calling it a "grace period, claiming that it was implemented only to make time keeping and the consequent salary calculations simpler. Ms. Ali's supervisors testified that they explained this to her on many occasions, but she continued to arrive late. For example, in April, 2007, a supervisor noted that "punctuality continues to be a serious problem." RX 65. This supervisor had verbally reprimanded appellant, but noted no improvement. She recorded that Ms. Ali was late 106 times for a total of more than thirteen hours. Similarly, in 2008, tardiness was again noted as a performance problem for which she had received a written reprimand (earlier in that evaluation period), which noted that Ms. Ali was late 55 times out of 80 days worked over a five month period, almost 70% of the time. RX 66.

The written documentation is somewhat unclear on how to characterize the ten minute period. There are numerous references to punctuality issues; on the other hand, Ms. Korbel wrote in a memo to Ms. Ali, " if at any time you miss the 10 minute grace period at morning punch or the 5 minute grace period returning from lunch . . ., immediately complete a leave request slip accounting for all the minutes of delay after you punch." RX 23, p. 1. As mentioned above, the performance reviews, however, do contain regular and repeated comments such as "in one pay period in August you were late four times, ranging from two to 10 minutes each" [RX 61, p. 2]; "I am very concerned about your continued tardiness. You must improve in this area immediately. I expect you to be here and ready to work at 8:30 every day." RX 65, p. 2.

Respondent also introduced evidence showing that appellant received written warnings in 2015 for not following the employer's policy for reporting absences. RX 55, 7; AX 237. Appellant testified that these absences were justified under the policy and/or the suddenness of the emergency (usually migraine headaches) precluded advance notice. On other instances, she testified that she properly reported them.

In addition, in 2010, appellant was orally reprimanded for going into co-workers' offices uninvited and complaining to them about their work habits. RX 56. In 2014, she received a written warning for making a statement to co-worker that was "racially charged, hostile and unprofessional." RX 57. The offending remark was made in response to a co-worker who had inappropriately invaded appellant's work space (as revealed by the supervisor's investigation). Some eight months later, appellant again used racially charged language toward a co-worker and received another written warning. RX 58.

Respondent also proved that Ms. Ali, in her role as housing inspector, in May, 2015, failed to spot and record "fail" conditions with four units (as determined by a later quality control inspection), and she marked another unit as "failed" when, according to the quality control inspection, it should have passed. The former mistakes mean that possibly unsafe conditions continue unabated (for example, in one unit, Ms. Ali failed to see and/or record that the hot water line under a sink was leaking that could lead to rot and mold if not fixed). The latter mistake means a property owner was improperly told his or her unit failed the inspection thus jeopardizing the Housing Authority's relationship with the owner and putting the owner to unnecessary effort to correct the mistake. RX 8. The Agency also established that a pattern of botched inspections could threaten continued funding from HUD. This resulted in a written counseling memo; in addition, Ms. Ali was directed to attend an additional training session. The evidence established that Ms. Ali made similar inspection errors on November 18, 2015, December 29, 2015, and January 26, 2016 which resulted in more written counseling memos. RX 28; RX 32; RX 33

On November 19, 2015, Ms. Ali's request to meet with her supervisors to discuss workplace issues was granted and she met with three of them later that day. During this meeting, she listed a number of complaints she had about working conditions describing them as "colonial" meaning supervisors were trying to control the workforce to meet the needs of upper management, similar to colonizers in Africa. (Kramer testimony, TR vol I, pp. 81:8-82:2); see also RX 59. On cross-examination, Appellant agreed that she considered Ms. Korbel to acting like an "oppressor," explaining that "oppressor" referred to slave owners. The evidence is unclear, but I inferred from the testimony and the respective witnesses' body language that one supervisor, Ms. Korbel, disagreed with appellant's characterization of her working conditions, to which Ms. Ali referred to Ms. Korbel as an "overseer." Korbel, who is also Black, was deeply offended because to her it harkened back to slave times when slaves were sometimes ordered to supervise other slaves in their forced labor. In other words, the word "overseer" is, in Korbel's mind, always a highly negative epithet when used while criticizing another Black person.

Housing Authority management agreed, and suspended appellant for four days.[3] RX 60. Executive Director Cooper testified that she based her decision to escalate the discipline to a suspension without pay, rather than a lesser action, on the ground that Ms. Ali had twice before used inappropriate race-based language for which she received a written warning: She said to two co-workers "Excuse me Massa! Massa, I'z about to go into the field now Massa." RX 57; the second incident involved Ms. Ali telling another Black employee that needed a piece of watermelon. Appellant insisted that was an "inside Black joke," but the employee to whom it was directed was offended. Ms. Cooper concluded that the more severe discipline was necessary to drive home the point that these kinds of comments were not tolerated. TR VI, p. 1165:9-24.

Management also insisted that Ms. Ali attend a "sexual harassment" on-line training, which Ms. Ali objected to as inappropriate in light of the offense. RX 18. She suspected "some

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[3] Ms. Korbel formally complained about Ms. Ali's remark and Ms. Ali formally complained to management complaining, in essence, that she was being held to a different and much stricter standard than other employees. The Agency hired an outside investigator to conduct a confidential investigation and make findings with respect to each complaint. She found that Ms. Ali's claim of disparate treatment were not sustained and that Ms. Korbel's complaint that Ms. Ali used a derogatory race-based comment were sustained. RX 59. I do not rely on the investigator's findings because, as explained in the "Burden of Proof" portion of the Opinion, I am obligated to make my own findings based on the evidence presented at the hearing.

ulterior motive." In spite of her objection, management stood by its decision that Ms. Ali complete that training. Appellant timely objected to this discipline, and it is presented as the first issue for decision. All of the supervisors and managers denied any "ulterior motive" in drafting negative performance reviews, putting Ms. Ali on the PIP (and an earlier one in 2013), and in insisting that she take a sexual harassment training session (even though the offense was race-based).

After the "overseer" incident, Ms. Korbel was replaced as Appellant's supervisor by Ms. Jordan who testified that she began to see the same kinds of performance problems that had been documented by previous supervisors. Her progress reports on the PIP are replete with instances of unsatisfactory performance. For example, in the final memo reporting on Ms. Ali's performance, June 13, 2016, Jordan wrote that Ms. Ali was not accurately performing basic rent increase calculations and in insufficient numbers; she did not complete her recertifications at the 80% accuracy rate required by the PIP; and she continued to fail to submit daily tracking sheets. RX 47, TR III, p. 647:16-19.

Four months before the "overseer" incident, respondent had put Ms. Ali on a Performance Improvement Plan. RX 9. Much testimony and many documents explained this process and how it was documented and repeatedly extended until management decided that Ms. Ali's performance continued to be unsatisfactory and that discharge was the respondent's only option. Ms. Ali objected and considered the "terms" of the PIP onerous and unfair. For example, she was expected to submit weekly "tracking sheets" to reflect her productivity. Id. Ms. Ali testified that these were time consuming to prepare and caused her unnecessary stress. Two supervisors testified that completing these tracking sheets should have taken no more than twenty minutes per week.

I take arbitral notice of the fact that PIPs are commonly used in the public sector and, when used appropriately, can assist a chronically under-performing employee to bring their performance to acceptable levels if management's expectations are clearly spelled out in the PIP. The original PIP and the extensions meet that standard: the Plan itself is appropriately detailed, and the follow-up reviews were timely held and documented and, again, were appropriately detailed Many examples of unsatisfactory performance are cited throughout the reviews and testified to by Appellant's supervisors. For example, on September 8, 2015, Ms. Ali was not prepared to leave the office at the scheduled time to begin her round of inspections, did not ensure that the handheld tablet she was to use the record the inspection results was fully charged, and was prepared to leave the office without some of the equipment she needed to complete the inspections. RX 12. And, on the October 26, 2015, PIP follow-up review, Korbel notes that Ms. Ali left late for her scheduled appointments and missed three scheduled inspections because she went to the wrong addresses. RX 25. The original PIP was extended four times because, according to Agency witnesses and the documentation, Ms. Ali failed to consistently perform at satisfactory levels throughout each PIP period. For example, in the February 4, 2016 PIP review, Ms. Jordan noted that Ms. Ali made errors with incorrect data entries for utilities. RT 36, p. 4. In the April 19, 2016 review, Ms. Jordan noted that Ms. Ali averaged twelve rent increase calculations per month, whereas two other Housing Inspectors performed twenty one and twenty respectively and that "files had incorrect utilities or amenities." RX 41, p. 2. In the May 3, 2016 review, Ms. Jordan noted that Ms. Ali made an incorrect rent calculation which had to be returned to her for correction. RT 44, p. 2. In the same period, three interim rent adjustments had errors. Id. at pp. 4-6. Jordan noted: "To date, Islah has not demonstrated that she is able to accurately process interim recertifications at an 80% [accuracy] level. . . ." Id. at 6. During this period, Jordan also noted that Ms. Ali's productivity was vastly lower than other Housing Inspectors: 306 documents scanned by Ms. Ali on a particular day in comparison to over 1780 by others. Id. at 7. Ms. Ali at times was late in completing rent increases which forced the Agency to absorb the tenant portion of the rent increases because the tenant had not received the required thirty day notice. RX 45, p. 2. The other PIP reviews contain similar comments about unsatisfactory performance.

The issues are whether the initial PIP was justified by Ms. Ali's performance issues and whether it was implemented in a good faith attempt to correct deficient performance rather than as a pretext to punish her. These issues are discussed in the Opinion section below. Ms. Ali objected to imposition of the PIP and felt like it put her under the microscope, with everything she did under constant scrutiny and with her supervisors basically waiting for her to fail. She testified that this exacerbated her migraine headaches. It probably contributed to her conviction that the atmosphere at work was "colonial" and her supervisor was acting like an "overseer."

No evidence was presented, other than Ms. Ali's testimony, that other employees were treated differently. For example, there was no evidence that the number of inspections Ms. Ali was expected to complete (as detailed in her PIP) was more than the number expected of other inspectors or the third party inspector hired to inspect Agency-owned properties. Nor was there evidence that other employees were allowed to clock in repeatedly within ten minutes after their start times without repercussions, or that racially-based remarks uttered by other employees were overlooked.

The parties disagreed on whether the training offered to Ms. Ali was sufficient. Respondent introduced testimonial and documentary evidence to prove that throughout Ms. Ali's employment, it provided a variety of training on all of the technical aspects of the Housing Specialist and Housing Inspector positions. According to Agency witnesses, Ms. Ali was provided more training than other similarly situated employees received. For example, one of her supervisors testified that Appellant was allowed to shadow another employee on at least two occasions to see how to do required Housing Specialist tasks. Respondent did once reject Ms. Ali's request for additional training on the ground that the training provided should have been sufficient for her to satisfactorily meet job expectations. RX 42. Appellant asked for additional training on several occasions, particularly after she began working under the PIP.

Respondent's witnesses also testified that Ms. Ali consistently under-performed other employees in the same position with roughly the same experience on the job. This evidence was uncontradicted and supported by the documentary record. Respondent's witnesses also testified that the job expectations were applied evenly to all employees in a given position and that they were not made stricter or more difficult for Ms. Ali. In other words, Agency witnesses testified that Ms. Ali was held to the same performance standards of other similarly situated employees and that she consistently failed to meet those standards.

In spite of regular meetings and additional training, Ms. Jordan concluded that the PIP was not successful in that appellant's performance remained unacceptable. She recommended that the PIP, which had been in place for some ten months, not be renewed and that Ms. Ali's employment be terminated. Management agreed, and on August 18, 2016, appellant's supervisor sent her a notice of intent to terminate appellant's employment. RX 5. The grounds for discharge were cited as Personnel Policy VIII(B)(6) (failure to observe working schedules; habitual tardiness); Policy VIII(B)(20) (unsatisfactory job performance or inability to perform in a satisfactory manner); and Policy VIII(B)(32) (other conduct incompatible with service to the public).

A *Skelly* meeting was duly held, at which Ms. Ali was represented by present counsel. Because the Housing Authority's executive director was a percipient witness to many of the events which lead up to Ms. Ali's discharge, the Human Resources Director of the City of Alameda – unconnected to the Housing Authority – conducted the *Skelly* meeting. She concluded that no facts were presented which undermined the Agency's decision to discharge Ms. Ali. RX 2. Respondent followed up by terminating Ms. Ali's employment on October 18, 2016. RX 1. Ms. Ali timely appealed the decision to advisory arbitration.

THE PARTIES' CONTENTIONS

Respondent argues that it had ample just cause for both disciplinary actions. The four day suspension was justified because appellant accused a supervisor of being an "overseer" which, under the circumstances, the supervisor, who is black, as is appellant, reasonably and understandably took as a racial slur, and the suspension followed two other incidents involving racial slurs for which appellant had received written warnings. Respondent thus argues that the suspension was fully compliant with its commitment to progressive discipline.

The discharge was also justified because of appellant's chronic performance issues which started during her probationary period and which continued in spite of counseling, additional training, and a lengthy performance improvement plan. Respondent requests that the appeal be denied and its two employment decisions be upheld.

Appellant argues that her use of the word "overseer" was not racially derogatory but, instead, was simply an expression of appellant's belief that the supervisor was being unfairly harsh in her treatment of appellant. Thus, because it was not a racial slur, it did not warrant any discipline, let alone a four day suspension. Similarly, appellant argues that her performance problems were largely caused by management's unreasonable and unfair demands on appellant and their failure and refusal to address her susceptibility to migraine headaches. Specifically, appellant emphasizes management's insistence that she attend a sexual harassment training in response to the "overseer" incident, even though that incident had nothing to do with sexual harassment and in spite of appellant's objection. The misconduct, if any is found, was minor and did not justify the drastic decision to terminate her employment.

OPINION

A. BURDEN OF PROOF

As the employer seeking to justify its decision to discharge an employee, it has the burden to establish good cause by a preponderance of the evidence: good cause to conclude that the employee's underlying conduct or misconduct actually occurred and warranted discipline, and good cause to conclude that discharge was the appropriate employment decision. The first "level" of good cause is determined by the arbitrator de novo, meaning without deferring to the employer's decision. This is required because employers do not have discretion to get the underlying facts wrong: either the complained-of conduct occurred or it did not. Vesting arbitrators with the ability to make that determination preserves the job security protected by the good cause standard.

On the other hand, deciding what level of discipline is appropriate under the circumstances typically involves the exercise of discretion. Here, it required management to consider the severity of the performance problems, the impact of the numerous previous written warnings, reprimands, and the four-day suspension, the impact on Agency staff if Appellant was given yet another chance to improve (or not), and so forth. Arbitrators, obviously, do not manage the enterprise and have no particular expertise on weighing all of the factors that typically are considered in determining what "punishment" fits the "crime." Therefore, arbitrators usually defer to the employer's decision on the particular discipline at issue and modify it only if the arbitrator is convinced that the employer abused its discretion.

THE FOUR DAY SUSPENSION

The standard applicable in racial harassment claims under federal and California law apply to similar claims made in the arbitration context. That standard requires that the claim be viewed from the "perspective of a reasonable person belonging to the racial or ethnic group of the plaintiff." *Nazir v. United Airlines, Inc.* (2009) 178 Cal. App. 4th 243, 264. Therefore, because Appellant directed her overseer remark to a black supervisor, whether it was offensive (and therefore violated the Agency's zero-tolerance policy) must be viewed from the point of view of a reasonable black supervisor.

Ms. Korbel testified that she found the remark offensive because it was made while Ms. Ali was criticizing her supervision of Ms. Ali's job performance and in the context of Ms. Ali's references to "colonialism" and "slavery." Under the circumstances, Appellant was more than likely accusing Ms. Korbel of currying favor with the Agency's executive director and HR director (both of whom are white) by keeping her subordinate employees in line and compliant. Ms. Korbel's claim of being offended was both plausible and credible. The evidence, in light of the applicable legal standard, compels the conclusion that management had good cause to impose discipline for this racially offensive remark.

In her Post-Hearing Brief, Appellant's counsel argues that the "Supervisory staff was a constant source of criticism and demeaning of Mrs. Ali's ability to perform job duties she had been performing under the old management for years prior to the arrival of the new 'management team.'" Appellant's Post-Hearing Brief at p. 2. This implies that (a) unfair and onerous expectations were imposed under a new supervisor and (b) that those new burdens somehow provoked Ms. Ali to analogize her situation to colonialism and slavery with Ms. Korbel both being a part of and handmaiden to the "new" management team. Neither implication is supported by the evidence, other than Appellant's unsupported testimony. First, Ms. Ali had performance issues from the start, as evidenced in her probationary performance review. The

PIP was a reasonable response to years of unsatisfactory performance, and, although it did impose additional tasks (such as weekly and then daily tracking logs), those additional tasks were either minor and/or were offset by lowered productivity expectations compared to Appellant's co-workers. And, second, there is no justification for race-based epithets in the work place under the Agency's zero tolerance policy, a policy it clearly has the right to adopt.

Appellant's counsel also argues that vestiges of slavery linger on, that Executive Director Cooper (who was born and grew up outside the United States) has a perspective on racism in America different than people born and raised in the U.S., that Ms. Korbel "suffered from a lack of understanding" as to the true meaning of overseer, and that the "term 'Overseer' has many meanings.". Id. At p. 3. None of these arguments are germane to the legal standard I am compelled to apply. The sole focus must be on how Ms. Korbel perceived the statement in the context in which it was made, and her perception of it was reasonable.

Given the Housing Authority's commitment to progressive discipline, a suspension without pay of some period was entirely within the management's discretion. Ms. Ali had received written warnings because of two prior similar incidents which did not deter her from repeating the offense. Clearly, a suspension was warranted, and there is no principled basis for me to conclude that the Agency abused its discretion in setting the length of the suspension at four days.

GOOD CAUSE TO DISCHARGE

The evidence, largely undisputed, overwhelmingly supports the Agency's conclusion that Ms. Ali's performance, in numerous specific details, was significantly below acceptable and warranted appropriate discipline. Accurate inspections, accurate calculations of eligibility, rent levels, etc. and scanning of documents are critical job skills, and yet Appellant's work was frequently and repeatedly below the 80% accuracy threshold. Indeed, some of her mistakes on inspections were potentially life-threatening. Others could have resulted in injuries to tenants and guests, and inspections where she was late in arriving or didn't show up were inconvenient to tenants, as well as potentially expensive if they had to take time off work to be there at the designated time.

Showing up for work on time is another critical job requirement, which was made clear in virtually every performance review and in many counseling memos. Of course, an employer has the management right to establish an attendance policy (unless otherwise constrained by an agreement negotiated with an employee representative) – whether relatively loose or strict – and here the Agency has adopted a modified policy which insists that employees show up on time with some leeway for the occasional early or late arrival for payroll purposes. Yet Appellant continued to insist that the ten minute rounding period allowed her to consistently show up for work later than her 8:30 start time.

Thus, Appellant's performance violated each of the Personnel Policy sections cited in the Notice of Intent to Terminate: she was regularly late for work; she failed to perform satisfactorily throughout the PIP period (as well as earlier); and her mistakes could have caused tenants, owners, and HUD to view the Agency with disfavor (by, for example, failing to meet deadlines for assigned annual recertifications and failing to perform rent calculations at the required accuracy rate which could have had funding implications with HUD).

Appellant's counsel argues that the amount of work demanded "was ever growing." Post-Hearing Brief at 6. If there were true, Ms. Ali's frustration with the PIP and management would have been understandable and justified. But it did not "grow." Rather, the expectations were consistent and less than the productivity goals for similarly-situated Housing Specialists. For example, after Ms. Jordan became Appellant's supervisor, she consistently expected Ms. Ali to perform ten rent increase calculations in a two and a half hour period, with each expected to take no more than ten or fifteen minutes. See, e.g., RX 39, p.2, RX 41, p. 1, RX 46, p. 3 (March 17, April 19, and May 25, 2016 respectively). Appellant's counsel does not support the assertion with any references to the evidence. Appellant also complained about the hand-held tablet which was introduced to make getting the housing inspection results into the Agency's computer system more efficient. Specifically, she complained that the device frequently malfunctioned. Even if true, she always had the option of using a paper booklet in which to record inspection results; a malfunctioning tablet did not excuse the failure to accurately inspect units and record the results on a consistent basis. Thus, there simply is no evidence to support counsel's assertion that "The conduct of the supervisory/management staff fell outside the bounds of decency." Post-Hearing Brief at 8. To the contrary, aside from the single instance of the inappropriate sexual harassment training, management here appears to have responded appropriately to the facts before them.

Ms. Ali testified that Ms. Korbel and then Ms. Jordan were particularly and overly stringent and demanding. Yet once, when Ms. Jordan was out of the office for four days, Ms. Ali was supervised by Mr. Harold, who had previously supervised and training Appellant. In the May 25, 2016 review, Mr. Harold also found deficient performance: over a two day period, she completed only one annual recertification, which had several significant errors. RX 46, p. 2. This supports the Agency's argument that the supervision was consistent throughout Ms. Ali's employment.

Counsel also argues that Ms. Ali suffered from frequent and sudden-onset bouts of migraine headaches but did not take this into account in setting productivity goals. Appellant's counsel also faults the Agency's apparent failure to refer Ms. Ali to a workers compensation doctor after she began reporting the migraines. Post-Hearing Brief at 8. There is no evidence in the record linking those goals with Ms. Ali's medical condition, nor is there any evidence that she requested reasonable accommodations for it and/or presented a note from her physician requesting accommodations. The Agency did give her time off from time to time when requested under its sick leave policy, and did fault her twice for absences without any advance notice. Ms. Ali, at her request, was also referred to the Agency's Employee Assistance Program. But there is no evidence that the quantity and accuracy of work expected caused or contributed to the migraines. Nor is there evidence about the frequency of the migraines and whether they prevented Ms. Ali from meeting the PIP productivity goals on any given day, week, or other period of time. Clearly, migraines can be debilitating and preclude useful work. But we don't know their impact on Ms. Ali's overall productivity and accuracy. Nor do we know anything about what might have caused or brought on the migraines. If some or all of them were attributable to the productivity and accuracy expectations (which were justified because of prior under-performance), it's difficult to imagine what the Agency could have done differently, other than lower those expectations even more (and some categories were already lower than expected from other employees). And, had Appellant sought medical help from her own physician (she was a Kaiser member), that could have led to a workers compensation, state disability, or other type of claim. But none of this happened; from the employer's point of view, one of its employees had periodic migraines which sometimes prevented her from working. There is no evidence that the Agency responded inappropriately or unlawfully to what they saw and knew about Ms. Ali's condition.

It is true that when a work-place injury or illness occurs, California employers must give the employee a workers compensation claim form. Where, however, the illness develops over time, rather than from a single traumatic event, the employer is not expected to make the judgment as to whether it is work related. Employees bear some responsibility to get appropriate care and ascertain their rights vis-a-vis the employer.

Employees can respond to justified criticisms of their work by either accepting those criticisms and, if they can, correct the mistakes or by rejecting them and, in turn, blame the employer for "picking" on them unfairly. Here, I have no doubt that the criticisms were justified, and I am equally convinced that it has proven difficult for Ms. Ali to accept the fact that she either was not able to bring her performance to acceptable levels or she did not care to and got stuck in a "they're out to get me" stance. Or perhaps it was a combination of the two. Either way, the performance problems were pervasive and the Agency did everything reasonably feasible to try to help Appellant perform satisfactorily, including training and extending the PIP in the face of limited progress.

I do not doubt that Ms. Ali felt enormous pressure after being placed on the PIP. If Ms. Ali failed to turn in a necessary document and if her supervisor walked to Ms. Ali's cubicle and asked for it, Ms. Ali's reaction that the supervisor was badgering and criticizing her in front of co-workers is understandable. If the supervisor calls up Ms. Ali's start times on the computer system and talks with Ms. Ali about her late arrivals, again, it is understandable how Ms. Ali perceived this as "surveillance." And, the Agency's mistaken insistence that Ms. Ali take a sexual harassment training, however brief, in response to the "overseer" remark added to the sense of being picked on and treated arbitrarily. But the perception doesn't make it so. Asking a subordinate for a missing document in a neutral, non-judgment tone (as testified to) is not a criticism in front of co-workers; looking up arrival times and then discussing them is not "surveillance." Supervisors, to do their jobs, need to do these things, particularly for employees on PIPs. Other than the sexual harassment training, Ms. Ali's negative reactions to her supervisors appears to reflect her unwillingness or inability to face the fact that her performance was not consistently at acceptable levels.

With respect to the decision to discharge, again, there is no principled basis for me to conclude that the Agency abused its discretion. Ms. Cooper certainly could have decided to give Ms. Ali more time and settled for another suspension without pay, or even some lesser discipline. But the discharge decision was driven by a long history of inadequate performance and apparently ineffectual warnings and reprimands. Within the range of possibilities, the decision to terminate Ms. Ali's employment was consistent with the Housing Authority's commitment to progressive discipline well within the Agency's discretion.

AWARD

For the above reasons, I recommend that the body reviewing this opinion deny Ms. Ali's appeal and uphold the Housing Authority's decision to terminate her employment.

Dated: October 10, 2018

Richard Solomon

RICHARD C. SOLOMON
Arbitrator

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Janet Basta, Director of Human Resources and Operations

Date: December 5, 2018

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

BACKGROUND

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

Human Resources and Operations

Kathleen Mertz accepted the position of Director of Housing and Community Development and assumed her new role in late October. Current recruitments include a Resident Manager II for Esperanza and a Program Assistant for Housing and Community Development, both of which are in the interview process. Recruitments for a Maintenance Specialist and a third Specialist for the Rent Stabilization Program are also underway. Several recruitments have recently been completed, including a new Housing Assistant (front desk) who started in late November. Two Housing Specialist I's accepted promotions to Housing Specialist II's in the Housing Programs Department in mid-October, and a Housing Specialist II accepted a lateral transfer from Housing Programs to the Property Operations department; staffing in these two departments is now aligned with the schedule of authorized positions and program/department needs. Three Maintenance Technician I's were also promoted to Maintenance Technician II's in late November. This will allow for more flexibility in staffing on-call/emergency coverage while providing advancement opportunities for these employees.

Recruitments being coordinated by outside recruiting firms include the Asset Manager position, which is vacant due to the promotion of Kathleen Mertz, and the Deputy Executive Director and Finance Director, both of which are in the initial stages of recruiting. A compensation study for the Deputy Executive Director position was recently completed, and a salary recommendation for that position is being brought to the Board this month. A compensation study for other senior management positions is also underway.

Supervisors and Management Analysts were provided with a training on best practices in providing feedback in November, presented by Nancy Friedman of Next Step Coaching and Consulting. On December 6, Terry Kitay, Esq will present the annual training on Fair Housing for all staff.

Management is planning to offer a pilot program beginning in January 2019 that will allow non-exempt staff some flexibility to adjust their work start times on a day-to-day basis. More instances of late arrivals are occurring lately, primarily due to increased traffic congestion and unpredictable commute times in the Bay Area. Allowing employees the option to work later and/or adjust the length of their meal period if they arrive later than scheduled will provide some flexibility to staff to manage their schedules while allowing the full work day to be "clocked" and worked. The office will continue to be open to the public from 8:30 a.m. to 5:00 p.m., and all staff will be expected to be at work no later than 8:30 a.m.

Management has also been monitoring the effectiveness of the pilot to close the office to the public every Friday, rather than every other Friday. To date, no complaints have been received from the public and anecdotal information is that it is less confusing to visitors than the every other Friday closure schedule. Staff, primarily in the Housing Programs Department who have the most public contact, report appreciating the additional time to be able to focus on program and administrative work, and the ability to schedule internal meetings on days when they would not otherwise be seeing participants/tenants.

Information Technology/Administration

The Agreement to Enter into a Housing Assistance Payments Contract (AHAP) was signed on November 9, 2018 with Eden Housing for 25 of the 40 VASH vouchers. These are for the Site A senior housing project which will provide 60 units. Construction is expected to start in early 2019. Eden is unable to utilize the remaining 15 vouchers awarded for the family site in accordance with the program regulations from HUD, and as a result AHA retracted the award, the funds will not be awarded to AHA and must be returned to HUD. Requests to re-program the funds to other projects have been denied by HUD due to the competitive nature of the initial award to AHA.

E-mail encryption was enacted for all staff in November. E-mails sent from any alamedahsg.org address will automatically encrypt the e-mail if the message meets certain rules, such as if it appears that there is a social security number in the e-mail. The body and attachments of emails are automatically scanned and compared against a pre-set standard of rules. Staff may also select to encrypt an e-mail at any time if they feel the information needs to be secured.

In the budget for IT, new equipment is budgeted annually to replace the oldest computers. This year, five computers will be replaced. Newer computers come with updated operating systems and staff has been ordering upgraded static state drives to allow for faster and more efficient systems. It also creates older computers that are still operational to be used as back-ups if computers fail or to deploy to community rooms at our complexes for resident use after wiping the system.

RECOMMENDATION

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

Respectfully submitted,

Janet Basta

Janet Basta
Director of Human Resources and Operations

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To: Honorable Chair and Members of the Board of Commissioners

From: Lynette Jordan, Director of Housing Programs

Date: December 5, 2018

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

BACKGROUND

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

Shortfall Update

AHA began working closely with the HUD Shortfall Prevention Team (SPT) in March 2018 to monitor spending, discuss our efforts to collect on debts owed to the Agency, and review additional funding assistance. On June 28, 2018, AHA applied for set-aside funds for Project Based Vouchers (PBV) projects currently under AHAP. AHA was awarded $374,687 to fund Littlejohn Commons and Everett Commons projects.

On October 9, 2018, AHA submitted calendar year-end (CYE) projection data to HUD to determine if AHA would be in need of additional shortfall set-aside funds. AHA's September and October Unit Months Leased (UML) and HAP, as well as November and December estimates, were provided along with check registers to confirm the projections. AHA also apprised HUD of any pending retroactive adjustments. Based on the data submitted AHA's HCV Program is no longer projected for a shortfall. After receiving the PBV set-aside funding along with the cost-savings measures AHA utilized while under the shortfall status the shortfall in the HCV Program has been resolved.

The projections now shows a positive projected HAP reserve amount of $379,844, which is about 1.3% of the 2018 HAP Budget Authority (BA). AHA was released from SPT monitoring and the AHA may cease the prescribed cost-savings measures where desirable and prudent. AHA will once again engaged with the San Francisco HUD office, to ensure AHA stays on track since the projected positive CYE reserves are still less than 2% of the BA.

Currently, AHA is on track to spend between 98% and 100% of their Budget Authority with no further voucher issuances this year according to the projection, which would get the program the high performer rating on the SEMAP leasing indicator.

Honorable Chair and
Members of the Board of Commissioners

December 5, 2018
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Fair Market Rent Change

On August 31, 2018, HUD published in the Federal Register the Fair Market Rents (FMRs) for Federal Fiscal Year 2019. The FMRs decreased on average 9.4% by bedroom size. AHA submitted a comment before the October 1, 2018 deadline in conjunction with the Housing Authority of the County of Alameda and Oakland Housing Authority on September 26, 2018, that it seemed a reevaluation of the FMRs for the Oakland-Fremont Metropolitan Statistical Area Code lookup (MSA) is appropriate.

At this time, the AHA does not have to reevaluate its payment standards because the current payment standards are in compliance with FY 2018 FMRs, and AHA met the October 1, 2018 deadline to submit a comment and freeze the implementation of the FY 2019 FMRs. HUD approved the freeze on FMR and reevaluation on October 3, 2018.

A Request for Proposals was issued October 1, 2018 and a consultant has been selected to conduct a rent survey. Upon completion of the rent survey, the data will be submitted by the January 2019 deadline, and the FMRs will remain in place until HUD makes a determination on the data provided from the rent study.

Owner Workshop

HPD hosted two annual Owners Workshop sessions on October 25, and November 1, 2018 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 AHA and outside Agencies._Both workshops included an appreciation presentation for our owners to thank them for their continued program participation

HPD STATISTICS

Statistics	September	October	November
Annual Re-examinations Processed	Due: 151 Completed: 133	Due:100 Completed:98	Due:99 Completed:101
Rent Increases	Completed 33	Due:32 Completed:32	Due:25 Completed:25
Interim Re-examinations Processed	Completed 42	Due:53 Completed:44	Due:45 Completed:14
HQS Private Landlord Inspections Conducted Pass rate %	53 50%	95 64%	87 61%
HQS in AHA Owned units Pass rate	ABD 63 70% JCV 18 94% PA 18 94%	Parrot Village 53 60%	0 AHA

- ABD- Anne B Diament JCV- Jack Capon Villa PA- Park Alameda

Voucher Issuance and Lease Up Data

Statistics	September	October	November
Section 8 Continued Movers Seeking Housing	9	9	6
Port-in Voucher Holders Seeking Housing	5	5	3
Voucher Holders Ported Out and Seeking Elsewhere	9	8	9
Total Voucher Holders Seeking Housing	**23**	**22**	**18**
Non-Port Leased	2 HCV	HCV-3 PBV-1	HCV-3 PBV -1
Port Move-In Leased	4	1	1
Total Vouchers Leased Up in Month in Alameda	**8**	**4**	**6**
New Vouchers Issued	1	0	1
New VASH Issued	1	1	3

RECOMMENDATION

Accept the Monthly Overview Report for the Housing Programs Department.

Respectfully submitted,

Lynette Jordan
Director of Housing Programs

VC/all

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To: Honorable Chair and Members of the Board of Commissioners

From: Jennifer Kauffman, Management Analyst

Date: December 5, 2018

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

DATA

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

	July	August	September	October
Rent increase submissions	57	31	11	13
Termination of tenancy submissions	11	8	7	2
Capital Improvement Plan submissions	0	1	0	0
Number of RRAC meetings	2	4	3	1
Number of cases reviewed by RRAC	1	10	4	3
NOTES	2nd RRAC meeting was a training.	-	3rd RRAC meeting discussed amendments to the RRAC Rules and Procedures.	-

RECOMMENDATION

Accept the Monthly Overview Report for the Rent Stabilization Program.

Respectfully submitted,

Jennifer Kauffman, Management Analyst, Rent Stabilization Program

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To: Honorable Chair and Members of the Board of Commissioners

From: Lisa Caldwell, Director of Property Operations

Date: December 5, 2018

Re: Accept the Monthly Overview Report for Property Operations

BACKGROUND

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

DISCUSSION

VACANCY – October

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

Property	Unit #	Vacancies end of October	Lease Pending	Rate
Anne B. Diament Plaza	65	1	1	2%
China Clipper Plaza	26	0	0	0%
Eagle Village	36	3	2	8%
Esperanza	120	0	0	0%
Independence Plaza	186	17	5	9%
Parrot Village	50	0	0	0%
Combined Smaller Sites *	41	1	0	3%
Total	**524**	**22**	**8**	**4%**

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

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

Honorable Chair and
Members of the Board of Commissioners

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For the moment, upcoming vacant units at Independence Plaza are being held open in order to accommodate the ADA capital improvements to 20 units. At the end of October, there were seventeen (17) vacant units at Independence Plaza and these units are included in the vacancy numbers listed above. Ten (10) of the current vacant units are units that are in the process of ADA rehabilitation and will be vacant for the next few months. Work started on the project on October 1. The remainder of the units are being used to relocate current residents either as a onetime permanent move or as a hospitality unit. The last wave of residents are expected to move by the end of November to accommodate the second round of unit rehabilitation.

Rosefield Village is not included above as The John Stewart Company (JSCO) is handling the leasing of vacant units. At the end of October, fourteen (14) units at Rosefield were permanently offline due to the upcoming reconstruction and rehabilitation of the property. As vacancies become available at other AHA owned sites, residents at Rosefield are offered these units, where eligible, in order to accommodate as many current residents that want to remain housed in Alameda.

The vacancy rate at Eagle Village is higher than usual at 8% because there are currently three (3) vacancies at the property. Eagle Village is a 36-unit property and having this amount of vacancy at a smaller site will cause a high vacancy rate. Two (2) have tenants secured with move-ins scheduled.

RENT COLLECTIONS – October

All properties had a collection rate of 98% or above with the exceptions of Independence Plaza that currently has 17 vacancies due to the rehabilitation of twenty (20) ADA units and Eagle Village due to the three (3) vacancy mentioned above.

GPR - Budget vs. Collected

Property	**ABD**	**China Clipper**	**Eagle Village**	**ESP**	**IP**	**Parrot Village**	***All Other Sites**	**Total**
					Tenant Rent Only			
Budgeted GPR	89,055	35,096	73,792	289,988	145,222	128,668	59,980	**821,801**
Collected	92,462	42,980	69,387	301,524	127,590	125,755	67,592	**827,291**
Collection Rate	104%	122%	94%	104%	88%	98%	113%	**101%**

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

Below are the collection rates for Rosefield Village for the month September. The financial reporting for Rosefield is one month behind AHA managed sites due to JSCO providing financial packets the middle of the each month for the prior month.

For the month of September, the collection rate was above 98%.

Gross Potential Rent - Budget vs. Collected

Rosefield	September
Budgeted GPR	87,683
Collected	92,147
Collection Rate	105%

Rent Increases

Rent increase for 2018 have been completed and 2019 rent increases have started to go out. Starting January 1, 2019 we will be moving to the PBV payment standard for all properties except for Independence Plaza. The increase should not affect the tenant's portion unless they are residing in an unassisted unit (which often is a result of being over income for assistance) or are over housed (i.e. have an extra bedroom outside beyond of their approved voucher size). All those who are over housed and have a tenant based voucher and have already or will be offered an opportunity to move to the correct sized unit when available. The rent increase notices are provided 60 days prior to the effective date. Rent increase notices are mailed out monthly.

Rent increase notice effective February 1, 2019 for Independence Plaza were issued to qualifying residents at the end of September 2018 in order to provide advance notice and allow residents to prepare for the increase. LifeSTEPS is also available to assist residents with this change.

MAINTENANCE

The HQS inspection process for FY2018-2019 is in process. The maintenance staff is currently working on preventive maintenance for upcoming HQS inspections as well as working on units that did not pass prior inspections in order to ensure all corrections are completed and HQS inspections pass by the 28th day.

Due to the unhealthy air quality in Alameda recently maintenance staff is only dealing with urgent and emergency matters that require time outside, otherwise staff is currently working on inside projects until the air quality is safe to return to routine outside work. N95 respirator masks have been provided to all maintenance staff members, as well as all other AHA staff.

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

Work Order Analysis by Completion Month

Property	Units	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
AHA OFFICE	N/A	10	7	8	17	16	13	17	9	9	5	111
SHERMAN STREET	9	18	6	7	7	1	1	5	2	3	1	51
LINCOLN HOUSE	4	2	5	2	2	5	2	3	0	1	4	26
ESPERANZA	120	121	149	108	58	49	52	50	23	36	30	676
PARROT VILLAGE	50	43	27	37	29	23	31	26	17	45	46	324
Detached Homes	4	4	0	2	1	2	3	0	0	0	2	14
ANNE B DIAMENT PLAZA	65	30	17	17	17	17	11	38	67	14	22	250
PARROT GARDENS	8	3	4	5	1	1	2	1	2	0	12	31
STANFORD HOUSE	4	9	2	1	1	1	0	0	1	2	3	20
LINCOLN/WILLOW	5	10	4	4	6	1	3	2	1	2	3	36
SENIOR CONDOS	7	10	0	5	1	2	0	5	3	1	0	27
CHINA CLIPPER PLAZA	26	16	8	3	11	12	7	15	14	7	9	102
EAGLE VILLAGE	36	14	12	11	16	9	12	40	18	20	12	164
INDEPENDENCE PLAZA	186	68	62	165	146	72	39	59	53	65	60	789
Total	**524**	**358**	**303**	**375**	**313**	**211**	**176**	**261**	**210**	**205**	**209**	**2,621**

CAPITAL PROJECTS

Construction for the capital improvement work at Independence Plaza that includes ADA upgrades to 20 units began October 1st. Phase one, which includes six units, is scheduled to be complete end of December. Phase two will begin shortly thereafter, with the entire project scheduled to be completed in Fall of 2019. Staff has met with households in the 2nd phase (7 units) and offered one-time permanent moves within the property. Residents will be able to access LifeSTEPS and a personal organizer to prepare for the moves.

Construction is approximately 15% complete. To date the project has yielded eight change orders for a total of $76,352, which accounts for approximately 33% of the construction contingency. The revised contractor cost is $2,376,352.

The attached table (Attachment 1) summarizes Housing Authority capital project work recently completed, currently underway and those planned to begin within the coming period. For the immediate future the capital projects work and staffing has been transferred to report to the Director of Property Operations.

FINANCIAL IMPACT

Report only, no financial impact.

RECOMMENDATION

Accept the monthly overview report for Property Operations.

Respectfully submitted,

Lisa Caldwell

Lisa Caldwell
Director of Property Operations

VMC/all

ATTACHMENT 1 – FY 2018-19 Capital Projects Update

Attachment 1 - FY 2018-2019 Capital Projects Update

Per CIP Schedule

Property	Descriprtion	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	% Complete	Original Substantial Completion	Expected or Actual Substantial Completion	Notes
AHA	ADA Door Installation	13,279	1	18,514	100	1/2018	3/2018	Complete (FY2017-2018)
IP	504 Upgrades	2,000,000	0	3,500,000	15	6/2018	6/2019	Scheduled to conclude in August 2019
RV	Roof Repair/Tree Removal	11,783	0	11,783	100	4/2017	4/2017	Complete (FY2017-2018)
CC	Pool Fill	52,136	0	52,136	100	12/2017	2/2018	Complete (FY2017-2018)
CC	Soft Story Assessment	19,850	0	19,850	100	7/2017	7/2017	Asessment complete; no imminnent risk but rehab will include reinforcement
Portfolio	Roof Assessments	33,000	0	33,000	100	4/2018	7/2018	Complete (FY2017-2018)
ABD	Roof Repairs	120,000	0	120,000	0	6/2018	12/2018	Inspection report gives life up to 5 years, will be combined with major rehab project
SHM	Roof Replacement	150,000	0	150,000	0	10/2018	10/2018	Estimates secured, selecting vendor

Additional Projects

Property	Description	Original Contract or Budget Amount	Approved Change Orders	Current or Revised Budget Amount	% Complete	Original Substantial Completion	Current Substantial Completion	Notes
RV	738 Eagle Sub Rehab	618,614	9	752,192	100	5/2017	3/2018	Complete, units leased Complete (FY2017-2018)
EV	Sub-Meter Install	22,382	0	22,382	100	4/2017	4/2017	Installation complete, expect to implement after IT system test
ESP	Groundwater Investigation	8,800	0	8,800	100	5/2017	5/2017	Complete (FY2017-2018)
AHA	Main Office Emergency Generator and Switch Panel	65,000	0	41,617	100	12/2017	4/2108	Complete (FY2017-2018)
ABD, ESP, IP	Install Transfer Switches	23,500	0	23,500	66	6/2018	9/2018	Switches installed at IP & ESP, ABD in progress

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To: Honorable Chair and Members of the Board of Commissioners

From: Kathleen Mertz, Director of Housing and Community Development

Date: December 5, 2018

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

BACKGROUND

This memo provides an overview of the Housing and Community Development departmental activities in the prior month.

DISCUSSION

Community Development Block Grant (CDBG) and HOME Program

Staff is managing the loan oversight for three large projects under the CDBG program. The demolition work at North Housing is progressing according to schedule. Work is expected to be completed before the end of the year. Coordination with the Navy for Midway Shelter trailer replacement is moving forward. The environmental assessment for the Cross Alameda Trail has been completed and the Request for Release of Funds is being processed.

Inclusionary and Below Market Rate Programs

On November 9, staff received the notice of default filing for a BMR unit. Staff is working with Hello Housing to contact the homeowner to understand the cause of the problem. Hello Housing has been advised to present the homeowner with two options:

1. work with a housing counseling agency to obtain assistance with curing the default or
2. offer the home for sale to the public at the Below Market Rate price.

Simultaneously, the Housing Authority will submit a letter of interest to purchase the home by November 30, based on the purchase option in the Affordability Agreement. The Board has already granted approval for BMR purchases, under a default scenario, in November 2016.

In response to the RFP for an Inclusionary Housing Consultant, published on October 12, 2018 in the Alameda Journal and via invitations sent to a short list of firms in the Bay Area, Hello Housing was the only organization to submit a proposal by the deadline. AHA has been working with Hello Housing for over five consecutive years and is pleased with the qualifications and program administration to date. Although only one response was received, staff approved the contract with Hello Housing based on successful performance and rates that are in line with industry norms. The contract amount will be a Not to Exceed amount of $189,000, based on actual time spent and billed for services provided. The contract term is for two years, with the option to extend for three additional one-year terms. This contract activity is paid from the City's Affordable Housing Fund and In-Lieu fund as per the service agreement between the City and AHA.

Assignments of BMR loans

The 32 BMR units at Alameda Landing and Marina Shores were developed through the City of Alameda's Inclusionary Housing Program. The dissolution of the Redevelopment Agency and the separation of the Housing Authority from the City of Alameda coincided with the development of these units, and the buyers' loan documents were created with the Housing Authority as the note holder. To be consistent with the other units that were developed through the Inclusionary Housing Program, the City Attorney's Office has advised that those notes should be assigned to the City of Alameda. While the value of the notes is the difference between the market value and the affordable purchase price, there is no payment anticipated and no cash will exchange hands. The purpose of the note is only to document the paper value of the affordability covenant, which helps to ensure that the unit is sold to another low- to moderate-income buyer at sale. In the event of a default, the Housing Authority will continue to retain the option to purchase the unit. Staff are consulting with the Housing Authority's auditor to confirm how these paper equity notes should be treated in the current year's audit.

Island City Development

The Housing Authority has made two predevelopment loans to Island City Development (ICD) on behalf of two development projects: North Housing and Rosefield. The loan balance and project details are discussed in the attached project specific reports. Additionally, AHA made a $250,000 working capital loan to ICD in April 2017. These funds are used for short-term project costs related to timing mismatches for the monthly construction draws. This operating capital loan matures in 2022. The ICD Board met on November 6 to approve the federal and state tax returns, 2019 budget, and other business related to the Rosefield and Everett projects. The agenda was sent to the Board in advance of that meeting for reference.

Affordable Housing Project Pipeline

Littlejohn Commons – A separate report on the project is attached.
Everett Commons – A separate report on the project is attached.
Rosefield Village – A separate report on the project is attached.
North Housing – A separate report on the project is attached.

Staff is moving forward with the purchase application for the tax delinquent property on Haight Avenue, per the Board approval granted in April 2018. The application has been approved by the County and staff are waiting for the first draft of a purchase contract.

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

Asset Management

Staff completed 3rd Quarter reporting to lenders and investors. Staff continue to work with the County and State offices for the welfare tax exemption for the new LIHTC properties and those properties that transferred to the Alameda Affordable Housing Corporation. Recruitment has opened for the Asset Manager position.

Other Activities

The Bay Area Housing Intern Program intern continues under a reduced schedule during the school year, although she will be able to work more during her upcoming winter break from school. Recruitment has begun for a Program Assistant for the department.

Staff continues to participate on the Homelessness Outreach Team with City staff and other community partners to address homelessness strategies within the City. Reflecting the expanding nature of the group's programming and responsibilities, the group has changed its name to "CARES (Collaboration Advancing Research, Efforts, and Supports) for Alameda's Homeless." The Homeless Outreach Team remains and will be a subsection of CARES focused specifically on outreach to individuals experiencing homelessness.

The first EasyPass transportation pass sign up event was held at Anne B. Diament, with approximately 25 attendees. Staff processed pass application forms and resident photos and submitted these to AC Transit. These first passes have arrived to ABD and are in use by residents. Additional residents have reached out to staff to get signed up and processing those applications is in process.

RECOMMENDATION

Approve the monthly overview report for Housing & Community Development.

Respectfully submitted,

Kathleen Mertz
Director of Housing and Community Development

Housing
Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To:	Honorable Chair and Members of the Board of Commissioners
From:	Kathleen Mertz, Interim Director of Housing and Community Development
Date:	December 5, 2018
Re:	Approve Chapter 8 Property Acquisition (APN 74-428-21) and Authorize the Executive Director, or her Designee, to Negotiate and Execute Purchase Documents

BACKGROUND

In January 2018, the Housing Authority received notice of all Alameda properties that are listed with the delinquent tax for five or more years and that have been approved by the Board of Supervisors for sale at Public Auction. In response, one property was viable for use as affordable housing and so staff filed an objection to the sale on January 30, 2018. This property is a single family residence near Haight Avenue and Webster Street. The objection is allowed under Chapter 8, Part 6 Division 1 of the County Tax Sale Procedure Manual. This provision, also known as an Agreement Sale, allows government entities and nonprofits to purchase tax defaulted properties for public use outside of the auction process. Low-income housing is a qualifying public use. On April 18, 2018, staff received direction from the Board to proceed with this acquisition in closed session.

DISCUSSION

The property data is as follows:

APN	74-428-21
Year Built	1910
Lot Size	3,744
Building Area	1,353
Assessed Value	$692,615

After further general research about the property, staff submitted an Application to Purchase Tax Defaulted Property in August 2018. There are no building records other than a re-roof in 2009 and no code enforcement activity. From the exterior, the building looks to be in poor to fair condition. While staff do not have access to the interior of the property or a full property condition report until ownership has transferred, sufficient information was gathered to start the acquisition process. There are no loans outstanding on the property, and the outstanding tax liability is $94,477. If the purchase process is successful, the plan is to renovate the single family Victorian style home into a duplex and deed restrict it as affordable rental housing for households at 80% AMI or below. The Chapter 8 process is slow because of the extensive noticing requirements and approval process with the County Board of Supervisors, both of which protect the homeowner and the purchaser.

FISCAL IMPACT

The purchase price for this property is estimated to be $95,000 in back taxes, plus penalties, notice fees, title fees, and attorney fees. Staff expects the property can be acquired for $160,000. Staff will use reserves from the Esperanza refinance that are now held in the LAIF account. Once purchased, staff can apply for CDBG Rehabilitation funds to complete physical repairs to the property for habitability as a low-income unit.

RECOMMENDATION

Approve Chapter 8 Property Acquisition (APN 74-428-21) and Authorize the Executive Director, or her Designee, to Negotiate and Execute Purchase Documents

Respectfully submitted,

Kathleen Mertz
Director of Housing and Community Development

Housing
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tobi Liebermann, Senior Project Manager

Date: December 5, 2018

Re: Accept the Monthly Development Report for Littlejohn Commons and Authorize a Project Budget Increase of Up to $500,000 and Authorize the Executive Director, or her designee, to Negotiate and Execute Documents Related to the Budget Increase

BACKGROUND

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

The Littlejohn Commons project includes the new construction of 31 units located at 1301 Buena Vista Ave. Construction funds were secured at the financial closing on December 14, 2016. ICD is the developer. BBVA Compass is the construction lender and California Community Reinvestment Corporation is the permanent lender. SGPA is the architect of record. Brown Construction is the General Contractor.

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

Total Development Budget: $19.2 MM
Financing Sources: Low-Income Housing Tax Credits, HOME funds, AHA Loan, bank loan, Project Based Vouchers

DISCUSSION

Construction of the project started on December 27, 2016 and staff received the Final Certificate of Occupancy on August 2, 2018. The project received its Green Point Rated certification, achieving a level of Gold.

The final construction contract totals $11,766,366 including approved Change Orders.

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.

Construction Contract and Contingency Utilization				
	Original Budget	Current Revisions	Previous Revisions	Current Budget
Construction Contract	11,148,028	0	618,338	11,766,366
Construction Contingency	557,401	0	-618,338	-60,937*
Soft Cost Contingency	143,686	0	-143,686	0

Staff is currently working on the TCAC placed in service package, fulfilling the requirements of the 2nd investor capital contribution, as well as starting the permanent loan conversion process. Staff has also received our draft cost certification from the auditor HCVT and is reviewing it with the financial consultant. Based upon the current financial projections for the development, it appears there will be a shortfall of approximately $400,000 due to the delayed completion date and other factors such as additional GC general conditions, additional loan interest costs, additional lease up costs contributable to the delay, as well as extended architectural services. It is anticipated that this shortfall will be partially made up from either an increase in General Partner equity or an increase in the AHA Loan, as discussed below.

FINANCIAL IMPACT

The overall budget disbursements are summarized below. The land line item is shown as disbursed but is a deferred payment. The "$ Disbursed" column includes the current draw amount. The cost certification process is just now beginning with the auditor. Any line item cost overruns will be either absorbed by other line items in the board approved master development budget or will come back to the board for approval.

	$ Budget	$ Disbursed	% Disbursed	$ Balance
Land	3,435,000	3,435,000	100%	0
Hard Costs	11,766,366	11,766,366	100%	0
Soft Costs	4,023,959	2,968,312	74%	1,055,647
Total	19,225,325	18,169,678	95%	1,055,647

The project shortfall to complete all development activities through conversion of the construction loan to the permanent loan is projected at $400,000. However, some of this figure is made up of construction loan interest which amounts to approximately $30,000 each month and the final budget shortfall will be dependent upon the conversion date.

The project was allocated $268,200 of former redevelopment Pass Through funds from AUSD, which had been anticipated to pay down some of the $3,600,000 AHA loan for the project. Staff is recommending these funds be contributed to fill the gap instead. Additionally, staff recommends using Housing Successor funds to fill the remaining gap. In total, the net $250,000 of AUSD funds and up to $250,000 in Housing Successor funds will be sufficient to make up the project shortfall.

These funds are proposed to be loaned to the project, so that the total AHA loan would increase to up to $4,100,000. There is a small possibility that some of these funds may need to be contributed as General Partner equity, as opposed to a loan, to plan for the Year 15 exit strategy. The financial consultant is looking into this currently. The final plan (either loan amendment or loan amendment plus equity) will need to be approved by the other lenders and investor prior to execution of any documents.

RECOMMENDATION

Accept the Monthly Development Report for Littlejohn Commons and authorize a project budget increase of up to $500,000 and authorize the Executive Director, or her designee, to negotiate and execute documents related to the budget increase.

Respectfully submitted,

Tobi Liebermann
Senior Project Manager

Housing
Authority of the City of Alameda

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To: Honorable Chair and Members of the Board of Commissioners

From: Tobi Liebermann, Senior Project Manager

Date: December 5, 2018

Re: Accept the Monthly Development Report for Everett Commons

BACKGROUND

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

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

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

Total Development Budget: $16.6 MM
Financing Sources: Low-Income Housing Tax Credits, HOME funds, AHA Loan, bank loan, Alameda County A1 bunds, Project Based Vouchers

DISCUSSION

Construction of the Project started on July 7, 2017. The current percent complete as of the end of October billing is approximately 92%. Current GC activities include interior punchlist and exterior stairs. Site work underway currently includes, asphalt parking lot, landscaping, site fencing, and bioswales. Installation of water services by EBMUD is completed and AMP is currently installing the electrical services to the project.

The construction contract totals $11,972,940 including 15 approved contract change orders for a total of $416,673. The development budget includes a 5% hard cost construction contingency in the amount of $577,813. Owner contingency funds are held separately from the contract and as change orders are approved, the original construction contract value will increase accordingly as shown in the table below.

Contingency Utilization				
	Original Budget	Current Revisions	Previous Revisions	Current Budget
Construction Contract	11,556,266	27,777.57	388,896	11,972,940
Construction Contingency	577,813	-27,778	-388,895	161,140
Soft Cost Contingency	148,371	-55,398	-69,094	23,879

General Construction Contract Utilization				
Contract Total	Value of Work Completed	Retention Withheld	Payments to Date	Balance to Finish
11,972,940	$11,074,261	$1,107,426	9,966,835	$898,679

FINANCIAL IMPACT

The overall budget disbursements are summarized below. The "$ Disbursed" column includes the current draw amount.

	$ Budget	$ Disbursed	% Disbursed	$ Balance
Land	34,900	15,833	45%	19,067
Hard Costs	12,134,079	9,966,835	82%	2,167,244
Soft Costs	4,440,826	2,330,299	52%	2,110,527
Total	16,609,805	12,312,967	74%	4,296,838

RECOMMENDATION

This report is for information only.

Respectfully submitted,

Tobias Liebermann
Senior Project Manager

Housing Authority of the City of Alameda

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To: Honorable Chair and Members of the Board of Commissioners

From: Danielle Thoe, Management Analyst

Date: December 5, 2018

Re: Accept the Monthly Development Report for Rosefield Village

BACKGROUND

Since early 2015 staff has been working to prepare a redevelopment plan for the buildings at Rosefield Village. It was initially expected that the site could be preserved through substantial rehabilitation but two separate structural reports indicated that the nine 1979 pre-fabricated buildings have reached the near-end of their useful life. Staff adjusted the project scope to include redevelopment of the property rather than rehabilitation of the existing buildings.

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

In December 2017, the Board approved a construction/permanent loan of $5.7 million of AHA funds to support the project, and amended that loan by $1.3 million in October 2018. In September 2018, AHA was awarded $1.67 million of A1 County Bond funds from the City base allocation. In October 2018, the Board authorized staff to submit funding applications for the redevelopment of Rosefield Village as well as to form the new Low Income Housing Tax Credit ownership entities for the project.

DISCUSSION

This project will be developed by Island City Development. The overall project scope includes both rehabilitation of existing structures and construction of a new building in the middle of the site where the existing 40 pre-fabricated buildings are located. The new building includes 78 units, onsite laundry, property management offices, social service coordination offices, community room, and central courtyard with play structures. The thirteen existing units, in six buildings, on the east and west sides of the new building will be renovated.

On November 13, 2018 staff submitted an application to Alameda County for $6.4 million of Measure A1 Bond funds from the Competitive Regional Pool. This is the first round of Competitive funds from the County and staff expects funding recommendations to be made in late December. On November 13, 2018, the Alameda Unified School District approved an amendment to the Memorandum of Agreement for former redevelopment funds authorized on the ROPS as Pass Through funds which increased the funding contribution to $6,660,000 for the Rosefield project over the next four years. The total budget for this project amounts to $64 million for the 91 units.

Staff continue to work with Paragon Partners, the chosen relocation consultant for the project, to finalize updates to the Relocation Plan and to notify residents appropriately. Consultant mailed out General Information Notices (GIN) to Rosefield residents on about November 15, 2018. The draft Relocation Plan is being released for public comments for 30 days, ending December 31, 2018. The draft Relocation Plan is attached to this report as part of this public comment period.

FINANCIAL IMPACT

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

The chart below summarizes expenses through October.

Rosefield Village		
Pre-development Loan from AHA	$	1,000,000
Usage through October 2018	$	454,234
Balance	$	545,766

As mentioned above, the Board has committed $7 million in AHA loan funds for construction and/or permanent financing.

RECOMMENDATION

Accept the Monthly Development Report for Rosefield Village.

Respectfully submitted,

Danielle M Thoe

Danielle Thoe
Management Analyst

Attachment: Draft Relocation Plan

PARAGON PARTNERS LTD

Relocation Plan Update
Rosefield Village

DRAFT Relocation Plan

November 2018

Housing Authority of the City of Alameda

5660 Katella Ave, Suite 100
Cypress, CA 90630
Phone: (714) 379-3376
Fax: (714) 908-8484
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TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

The Housing Authority of the City of Alameda ("AHA") and its nonprofit developer affiliate Island City Development ("ICD"), in partnership with the entire community, advocates and provides qualify, affordable, safe housing; encourages self-sufficiency; and strengthens community inclusiveness and diversity in housing.

Over the past decade, the AHA determined that the demolition of the Rosefield Village units and subsequent redevelopment and renovation by ICD is in the best interest of the households and the AHA, is consistent with the goals of the AHA and AHA's Annual Plan, and is consistent with the United States Housing Act of 1937. The AHA has come to the conclusion based on the current condition of the Rosefield Village units and its potential for redevelopment.

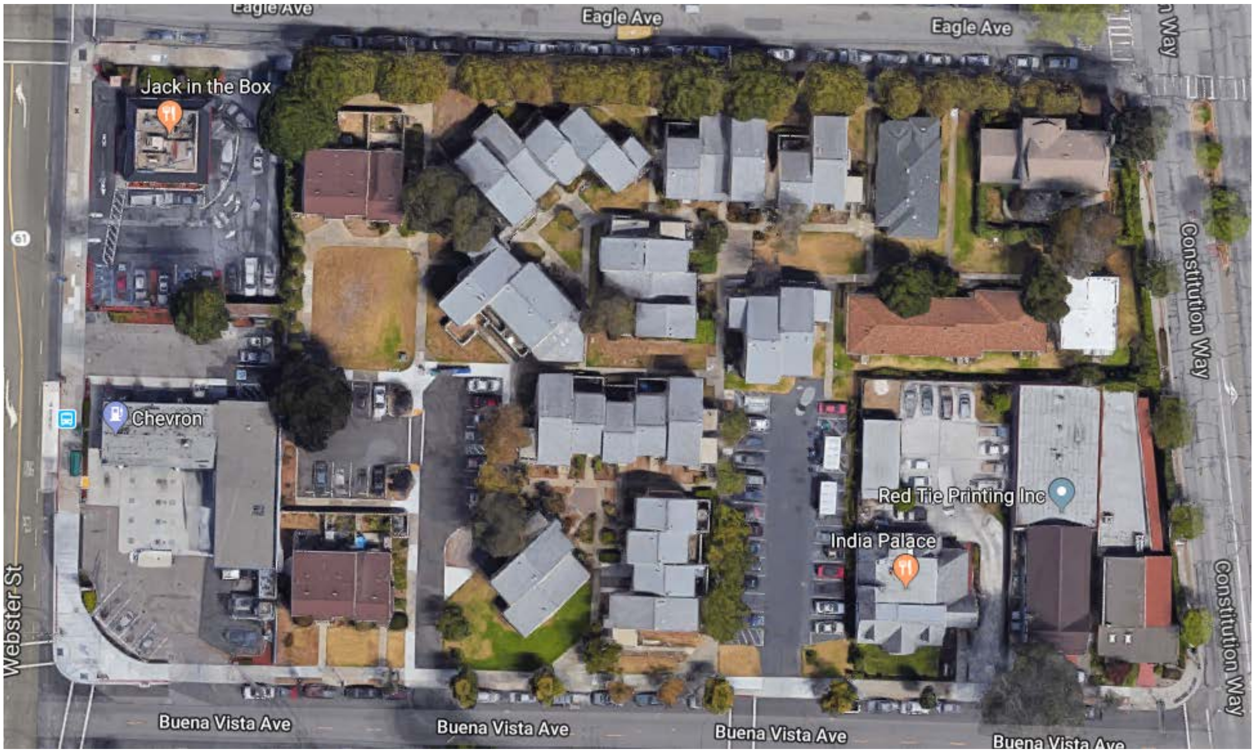
The AHA and ICD are seeking to redevelop housing units within Rosefield Village into a new and vibrant affordable family housing community. The Project will result in the demolition of 40 apartment units within nine factory-built structures and replace them with 78 new affordable units. A structural engineering investigation of the factory-built units has determined that the units have reached the end of their useful life and cannot be feasibly renovated. There are also 13 apartment units in six framed structures which will be renovated, for a total of 91 units. One of these units will be reserved for an onsite employee. The project is proposed to begin in Summer 2019 and the project construction to be completed within approximately 24 months.

Funding for the Rosefield Village project is comprise of various local, state, regional, and national affordable housing programs. Alameda County Measure A1 Housing Bond was passed by the voters in November 2016. The goal of the Measure A1 Rental Housing Development Fund is to assist in the creation and preservation of affordable rental housing for vulnerable populations. Additional funds may be provided by a number of sources including but not limited to the California Tax Credit Allocation Committee

(CTCAC) Low Income Housing Tax Credit program (LIHTC), California Department of Housing and Community Development, U.S. Department of Housing and Urban Development (HUD), Alameda County and the City of Alameda HOME funds, former redevelopment funds, and the Housing Authority of the City of Alameda.

The Project is located within the City of Alameda and is generally bounded by Eagle Avenue on the north, Webster Street on the west, Constitution Way on the east and Buena Vista Avenue on the south. **Figure 1** below shows the location of the project. The project includes two Assessor Parcel Numbers (73-426-5 and 73-426-6).

Figure 1 Project Area



II. ANTICIPATED HOUSEHOLD IMPACT

There are a total of 53 units which will be impacted by the proposed project. Of the 53 units, 40 units will be demolished and replaced with the construction of 78 brand new units. The remaining 13 units are found to be structurally sound and will be renovated. After the completion of the building of the 78 units and the renovation of the 13 units, there will be a total of 90 affordable units and one (1) manager's unit which will not be income restricted.

Table 1 below shows the current occupancy and size by bedrooms.

Table 1 – 53 Units	
Number of Bedrooms	**Unit Count**
One-bedroom	30
Two-bedrooms	22
Four-bedrooms	1
Total	**53**
Occupied as of October 31, 2018	38
Vacant as of October 31, 2018	15

The Rosefield Village property is not currently subject to a Regulatory Agreement or affordable housing deed restriction. Affordability of existing units is guaranteed by the Housing Authority's mission and its Board-approved affordability program which limits occupancy in AHA-owned properties to qualified households at 80% of the Area Median Income. All existing households currently participate in the Housing Choice Voucher Program. At conversion to an affordable property, the complex will become Low Income Housing Tax Credit (LIHTC) compliant housing, along with other funding sources as referenced earlier. Income limits used to determine qualification levels and maximum rental rate voucher limits will be in accordance with the LIHTC and HUD Income Limits. Housing Choice Vouchers and other rental subsidies will continue to be accepted at the property.

Population

The 2010 United States Census reported that Alameda had a population of 73,812. The Census reported that 72,316 people (98% of the population) lived in households, 1,496 (2.0%) lived in group quarters. The population was spread out with 15,304 people (20.8%) under the age of 18, 48,533 people (65.8.1%) between the age of 18-64, and 9,975 people (13.5%) who were 65 years of age or older. The median age was 40.7 years.

Race and Ethnicity

Table 2 below compares race and ethnicity between that of the City of Alameda and Census Tract 4273, within which the Project is located.

Table 2: 2010 Census Population - City of Alameda and Census Tract 4273				
Population	**City**	**%**	**CT 4273**	**%**
White	37,460	50.8	2,330	47.6
Black or African American	4,759	6.4	409	8.4
American Indian or Alaska Native	426	0.6	36	0.7
Asian	23,058	31.2	1,595	32.6
Native Hawaiian or Other Pacific Islander	381	0.5	45	.09
Some Other Race	2,463	3.3	141	2.9
Two or More Races	5,265	7.1	340	6.9
Total Population	73,812	100.0	4,896	100.00
Hispanic or Latino (of Any Race)	8,092	11	514	10.4

Housing

There were 32,351 housing units of which 14,488 (48.1%) were owner-occupied, and 15,635 (51.9%) were occupied by renters. The AHA and ICD own, alone and in partnership with a co-owner, approximately 800 rental units in the city of Alameda.

Income

Pursuant to the 2018 HUD Income limits, the median household income in Alameda is $104,400 per annum. **Table 3** below provides income limits for Alameda County. The 'Extremely Low' income category represents thirty percent (30%) of Area Median Income (AMI) by household size; the 'Very Low' income category represents fifty percent (50%) of AMI by household size; and the 'Low' income category represents eighty percent (80%) of AMI by household size.

Table 3: 2018 HUD Income Limits (Alameda County)								
Income Category	*Number of Persons in Household*							
	1	2	3	4	5	6	7	8
Extremely Low 30%AMI	24,400	27,900	31,400	34,850	37,650	40,450	43,250	46,050
Very Low Income 50% AMI	40,700	46,500	52,300	58,100	62,750	67,400	72,050	75,700
Low Income 80% AMI	62,750	71,700	80,650	89,600	96,800	103,950	111,150	11,8300

Households

Households within the project area were initially interviewed through surveys to determine their individual and aggregate needs and preferences. Inquiries made of the households included household size and composition, ages of occupants, rental and income information, length and type of occupancy, ethnicity, primary language in the home, disabilities and health problems.

Many of the households expressed a desire to remain in the immediate area, close to schools, work, doctors or medical facilities. Some senior households have animals and may need to be referred to "pet-friendly" replacement dwellings.

Relocation information and assistance will be provided in the primary language of the displaced occupants if requested, in order to assure that all displaced occupants obtain a complete understanding of the relocation plan and eligible benefits. Primary languages in the homes include English, Spanish, Korean, Vietnamese, Mandarin, and Tagalog.

Of the 38 occupied units, 21 households include elderly persons age 62 or over and 8 use the aid of caregivers.

III. PROJECT ASSURANCES

It is planned to manage the relocation process over a period of time which will cause minimal disruption to the households who are being displaced. As units become available elsewhere within the AHA-owned portfolio, households who meet the income and other criteria for the vacant units will be offered comparable unit to move into on a permanent basis. This will occur gradually over the next 12-18 months until the start of construction.

It is anticipated that all households currently living at Rosefield Village will be displaced. Temporary displacement means a household will be out of their unit for less than 12 months. Permanent displacement means a household will be out of their units for over 12 months. All households who are displaced may have the choice to return to a unit at Rosefield Village, assuming the household qualifies for occupancy under the new affordability program restrictions. Because the affordability restrictions will change, a household may not be eligible for the same unit after construction is complete.)For example, a two-bedroom unit not currently be restricted but post-construction, it may be restricted to a household at or below 30% AMI.) The list of units that will be affected by the Project are listed below.

Address	**Unit Size**	**To Be Demolished and Rebuilt**
715 Buena Vista #A	2-BR	No
715 Buena Vista #B	2-BR	No
715 Buena Vista #C	1-BR	No
717 Buena Vista #A	2-BR	No
717 Buena Vista #B	2-BR	No
717 Buena Vista #C	1-BR	No
718 Eagle Avenue #A	1-BR	YES
718 Eagle Avenue #B	1-BR	YES
718 Eagle Avenue #C	2-BR	YES
718 Eagle Avenue #D	1-BR	YES
718 Eagle Avenue #E	1-BR	YES
718 Eagle Avenue #F	1-BR	YES
719 Buena Vista #A	1-BR	YES
719 Buena Vista #B	1-BR	YES
719 Buena Vista #C	1-BR	YES
720 Eagle Ave #A	2-BR	YES
720 Eagle Ave #B	2-BR	YES
720 Eagle Ave #C	1-BR	YES

720 Eagle Ave #D	1-BR	YES
721 Buena Vista #A	1-BR	YES
721 Buena Vista #B	2-BR	YES
721 Buena Vista #C	2-BR	YES
721 Buena Vista #D	2-BR	YES
721 Buena Vista #E	1-BR	YES
721 Buena Vista #F	1-BR	YES
721 Buena Vista #G	1-BR	YES
727 Buena Vista Ave #A	2-BR	YES
727 Buena Vista Ave #B	2-BR	YES
727 Buena Vista Ave #C	2-BR	YES
727 Buena Vista Ave #D	2-BR	YES
727 Buena Vista Ave #E	2-BR	YES
728 Eagle Ave #A	2-BR	YES
728 Eagle Ave #B	1-BR	YES
728 Eagle Ave #C	1-BR	YES
728 Eagle Ave #D	1-BR	YES
730 Eagle Ave #A	2-BR	YES
730 Eagle Ave #B	1-BR	YES
730 Eagle Ave #C	1-BR	YES
730 Eagle Ave #D	1-BR	YES
734 Eagle Ave #A	2-BR	YES
734 Eagle Ave #B	1-BR	YES
734 Eagle Ave #C	1-BR	YES
736 Eagle Ave #A	1-BR	YES
736 Eagle Ave #B	1-BR	YES
736 Eagle Ave #C	1-BR	YES
736 Eagle Ave #D	1-BR	YES
738 Eagle Ave #A	1-BR	No
738 Eagle Ave #B	1-BR	No
740 Eagle Ave #A	2-BR	No
740 Eagle Ave #B	2-BR	No
740 Eagle Ave #C	2-BR	No
742 Eagle Ave	2-BR	No
746 Eagle Ave	4-BR	No

Currently there are 15 vacant units. AHA expects to hold these units vacant and any others that may become vacant prior to the commencement of the project, until the renovation is completed but reserves the right to permanently relocate tenants into those units that will only be renovated to minimize relocation impacts on the tenants and the project budget.

There are five (5) households that moved into the Project after September 2016 and who, at move in, signed a lease waiver with full knowledge of the upcoming renovation project. These households will not be eligible for relocation benefits under this Relocation Plan.

There are 33 households who will be displaced, either temporarily or permanently, related to the implementation of this Project and are eligible for benefits under this Relocation Plan. These households are referred to as ”Eligible Households” below. The chart below summaries this.

Unit Status	**Household Status**	
40 Units Demolished and Replaced	Displaced	
13 Units Renovated	Displaced	
53 Total Units		
Occupancy Status	**Displacement Status**	**Benefits**
33 Eligible Households	Displaced, either temporarily or permanently	May have the choice to return if they qualify under new affordability program requirements
15 Vacancies	N/A	N/A
5 Lease Waivers	Displaced	Not eligible
53 Total Households		

All 33 current, eligible households will be provided relocation assistance for temporarily or permanently displaced persons in compliance with applicable laws and regulations.

There are two category of displaced households who are eligible for benefits under this Relocation Plan: 1) Households who relocate within Alameda; and

2) Households who are relocated outside of Alameda. They are eligible to relocation assistance as follows:

<u>Households who relocate offsite but are relocated within Alameda</u> will be considered permanently displaced. The household will not be able to return to the new or rehabilitated units unless they apply through the general waitlist and leasing process. These households can keep their Housing Choice Voucher (HCV), provided they continue to comply with the HCV program, and will be eligible for moving expenses, as discussed in greater detail below.

<u>Households who cannot be relocated to a comparable replacement dwelling within the city of Alameda</u> will be considered permanently displaced. However, this household will be given priority to return to a rehabilitated or new unit at Rosefield Village after project completion based on their seniority of tenancy at Rosefield Village. This household will need to apply in the standard application process, meet the tenant selection criteria, and qualify for eligibility under the new affordable funding program requirements if they wish to return. These households can keep their Housing Choice Voucher (HCV) provided they continue to comply with the HCV program and will be eligible for moving expenses, as discussed in greater detail below.

Every effort will be made to place as many households as possible within the city of Alameda. Households who cannot be rehoused within the city of Alameda will be given priority to return to a new unit within Rosefield Village, assuming they meet the criteria for tenant selection and qualify for eligibility under the new affordable housing programs at the Project.

<u>All displaced households who are eligible for benefits under this Relocation Plan</u> can keep their Housing Choice Voucher (HCV), provided they continue to comply with the HCV program, and be eligible for moving expenses. These households will have the option of either a fixed moving payment (based on the number of furnished rooms) or an actual move by a professional moving company selected by the owner and managed by the Move Coordinator. These households returning to a new or rehabilitated unit will be eligible for moving expenses to return to the project site. In addition, these households may qualify for a one-time payment for any increase in the security deposit required at the replacement dwelling, if any, and other reasonable, documented out-of-pocket expenses, if applicable.

All existing households who currently have Housing Choice Voucher assistance, and who are temporarily or permanently displaced will be able to keep their Housing Choice Voucher assistance, provided they continue to comply with the HCV program. Displacement and relocation benefit eligibility will not trigger the loss of the Housing Choice Voucher. The Move Coordinator will work with existing households to find alternate housing that accepts Housing Choice Vouchers and Rosefield Village will continue to accept Housing Choice Vouchers and other rental subsidies post redevelopment and renovation. Therefore, no households will be economically displaced.

All eligible households will be provided relocation assistance for temporarily or permanently displaced persons in compliance with applicable laws and regulations. Relocation assistance services shall further conform to the standards and provisions set forth in Section 18 of the United States Housing Act (42 USC 1437p) and it's implementing regulations at 24 CFR 970.21; the Uniform Relocation and Real Property Acquisition Policies Act (46 U.S.C. 4600 et seq.), and its implementing regulations at 49 C.F.R. Part 24, the California Government Code Section 7260 et. seq., and the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, California Code of Regulations, Chapter 6, Section 6000 et. seq., collectively, (the "Guidelines") and all otherwise applicable regulations and requirements.

AHA will not proceed with any phase of the project until the following determinations have been made:

1. Fair and reasonable relocation payments will be provided to eligible persons as required by Uniform Relocation Real Property Acquisition Policies Act of 1970 ("Act") and Government Code Section 7260, et seq. and the California Code of Regulations, Title 25, Chapter 6 ("Guidelines").
2. All eligible persons will be adequately informed of the assistance, benefits, policies, practices and procedures, including grievance procedures, provided for in the Act and Guidelines.
3. Housing that meets the HUD Housing Quality Standards (HQS) will be available within a reasonable period of time prior to the displacement, sufficient in number, size and cost.
4. Adequate provisions have been made to provide orderly, timely, and efficient relocation of eligible persons to available housing without

regard to age, familial status, race, color, handicap, disability, religion, sex, sexual orientation, marital status, gender identity, national origin or other protected class under state and federal law with minimum hardship to those affected.

5. In accordance with California Code of Regulations, Title 25 Section 6038, the Relocation Plan has been prepared.
6. All affected persons will been given an opportunity to participate in the review of the relocation plan, for a period of 30 days, prior to the Plan being finalized.

IV. HOUSING RESOURCES

AHA has evaluated the various resources that will be needed to assist the households who are impacted by the Project and found that there are sufficient resources available to accommodate the households that may be required to move into temporary or permanent housing. If a household requires housing that is accessible, AHA staff will provide assistance to secure temporary housing that will accommodate their needs. AHA staff will also assist in locating permanent accessible housing to accommodate the needs of households permanently displaced.

AHA continues to manage the Housing Choice Voucher for all program participants throughout this Project. Should a household have any questions about their eligibility in the HCV program, separate from what is discussed in this Relocation Plan, the household should contact their HCV worker. AHA staff are available to review program guidelines, resources, policies, and other program components such as the Violence Against Women Act (VAWA) and Limited English Proficiency (LEP).

V. RELOCATION ASSISTANCE PLANNING

The Housing Authority of the City of Alameda is committed to a Relocation Assistance Program in compliance with all federal and state requirements.

Isaac Diaz, a relocation representative for Paragon Partners Ltd will be available to assist households having questions in regard to housing options and relocation assistance. Once the Plan is approved, if applicable, a site office will be established with regular hours.

Currently the relocation offices are located at:

Paragon Partners Ltd.
5660 Katella Ave., Suite 100
Cypress, CA 90630
888-899-7498 or 714-379-3376

A comprehensive relocation and advisory assistance program will be provided to those households which are required to relocate. Specific activities and program goals include:

1. Eligible persons to receive relocation benefits are in legal occupancy and are required to move as a direct result of the redevelopment and renovation work at Rosefield Village. Persons who moved in to the apartment complex with prior knowledge of the Project and signed a Move-In Notice waiver notifying them of the proposed plans for Rosefield Village are <u>not</u> eligible to receive monetary assistance under this Program. The five (5) households with this waiver will receive a minimum of 90 days written notice to vacate.

2. Inform eligible Project occupants, to the greatest extent possible, of the nature of, and procedures for, obtaining relocation assistance and benefits;

3. Determine the needs of each displacee eligible for assistance;

4. For those households moving out of the Project, provide an adequate number of referrals – which, pursuant to the Guidelines, requires a minimum of three (3) comparable, decent, safe and sanitary housing units within a reasonable time prior to displacement, and assure that no

residential occupant is required to move without a minimum of 90 days written notice to vacate;

5. Provide current and continually updated information concerning replacement housing opportunities;

6. Provide special assistance in the form of referrals to governmental and social service agencies, if needed. Referral agencies may include, but are not necessarily limited to, the Department of Public and Social Services for income maintenance or food stamps, Medi-Cal, Employment Development; Department, Alameda County Health and Human Services Department, and Child and Adult Protective Services;

8. Provide assistance that does not result in different or separate treatment due to gender, ethnicity, familial status, race, age, color, religion, national origin, sex, sexual orientation, gender identity, marital status or other arbitrary circumstances;

9. Supply information concerning federal and state housing programs and other governmental programs providing assistance to displaced persons;

10. Assist each eligible household to complete claims for benefits;

11. Make relocation benefit payments in accordance with federal or state of California Guidelines;

12. Inform all persons subject to displacement of AHA's policies with regard to eviction and property management; and

13. Establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of the AHA's decisions with respect to relocation assistance.

14. AHA is committed to providing relocation assistance and a move coordinator to eligible affected households in compliance with the Real Property Acquisition Policy Act.

Project Noticing

Households will be kept informed throughout the pre-development and development period. An initial household information meeting was held in March 2016 and follow-up meetings were held in June 2016, June 2017, and October 2018. Letter notices with general project information will be sent no less than quarterly throughout the redevelopment period. The Move Coordinator will meet with each individual household, as they are affected. No legal occupant is required to move without a minimum of 90 days written notice to vacate under this plan.

Monetary Assistance

AHA will provide all required advisory counseling, move coordination services, cash assistance to cover the increased cost of security deposits, if applicable. AHA will also make a one-time payment to cover the cost for moving expenses for a self-move or an actual move by a professional mover selected by the owner and managed by the Move Coordinator. If a household opts for a self-move, they may qualify for a moving payment base on the number of furnished rooms in the unit, per the Moving Schedule Allowance. See **Table 4** below:

Table 4 – Fixed Moving Payment based on Fee Schedule									**Occupant does not own furniture**	
Number of Furnished Rooms										
1 room	**2 rooms**	**3 rooms**	**4 rooms**	**5 rooms**	**6 rooms**	**7 rooms**	**8 rooms**	**Addt'l room**	**1 room/ no furn.**	**Additional room no furn.**
$725	$930	$1,165	$1,375	$1,665	$1,925	$2,215	$2,505	$265	$475	$90

Claim Processing and Distribution of Payments

All claims are to be filed through a Move Coordinator. The Move Coordinator will assist each household in completing their claim forms, will notify each household of the documentation needed in order to file the claim, and will inspect all replacement properties as needed. Each claim will be submitted along with documentation to AHA for review and processing.

Relocation Payments are Not Considered Income

Government Code §7269 states that no payment required under the Relocation Assistance Program shall be considered as income for the purposes of Personal Income Tax Law, Part 10 (commencing with Section 17001). Nor are payments considered as income or resources to any recipient of public assistance and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled under any other provisions of law. Households should consult a tax advisor for additional information.

VI. APPEAL AND GRIEVANCE PROCESS

As required under the Act and Guidelines, displaced persons will have the right to ask for administrative review if they believe themselves aggrieved by a determination as to eligibility, payment amounts, and the failure to provide required services. Requests for administrative and informal hearings will be directed to the Senior Management Staff of AHA listed below. All requests for review will receive written responses from AHA within three weeks of their receipt.

Director of Property Operations
701 Atlantic Avenue
Alameda, CA 94501
510-747-4300

If an informal appeal is denied, appellants will be entitled to file a written appeal with AHA. Any such claimant will be given a full and prompt opportunity to be heard by AHA and will have the right to be represented by legal counsel or other representative in connection with any appeal (but solely at the claimant's expense). AHA will consider all pertinent justifications and materials submitted by the claimant as well as materials submitted by the Move Coordinator and any other available information as may be needed to ensure a fair review of the appeal. The claimant will be provided with a written determination of the appeal with an explanation of the basis for AHA's decision. Any such appeal must be filed within 18 months following the date of displacement. If still unsatisfied, the claimant may then seek judicial review of the decision.

VII. EVICTION POLICY

It is important that each household continues to pay rent and meet the terms of their lease and house rules while they live in the apartment complex and during any temporary relocation as a result of renovation to the apartment complex. Failure to pay rent or failure meet the terms of their lease and house rules may result in a termination of tenancy and loss of relocation benefits or deduction from payments owed to the household and/or eviction. If a household receives a Notice to Vacate from AHA or its management company and AHA is required to take legal action to remove the household from the property, AHA may seek rent and damages.

Should AHA or its management company evict an occupant for failure to meet any obligations or for violating the terms and conditions of their lease or rent agreement, then under the applicable relocation law, the evicted household(s) will not be considered a "displaced person" and, therefore, will not be eligible for relocation benefits. Eviction will not affect a household’s eligibility for relocation benefits if a household is evicted as a last resort to remove the household from the property to allow for construction.

VIII. ESTIMATED COST ANALYSIS

Estimated Relocation Costs $250,000

Funds estimated for relocation also include the administrative fees to implement the relocation program by a Relocation Consulting firm.

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: Danielle Thoe, Management Analyst

Date: December 5, 2018

Re: Accept the Monthly Development Report for North Housing

BACKGROUND

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

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

On June 5, 2018 City Council approved the final reading of the resolution for transfer of the North Housing site to the Housing Authority. This approval also adjusted the boundary of the North Housing site to allow Carmel Partners to retain the building at 2005 Mayport Circle which reduces AHA's parcel by 11,000 sf and in return releases AHA from any obligations related to the demolition of the three buildings that fall within the Singleton right-of-way.

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

DISCUSSION

Staff and the consultant team are well along the process of drafting a Development Plan for the North Housing project. Three of the four planned Community Meetings are complete, and approximately 10-20 community members have attended each of the meetings thus far. This final community meeting is scheduled for:

Wednesday, December 19th 6:00-7:30pm
Introduction of resident services amenities
Alameda Point Collaborative, 677 W. Ranger Ave. Alameda, CA 94501

Since the first Community Meeting, input from the community regarding the Development Plan has been considered, studied, and reflected back in subsequent meeting presentations and discussions. During the third community meeting, staff presented the preferred Development Plan layout and heard a deal of support from the community as well as thanks for hearing their input and concerns.

As the Development Plan solidifies through further research, analysis, and community input, staff submitted initial images to City staff for feedback. On November 14, 2018 staff presented the first round of the preferred development layout to the City's Design Review Team (DRT) for feedback. DRT is an informal pre-application meeting that all developers can utilize to get feedback prior to submitting a final application to the City. Initial feedback was supportive. Staff will continue to seek input from City staff, before ultimately submitting an official Development Plan application. This application will first go before the Planning Board for a Study Session before an official Public Hearing before the Planning Board.

Staff continues to meet monthly with APC and BFWC as the project progresses.

FINANCIAL IMPACT

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

North Housing		
Pre-development Loan from AHA	$	3,700,000
Usage through October 2018	$	115,328
Balance	$	3,584,672

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 and CAMP reserve accounts and were designed to fund new development.

Honorable Chair and
Members of the Board of Commissioners

December 5, 2018
Page 3 of 3

RECOMMENDATION

Accept the Monthly Development Report for North Housing.

Respectfully submitted,

Danielle M Thoe

Danielle Thoe
Management Analyst

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: Kani Lin, Controller

Date: December 5, 2018

Re: Accept Report on Quarterly Investment Report for Period Ending September 30, 2018

BACKGROUND

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

DISCUSSION

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

As of September 30, 2018, AHA held $12,572,990.40 (49.96% of investment funds) in **LAIF**. These funds are on demand and can be used for immediate needs. The prior quarter balance was $14,898,006.15.

As of September 30, 2018, AHA held $12,593,843.40 (50.04% of investment funds) in **CAMP**. These funds are on demand and can be used for immediate needs. The prior quarter balance was $10,597,978. Interest is posted monthly to the account by CAMP.

Balances at September 30, 2018:

LAIF:	$12,572,990
CAMP:	$12,593,843
Total Investment	**$25,166,833**

The key changes in the balance for the period are:

Rebalance investment accounts to stay in compliance with Board policy-approved August 15,2018 board meeting –LAIF	(1,937,000)
Rebalance investment accounts to stay in compliance with Board policy-approved August 15,2018 board meeting –CAMP	1,937,000
Transfer Family Self-Sufficiency program participant escrow fund to new US bank Family Self-Sufficiency saving account. Per request by HUD reviewer	(172,000)
One Mulberry unit # 1911 purchased. Board approved use of reserves for this purchase. Purchase made with general funds. Repayment of general funds from reserves.	(276,000)
Total	**$448,000**

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

RECOMMENDATION

It is recommended that the Board of Commissioners accept the report on the Housing Authority's investment portfolio as of September 30, 2018.

Respectfully submitted,

Kani Lin

Kani Lin
Controller

Attachments:

LAIF report for the quarter ending September 30, 2018.
CAMP report for the quarter ending September 30, 2018.

LAIF Regular Monthly Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
October 12, 2018

ALAMEDA HOUSING AUTHORITY

EXECUTIVE DIRECTOR
701 ATLANTIC AVENUE
ALAMEDA, CA 94501

PMIA Average Monthly Yields

Account Number:
[redacted]

Tran Type Definitions

September 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/12/2018	9/11/2018	RW	1583594	[redacted]	-1,937,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	14,509,990.40
Total Withdrawal:	-1,937,000.00	Ending Balance:	12,572,990.40

Account Statement - Transaction Summary

For the Month Ending **September 30, 2018**

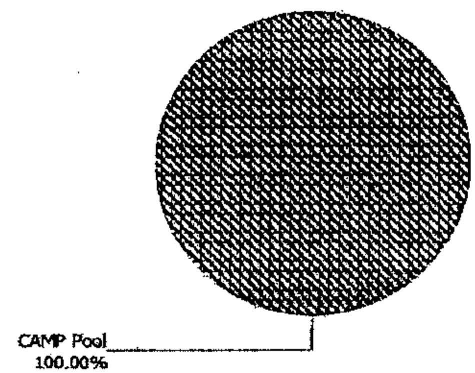
Housing Authority of the City of Alameda (AHA) - Housing Authority of the City of Alameda (AHA) - [redacted]

CAMP Pool	
Opening Market Value	10,636,061.77
Purchases	1,957,781.63
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$12,593,843.40**
Cash Dividends and Income	20,781.63

Asset Summary

	September 30, 2018	August 31, 2018
CAMP Pool	12,593,843.40	10,636,061.77
Total	**$12,593,843.40**	**$10,636,061.77**

Asset Allocation



CAMP

Account Statement

For the Month Ending **September 30, 2018**

Housing Authority of the City of Alameda (AHA) - Housing Authority of the City of Alameda (AHA) - [redacted]

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**10,636,061.77**
09/13/18	09/13/18	Purchase - Incoming Wires	1.00	1,937,000.00	12,573,061.77
09/28/18	10/01/18	Accrual Income Div Reinvestment - Distributions	1.00	20,781.63	12,593,843.40
Closing Balance					**12,593,843.40**

	Month of September	Fiscal YTD July-September
Opening Balance	10,636,061.77	10,597,978.08
Purchases	1,957,781.63	1,995,865.32
Redemptions (Excl. Checks)	0.00	0.00
Check Disbursements	0.00	0.00
Closing Balance	**12,593,843.40**	**12,593,843.40**
Cash Dividends and Income	20,781.63	58,865.32

Closing Balance	12,593,843.40
Average Monthly Balance	11,800,339.93
Monthly Distribution Yield	2.14%

CAMP

Important Disclosures

Account Statement

For the Month Ending **September 30, 2018**

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFM") is an investment advisor registered with the Securities and Exchange Commission, and is required to maintain a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFM does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFM believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for money market and TERM funds is contained in the appropriate fund information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed. Shares of some money market and TERM funds are marketed through representatives of PFM's wholly owned subsidiary, PFM Fund Distributors, Inc. PFM Fund Distributors, Inc. is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Regulator Public Disclosure Hotline at 1-888-289-9999 or at the FINRA Regulation Internet website address www.nasd.com. A brochure describing the FINRA Regulation Public Disclosure Program is also available from the FINRA upon request.

Key Terms and Definitions

Dividends on money market funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally $1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

Average maturity represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally $1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

YTM at Cost The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

YTM at Market The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Managed Account A portfolio of investments managed discretely by PFM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFM within 60 days of receipt. If you have other concerns or questions regarding your account you should contact a member of your client management team or PFM Service Operations at the address below.

PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

Housing Authority of the City of Alameda (AHA)

For the Month Ending
September 30, 2018

Client Management Team

Monique Spyke
Managing Director
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San Francisco, CA 94111
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spykem@pfm.com

Izac Chyou
Senior Managing Consultant
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San Francisco, CA 94111
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Rachael Miller
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Harrisburg, PA 17101-2141
1-800-729-7665
millerr@pfm.com

Contents

Accounts Included in Statement

[redacted] Housing Authority of the City of Alameda (AHA)

Important Messages

CAMP will be closed on 10/08/2018 for Columbus Day.
CAMP will be closed on 11/12/2018 for Veterans Day.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA (AHA)
VANESSA COOPER
701 ATLANTIC AVENUE
ALAMEDA, CA 94501

Online Access www.camponline.com **Customer Service** 1-800-729-7665

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: Tonya Schuler-Cummins, Senior Management Analyst

Date: December 5, 2018

RE: Accept the Annual Customer Survey

BACKGROUND

Since 1993, the Housing Authority of the City of Alameda has conducted an annual survey to measure customer satisfaction. The survey questionnaire has been revised over the years to best meet this goal. From March through October, the Housing Authority conducted its 2018 survey.

DISCUSSION

See the attached Executive Summary of the results from the annual customer survey.

FINANCIAL IMPACT

For information only and there is no financial impact.

RECOMMENDATION

Accept annual customer survey.

Respectfully submitted,

Tonya Schuler-Cummins
Senior Management Analyst

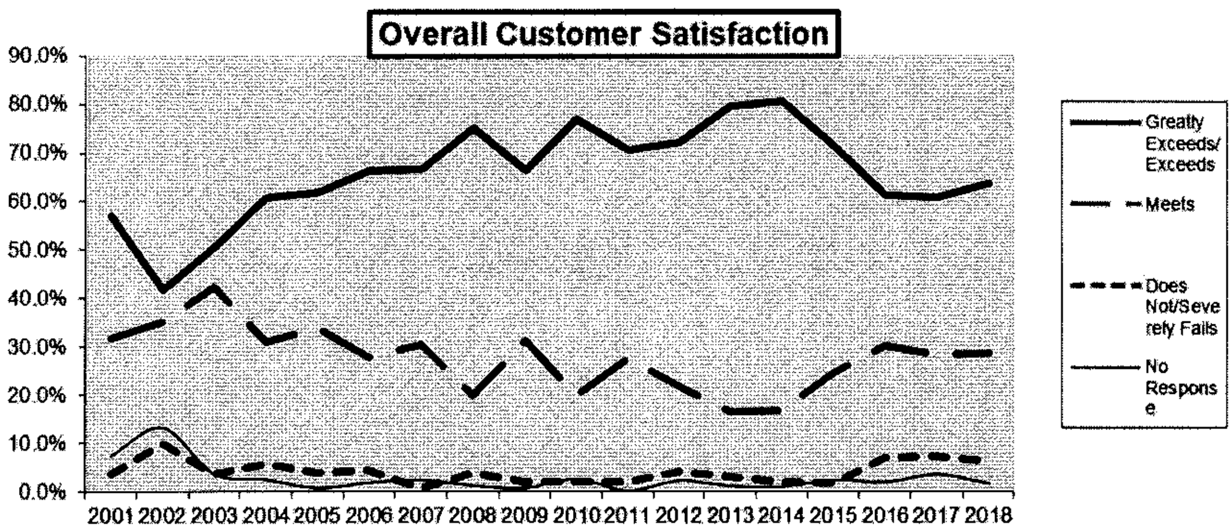
Attachments:
Executive Summary 2018
Exhibit A: Questionnaire – Property Operations
Exhibit A: Questionnaire – Housing Choice Voucher and Landlord
Exhibit B: Distribution and Return Rates of Survey Questionnaires
Exhibit C: 2018 Customer Satisfaction Survey Comments Received

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

EXECUTIVE SUMMARY OF 2018 CUSTOMER SATISFACTION SURVEY RESULTS

Since 1993, the Housing Authority of the City of Alameda has conducted an annual survey to measure customer satisfaction. The survey questionnaire has been revised over the years to best meet this goal. From March through October, the Housing Authority conducted its 2018 survey. For the fourth year, the survey was sent to all units leased with Property Operations at the time of the survey. A slight delay was experienced this year due to some problems with trying an alternate distribution method, so China Clipper and Anne B. Diament received surveys in September and October rather than March.

Respondents were asked how they would rate "overall quality of service provided." This year, the percentage of respondents rating that service met or exceed expectations was 180 responses (93.8%) compared to 157 in 2017 (92.4%). The following chart shows the change over the last 17 years.

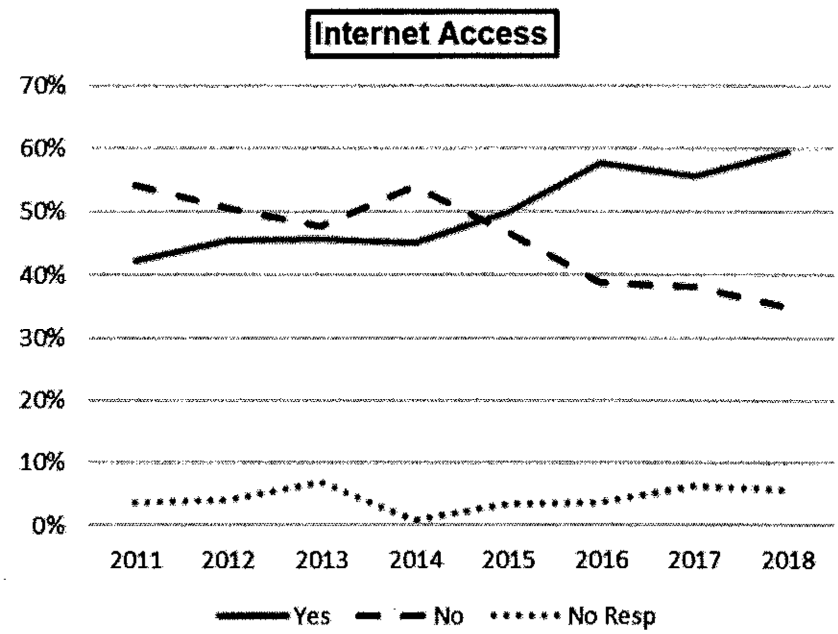


Respondents who said that staff responsiveness met or exceeded expectations was 88.0 percent (169 responses). Respondents rated staff politeness as meeting or exceeding expectations was 96.3 percent (183 responses). The survey also asked our customers to rate staff's ability to answer customer's questions about housing programs. Overall, 88.7 percent (173 responses) evaluated staff's ability to respond concerning their program questions as meeting or exceeding their expectations.

Some questions applied only to residents of the complexes that the Housing Authority owns. For instance, these residents were asked to rate the appearance of the complex in which they live. The respondents who believe the appearance of their complex met or exceeded expectations was 93.1 percent (95 responses), up from last year's 89.3 (100 responses). On maintenance of the complex, 90.2 percent (92 responses) said it met or exceeded expectations, up from last year's 89.3 percent (100 responses). Residents who perceive that the maintenance of their specific units meets or exceeds expectations was 98 percent (100 responses) an increase over last year's 94.6 percent (106 responses).

Respondents were asked to rate their unit and the complex on safety. Most residents (90.2%, 92 responses) said they felt safe in their units and 88.2 percent said safety in the common areas met or exceeded their expectations. Ten (9.8%) respondents (eight in 2017) said that they do not feel safe in their units and ten (9.8%) respondents—down from 15 in 2017—said they do not feel safe in the common areas.

In 2005, a few questions were added to the survey to elicit information about AHA customers' ability to access the Internet. The percentage of respondents with access to the internet increased from last year (55.7%) to 59.5 percent this year. This is compared to 95 percent in 2017 for all North Americans.[1] More respondents (49.7%) had accessed the Internet via a mobile device, such as an iPhone or tablet than in previous years (47.7% from 2017 from a low of 23.1% in 2005). Of those responding, 22.1 percent had accessed the Internet from the Library, Mastick Senior Center, or similar public venue.



A similar percentage of respondents had visited the Housing Authority's website (34.4%) than last year (35.2%). More (37.9%) said they would like access to additional information via the Housing Authority's website than last year (34.1%).

The final question generated comments from 32 respondents. The comments received were forwarded to the Department Directors for evaluation.

A report on the full survey results, including the questionnaire forms, raw data, and written comments, is available at the Housing Authority office.

[1] Internet World Stats, Usage and Population Statistics, Internet Users in North America in June 2018. MiniWatts, Marketing Group, June 30, 2018.

Housing
Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

2018
CUSTOMER SATISFACTION SURVEY

Since 1993, the Housing Authority of the City of Alameda has conducted an annual survey to measure customer satisfaction. The survey questionnaire has been revised over the years to best meet this goal. From March through October, the Housing Authority conducted its 2018 survey. For the fourth year, the survey was sent to all units leased with Property Operations at the time of the survey. A slight delay was experienced this year due to some problems with trying an alternate distribution method, so China Clipper and Anne B. Diament received surveys in September and October rather than March.

The survey was also sent to a random sample of 325 out of 1,455 Housing Choice Voucher (HCV) participants and sent to all 431 property owners participating in the HCV Program. The Property Operations tenants are not also included in the HCV participants sample as all tenants received a survey tabulated under Property Operations.

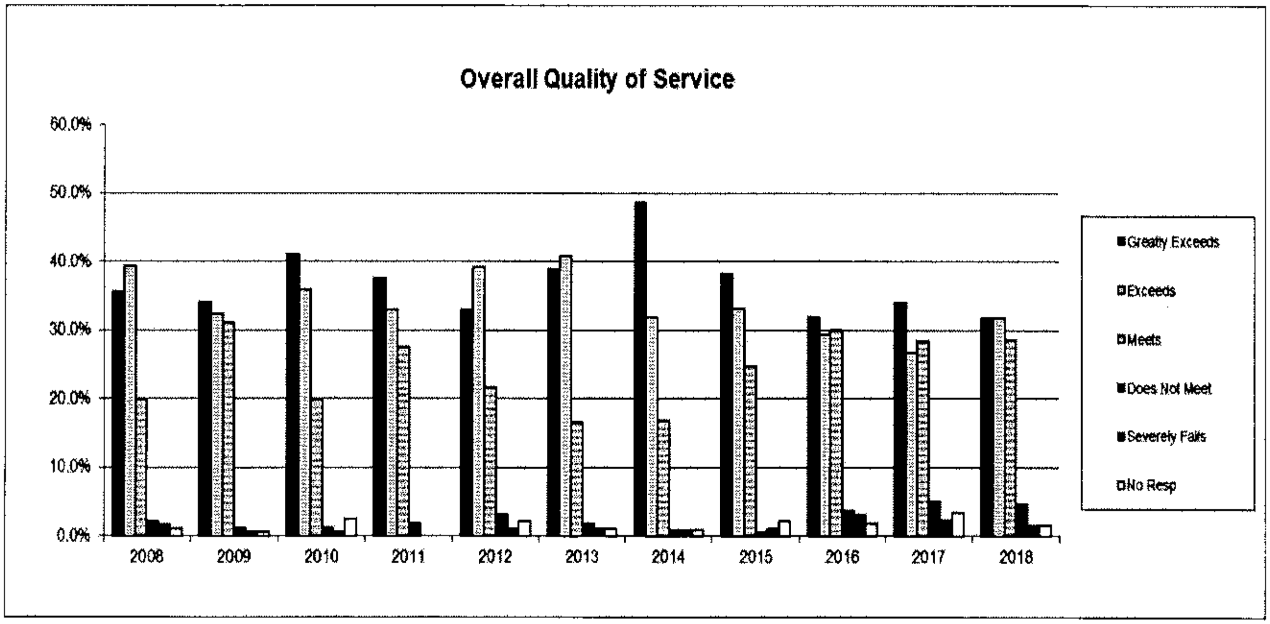
The questionnaires (Exhibit A) were coded by group to track response rates from each customer population group. Overall, 195 recipients returned the survey (14.7% response rate), which resulted in a higher response rate than last year's 13.1 percent. The response rate varied with each population group from a low of zero to a high of 42.9 percent. (There were no responses from Parrot Village, Lincoln Willow, Sherman Street Stanford House, or Lincoln House.) There were 102 surveys returned from Property Operations customers this year, a decrease from the 112 for last year. The response rate for HCV participants who received surveys was 12.9 percent (42 responses), up from last year's 8.6 percent (30 responses). This year, 29 percent of HCV participants were sent surveys compared to last year's 33 percent.

This year, all 431 property owners were mailed surveys; 51 responded, resulting in a response rate of 11.8 percent. This is an increase from last year's response rate of 7.8 percent with 34 respondents.

For the past several years senior residents have typically been more responsive to the Housing Authority's surveys. This year, seniors were more responsive as well. For example, 31.2 percent of Independence Plaza residents, 24.6 percent of Anne B. Diament residents, and 42.9 percent of Senior Condo residents returned completed forms, compared to the overall return rate of 14.7%. Exhibit B provides the specific number of survey questionnaires mailed and received by type of customer.

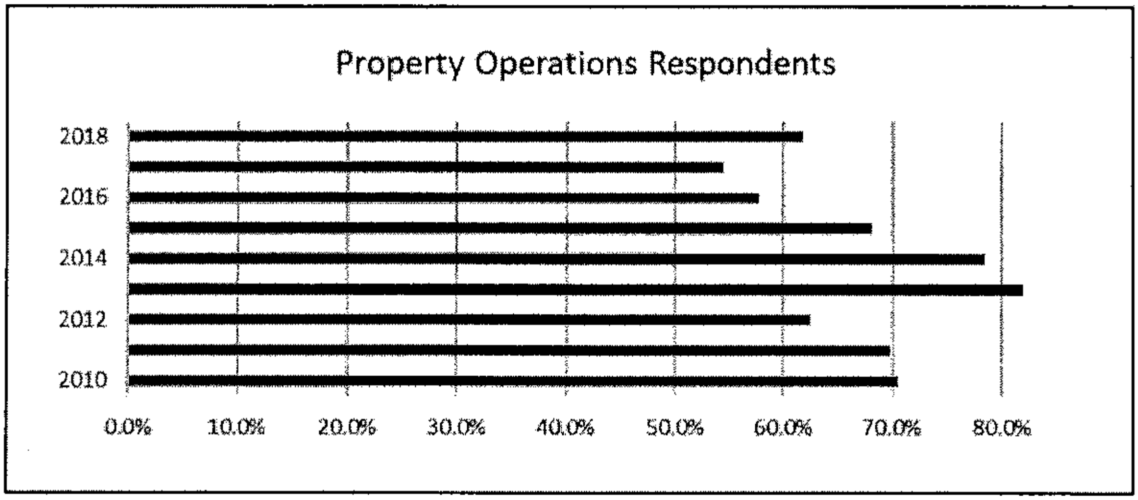
For each survey question, customers were asked to check the box indicating the level of satisfaction that they experienced over the past 12 months (greatly exceeds, exceeds, meets, does not meet, or severely fails to meet expectations). Since 2007, data have been summarized in the below charts to allow for ease of visual display.

Question 1 asked respondents how they would rate "overall quality of service received." Of those responding, 93.8 percent said overall service met or exceeded expectations, an increase from last year (92.4%).



The comments given with the survey (see Question 15) have been reviewed to see if changes are necessary. Over the past few years, the Housing Authority has undergone many organizational changes as staff continue to work toward improving program compliance and customer service. This year, there were three respondents from Property Operations who said that service did not meet expectations, three landlords who said that service did not meet expectations and three participants in the Housing Choice Voucher programs who said that service did not meet expectations. Three total respondents said that service severely fails expectations: two from Property Operations and one landlord. Three total respondents did not answer the question.

CUSTOMER SATISFACTION SURVEY RESULTS – 2018



Among Property Operations customers, 61.8 percent of respondents scored overall service as greatly exceeds or exceeds expectations, up from last year's 54.5 percent.

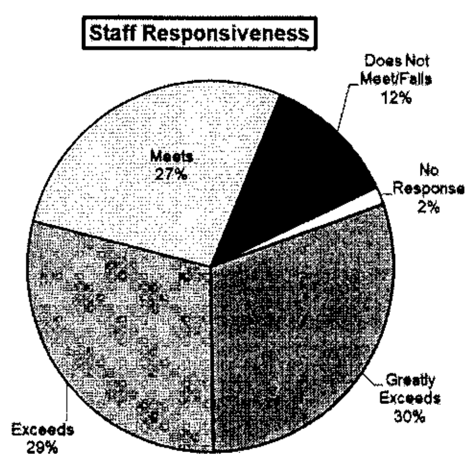
Except for in 2013, there has been a trend for Property Operations customers to be less positive about service than customers overall. This year 61.8 percent of Property Operations residents rated service as exceeding their expectations and the overall rating for all customers had a slight rise from last year's 60.8 percent to 63.6 percent.

This year, there were 42 HCV respondents, up from last year's 30 responses. Of this year's HCV respondents, 69 percent said that overall service exceeded expectations, a decrease from last year's (80%). Ten respondents said that service met expectations (23.8%).

Fifty-one property owners (landlords) responded to the survey this year compared to last year's 34 responses. This year, 86.3 percent of owner respondents found service met or exceeded expectations, a decrease from last year's 88.2 percent. Four owners (7.8%) said that service did not meet or severely failed expectations.

Question 2 asked how respondents would rate "overall responsiveness of staff."

This year, 59.5 percent of respondents found staff responsiveness to be above expectations slightly above last year's 58 percent. This year, 27.2 percent found responsiveness met expectations up from last year's 25 percent. Eighteen respondents found responsiveness did not meet expectations (9.2%) up from last year's eight percent. Five (2.6%) found responsiveness severely failed expectations, a decrease from eight last year. Three respondents did not answer this question.

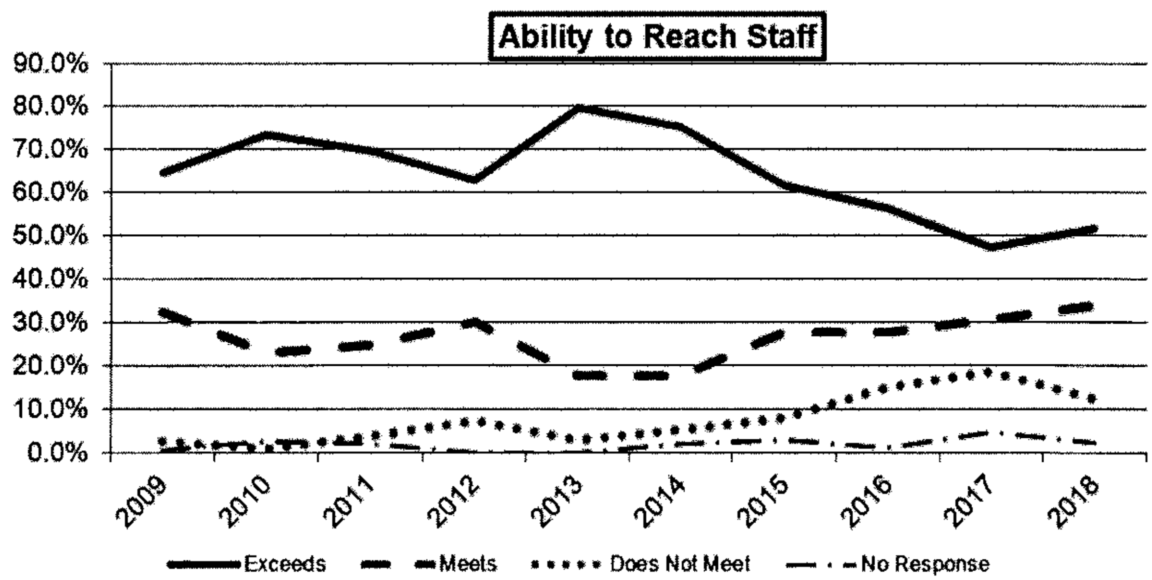


Among Property Operations customers, 59.8 percent found responsiveness exceeded expectations, up from last year's 52.7 percent.

When combined with those who found responsiveness met expectations, the results increase to 88.2 percent above 81.3 percent in 2017. For HCV customers, 64.3 percent of respondents noted their expectations were exceeded, down from last year (73.3%). When combined with HCV respondents who found responsiveness met expectations, 90.5 percent were satisfied with the service provided basically the same as the 90 percent in 2017. Four HCV respondents (9.5%) were dissatisfied with staff responsiveness, up from last year's (3.3%). Forty-one property owners (80%) found staff responsiveness met or exceeded expectations. Seven owners (13.7%) were dissatisfied with staff responsiveness.

Question 2 has two additional parts. One part asked our customers to rate their ability to reach appropriate staff and the other asked them to rate the time in which phone calls were returned. This year, 51.8 percent of respondents, up from last year's (47.2%), found that their ability to reach appropriate staff exceeds or greatly exceeds expectations. This year, 33.3 percent of respondents stated that their ability to reach staff meets their expectations, up from 30.7 percent last year. This year, 24 respondents (12.3%) found service lacking in contacting the appropriate staff, down from last year (31 respondents, 17.6%).

This chart reveals the general trend over time for all staff.



When evaluated independently, 88.2 percent of Property Operations clients had their expectations met or exceeded, up from last year (74.1%). Twelve respondents (11.8%) said that service did not meet or severely failed expectations, down from last year's 23 respondents. Among property owners, 76.4 percent found their ability to reach staff met or exceed expectations. Nine respondents (17.6%) were unsatisfied with the ability to reach staff. Among HCV respondents, 90.5 percent were satisfied with their ability to reach staff, up from last year (86.7%). There were three respondents (7.1%) who found this service lacking, an increase from last year (6.7%).

The second part of this question asks about the timeliness of returned phone calls. Last year, the overall level of satisfaction that met or exceeded was 82 percent. This year, satisfaction that met or exceeded expectations rose to 84.3 percent. Dissatisfied responses dropped to 30 respondents (15.4%), compared to the 30 respondents (18%) last year. Four respondents did not answer this question.

Property Operations respondents tend to rate staff's return of phone calls lower than their HCV counterparts. This year, 44.1 percent said this service exceeded expectations, down from last year (46.4%). Another 38.2 percent of Property Operations respondents found this service met expectations. Combined, 82.4 percent of Property Operations customers said that returning phone calls met or exceeded expectations, up from last year (75%); 16.7 percent of Property Operations respondents responded negatively, a decrease from last year (19.6%). For HCV respondents, 88.1 percent said this service met or exceed expectations (slightly down from 90% in 2017), with 52.4 percent responding that expectations were exceeded. This year, five respondents (11.9%) of HCV respondents stated this service did not meet or severely failed expectations compared to last year's (3.3%).

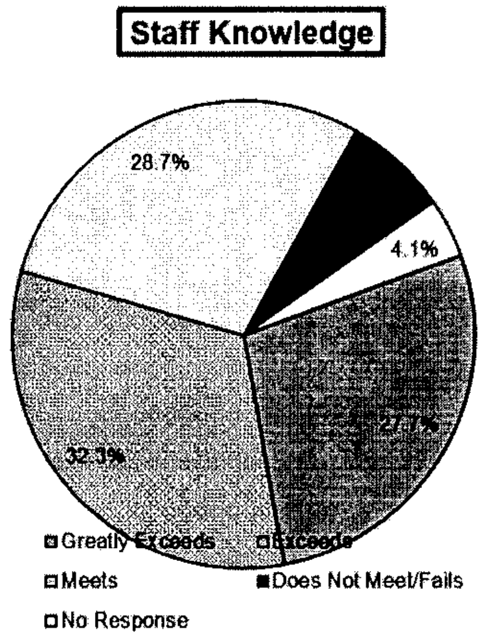
For property owners, 51 percent found this service exceeded expectations, close to last year's response (50%). When combined with those who found timeliness of returned phone calls met expectations (27.4%), overall satisfaction is 78.4 percent. Eight property owners (15.7%) were dissatisfied with this service compared to last year's seven (20.6%).

Question 3 asked respondents to rate the politeness of staff. The percentage of respondents who said staff politeness meets or exceeds their expectations increased to 96.3 percent up from last year (94.2%). Two respondents (1.0%) said that politeness did not meet expectations. Five respondents (2.6%) noted that service severely failed to meet expectations. Five respondents did not respond to this question.

For Property Operations, 69.6 percent of respondents said that politeness exceeded expectations with another 28.4 percent saying their expectations were met. Combined, the satisfaction rate was 98 percent, an increase from last year (91.1%). No Property Operations customers found politeness did not meet expectations and one customer (1.0%) responded that politeness severely failed. For HCV respondents, 66.7 percent found staff politeness exceeded expectations and another 26.2 percent found their expectations met, reaching a combined satisfaction level of 92.9 percent, a slight decrease from last year's 93.3 percent. One respondent found politeness did not meet expectation and one more found that it severely failed expectations. For property owners, 86.3 percent said that staff politeness met or exceeded expectations, a decrease from last year's 91.2 percent.

Question 4 is the last question applicable to all respondents. Customers were asked to rate staff's ability to answer customers' questions about housing programs "Staff Knowledge." Overall, 60.0 percent of respondents evaluated staff's ability to respond to their questions as exceeding or greatly exceeding their expectations, a slight decrease from last year (60.2%). When combined with respondents who said staff knowledge met their expectations (28.7%), the percentage increases to 88.7 percent.

Ten respondents (5.1%) said that staff's ability to respond with program information did not meet their expectations, which is down from last year (9.7%). Four responded that staff knowledge severely failed expectations (2.1%) down from last year (2.8%). Eight respondents did not answer this question.



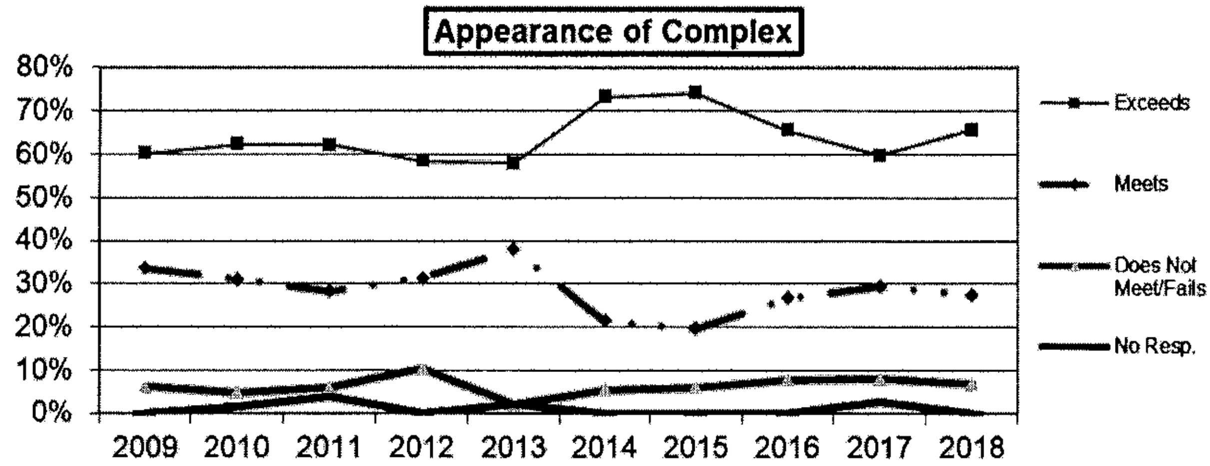
For Property Operations customers, 53.9 percent of respondents said that staff's knowledge exceeded expectations, up from last year (52.7%); another 34.3 percent said it met expectations. Combined, 88.2 percent of Property Operations respondents were satisfied with staff knowledge, up from last year's 81.3 percent. Five respondents (4.9%) felt staff knowledge did not meet expectations; two respondents (2.0%) felt expectations severely failed, and five respondents did not respond. For HCV respondents, those reporting exceeded expectations of is 71.4 percent with another 21.4 percent saying their expectations are met. This year, 86.3 percent of property owner respondents felt that staff knowledge met or exceeded expectations, up from last year (85.3%).

Questions 5 through 9 apply only to residents of the complexes that the Housing Authority owns, thus excluding HCV participants who live in privately-owned units and the owners of those units.

Question 5 asked Property Operations residents to rate the appearance of their complex. Respondents who believe the appearance of their complex exceeded or greatly exceeded expectations was higher this year (65.7%) compared with last year (59.8%) When combining respondents that stated expectations were met (27.5%), total satisfaction reaches 93.1 percent, which is up from last year (89.3%). Seven responses noted (6.9%) that appearance did not meet or failed to meet expectations compared to last year's nine. Esperanza, Rosefield Village and Independence Plaza had one each; two were from Eagle Village and two were from China Clipper.

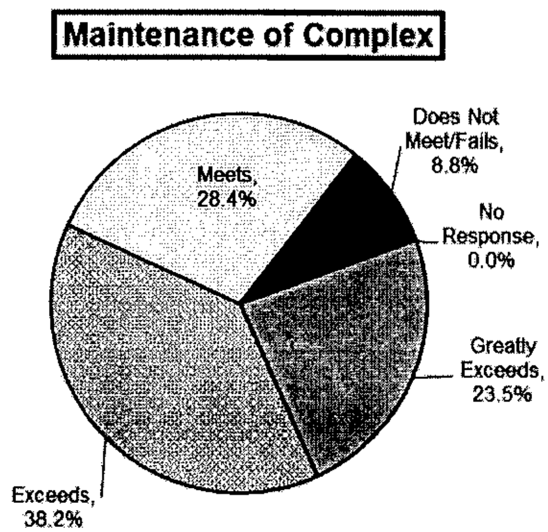
The following chart shows the trend in customers' perception of the appearance of Housing Authority complexes.

CUSTOMER SATISFACTION SURVEY RESULTS – 2018

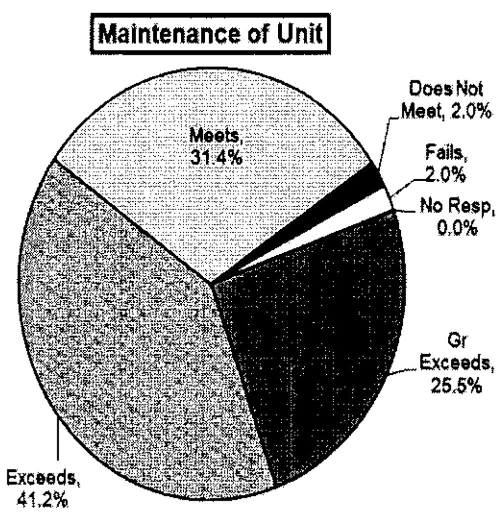


Question 6 asked respondents to rate the maintenance of their complex.

This year 61.8 percent of respondents said that maintenance of the apartment complex exceeds or greatly exceeds expectations, slightly up from last year's 61.6 percent. When combined with respondents stating that expectations were met (28.4%), total satisfaction reached 90.2 percent.



This year, the percentage of respondents dissatisfied with maintenance of their complex remained about the same at 8.8% (8% in 2017). Three of the complexes receiving low scores for the appearance of the complex (Question 5), also received low scores for the maintenance of the complex (China Clipper, Eagle Village and Independence Plaza).



Question 7 specifically asked about the maintenance of the resident's unit.
Residents who perceive that maintenance of their units exceeds or greatly exceeds their expectations (66.7%) increased from last year (63.4%).

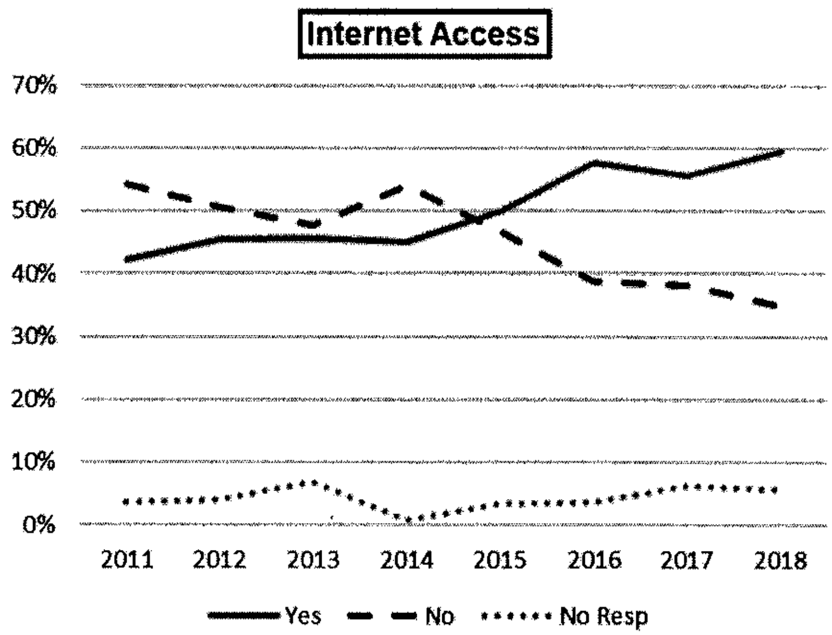
Respondents who said maintenance of their unit meets expectations is about the same at 31.4 percent compared with last year (31.3%).

Two respondents (2.0%) stated that their unit maintenance did not meet or severely failed expectations, a decrease from the four dissatisfied respondents last year (3.6%).

Questions 8 and **9** had respondents rate their units and complexes on safety. The perception that safety in units exceeds expectations in-creased slightly to 68.6 percent from last year's 66.1 percent. The percentage of respondents who said that safety in their units met expectations (21.6%) decreased slightly from last year (24.1%). Nine respondents (8.8%) said the unit does not meet their safety expectations compared to eight (7.1%) last year. One respondent (1.0%) stated that safety in the unit severely failed expectations. Low ratings were received at Independence Plaza, Esperanza, Eagle Village, China Clipper, and Anne B. Diament.

The perception of safety in the common areas of the complex exceeded expectations for 57.8 percent of respondents, a decrease from last year (59.8%). Up from last year's 25 percent, 30.4 percent felt that the apartment complex met expectations of safety. When combined 88.2% felt that the common areas met or exceeded expectations. Eight (7.8%) respondents compared to 15 last year (13.4%) said that the apartment complex does not meet expectations of safety and two (2.0%) of respondents stated that safety of the complex severely failed expectations. Low ratings were received at Independence Plaza, Esperanza, Eagle Village, China Clipper, and Anne B. Diament.

Questions 10 through 12 were asked of all respondents to elicit information about our customers' ability to access the Internet.



Respondents were asked if they have access to the Internet; 59.5 percent said yes, as compared to 55.7 percent in 2017. With the growing dependence on mobile devices exclusively for Internet access, 97 respondents (49.7%) said they have access to such devices. This is an increase from last year (47.7%).

With many lower-income residents relying on libraries and other public facilities to obtain internet access, 22.1 percent had used the library or a senior center to gain Internet access, up from last year (17.0%).

Questions 13 and 14 asked if the respondents had ever visited the Housing Authority's website and if they would like access to additional information via that site. The number of respondents (34.4%) who had visited www.alamedahsg.org this year decreased from 35.2 percent last year. Seventy-four respondents (37.9%) said additional information on the Housing Authority's website would be helpful. This increased from last year (34.1%).

Question 15 asked the respondents to include any additional comments.

CUSTOMER SATISFACTION SURVEY RESULTS – 2018

This question generated comments from 32 respondents. The comments received were forwarded to the appropriate staff for evaluation and follow up.

Specific comments, edited to remove names, are attached as Exhibit C.

Exhibit A

Housing Authority of the City of Alameda

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

HELP US TO SERVE YOU BETTER

Dear Housing Authority Customer:

Because we want to provide the best possible service to our customers, we would appreciate your comments about the service you have received over the **last 12 months**. Please take a few minutes to tell us how well we did our job by checking the box that best matches the service you received. Did service Greatly Exceed, Exceed, Meet, Did Not Meet, or Severely Failed to meet your expectations? You do not need to give your name. Just drop this form in the mail, fax it, or bring it by the Housing Authority and give it to the receptionist or put it in the drop box. Thank you for your help!

PLEASE CHECK THE BOX THAT BEST DESCRIBES THE SERVICE RECEIVED:	**Greatly Exceeds**	**Exceeds**	**Meets**	**Does Not Meet**	**Severely Fails**
1. Overall, how would you rate the quality of service you received?	☐	☐	☐	☐	☐
2. Overall, how would you rate the responsiveness of staff?	☐	☐	☐	☐	☐
a. How would you rate the ability to reach the staff person that you want to see or talk with?	☐	☐	☐	☐	☐
b. How would you rate the time in which phone calls were returned?	☐	☐	☐	☐	☐
3. How would you rate staff's politeness?	☐	☐	☐	☐	☐
4. How would you rate staff's ability to answer your questions about housing programs?	☐	☐	☐	☐	☐

The following are a few questions about your use of the Internet.

5. Do you have access to the Internet from home or work?	YES ☐	NO ☐
6. Do you have access to the Internet on a mobile device such as an iPhone or tablet?	YES ☐	NO ☐
7. Have you ever accessed the Internet from the Library or the Senior Center?	YES ☐	NO ☐
8. Have you ever visited www.alamedahsg.org, the Housing Authority's website?	YES ☐	NO ☐
9. Would you find it helpful to have additional information or forms available on the Housing Authority's web site? Please use back of form for details.	YES ☐	NO ☐

10. Please include any additional comments. You may use back of form or include other sheets.

PLEASE RETURN COMPLETED SURVEY BY THURSDAY APRIL 27, 2017
YOU MAY FAX THE COMPLETED SURVEY TO (510) 922-0746
OR Mail to PO Box 3199, Alameda, CA 94501

THANK YOU FOR YOUR HELP!

Exhibit A

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

HELP US TO SERVE YOU BETTER

Dear Housing Authority Customer:

Because we want to provide the best possible service to our customers, we would appreciate your comments about the service you have received over the **last 12 months.** Please take a few minutes to tell us how well we did our job by checking the box that best matches the service that you received. Did service Greatly Exceed, Exceed, Meet, Did Not Meet, or Severely Fail to meet your expectations? You do not need to give your name. Just drop this form in the mail, fax it, or bring it by the Housing Authority and give it to the receptionist or put it in the drop box. Thank you for your help!

PLEASE CHECK THE BOX THAT BEST DESCRIBES YOUR EXPECTATIONS:	**Greatly Exceeds**	**Exceeds**	**Meets**	**Does Not Meet**	**Severely Fails**
1. Overall, how would you rate the quality of service you received?	☐	☐	☐	☐	☐
2. Overall, how would you rate the responsiveness of staff?	☐	☐	☐	☐	☐
a. How would you rate the ability to reach the staff person that you want to see or talk with?	☐	☐	☐	☐	☐
b. How would you rate the time in which phone calls were returned?	☐	☐	☐	☐	☐
3. How would you rate staff's politeness?	☐	☐	☐	☐	☐
4. How would you rate staff's ability to answer your questions about housing programs?	☐	☐	☐	☐	☐
5. How would you rate the appearance of your apartment complex?	☐	☐	☐	☐	☐
6. How would you rate the maintenance of your apartment complex?	☐	☐	☐	☐	☐
7. How would you rate the maintenance of your apartment?	☐	☐	☐	☐	☐
8. How would you rate your feeling of safety when in your apartment?	☐	☐	☐	☐	☐
9. How would you rate your feeling of safety when in the common areas of your apartment complex?	☐	☐	☐	☐	☐

The following are a few questions about your use of the Internet.

10. Do you have access to the Internet at home or work? YES ☐ NO ☐

11. Do you have access to the Internet on a mobile device such as an iPhone or tablet? YES ☐ NO ☐

12. Have you ever accessed the Internet from the Library or the Senior Center? YES ☐ NO ☐

13. Have you ever visited the Housing Authority's web site at **www.alamedahsg.org**? YES ☐ NO ☐

14. Would you find it helpful to have additional information or forms available on the Housing Authority's web site? Please use back of form for details. YES ☐ NO ☐

15. Please include any additional comments. You may use back of form or include other sheets.

PLEASE RETURN COMPLETED SURVEY BY THURSDAY APRIL 27, 2017
YOU MAY FAX THE COMPLETED SURVEY TO (510) 922-0746
OR Mail to PO Box 3199, Alameda, CA 94501
THANK YOU FOR YOUR HELP!

PM

Exhibit B

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

DISTRIBUTION AND RETURN RATES OF SURVEY QUESTIONNAIRES
MARCH THROUGH OCTOBER 2018

TYPE OF CUSTOMER	PROP. CODE	TOTAL NO. CUSTOMERS	QUESTIONNAIRES DISTRIBUTED (MARCH)	PERCENT SURVEYED	NO. RETURNED (APRIL)	PERCENT RETURNED
Anne B. Diament Plaza	6010	65	65	100.0%	16	24.6%
China Clipper Plaza	6070	26	26	100.0%	4	15.4%
Condos	6060	7	7	100.0%	3	42.9%
Eagle Village	6100	36	36	100.0%	6	16.7%
Esperanza	2100	120	120	100.0%	10	8.3%
Independence Plaza	8100	186	186	100.0%	58	31.2%
Lincoln House	1120	4	4	100.0%	0	0.0%
Lincoln/Willow	6050	5	5	100.0%	0	0.0%
Parrot Gardens	6030	8	8	100.0%	3	37.5%
Parrot Village	3100	50	49	98.0%	0	0.0%
Rosefield Village	6020	52	52	100.0%	2	3.8%
Sherman Street (SH)	1110	9	9	100.0%	0	0.0%
Stanford House (ST)	6040	4	4	100.0%	0	0.0%
SUBTOTAL MH PROGRAMS		572	571	99.8%	102	17.9%
Section 8 Prop. Owners VIA snail mail	LL-M	431	431	100.0%	51	11.8%
Section 8 Prop. Owners VIA e-mail	LL-E					
All S8 Prop. Owners		431	431	100.0%	51	11.8%
Section 8 participants*	7100 / 7300 / 7600 / 7700	1119	325	29.0%	42	12.9%
SUBTOTAL HCV PROGRAM		1550	756	48.8%	93	12.3%
TOTALS		**2122**	**1327**	62.5%	**195**	14.7%

Updated: 11/5/18

2018 Customer Satisfaction Survey
Comments Received

1. Are all tenants at [complex name] have "permits" to have dogs? And are they allowed to have pit bulls now? Please check! And they let their dogs poo and not picking em up. 2. A lot of cars parked in the parking lot with no permits. 3. Should all minor children be inside their apartments after 9 p.m. They are all in the playground until midnight making a lot of noises and biking around late night. Where are all the parents. I disagreed 101% with the City of Alameda building this playground. Who is the director of Parks and Recreation? They hang around here smoking weed!! 4. Drilling and vacuuming after midnight. Music so loud until midnight, making noises, loud yelling, screaming, fighting and intoxicated (drugs) neighbors. 5. Please call back tenants within 24 hours when leaving messages. Thank you.
I am speaking for myself and my family...AHA in my simple yet meaningful words. AHA is a blessings of Almighty God upon us. We are thankful. Starting from the front office to the senior management, everyone at AHA is professional, they are very friendly, courteous, kind, considerate. They treat us all with respect. Very prompt and attentive. When call is made to any AHA office, the call is answered promptly or returned without any long hesitations. Questions are answered kindly and professionally if immediate solution is not given, they have given us alternative avenue, meaning they have not put us at dark. I wish I was a good writer to say and write all eloquent nice words and dedicate them to our loving AHA. Our complex [complex name] is getting better everyday, cleaner, safer, a happier place. When [department name] is called, they don't give us a lip service, they take care of the problem. Main office as I mentioned on 701 Atlantic is a great office with tremendously kind, professional people. I can go on and on. Keep up the good work. AHA is the best among the rest. Long Live America. Long Live AHA.
Last inspection of Apt. B, the [job title] was unreasonable with no consideration.
I've had the pleasure of working with [staff member] and have communicated mainly by email. Each time, [staff member] was quick to respond and was able to provide me with the assistance that I required. Front office staff could be more helpful and professional. I was not happy with their service. So happy with [staff member]
It would be nice to have a place for landlords to check the schedule of inspections for their units in advance of the notifications.
[Q4] From the [job title]! Never from the [job title]. [Q9] Difficult for foreign speaking persons thru this method sometimes.
You all are doing a great job. Thank you.
[Q9] I don't know. I am a 68 year old, old woman not smart and fast to use internet.
[Q5-9] Sorry, I do not have internet service.
[Q5-9] Sorry, I do not have internet service.

[Q2] Depending on who if it's my worker or if it's other staff. [Q4] Depending on other staff or if I'm talking to my worker. [Q10] When I try to get a hold of my worker, she called me back whenever she says she has time and from my understanding it is supposed to be 24 to 48 working hours which she'll call me back once and a blue moon the next which is not ever very often but mostly she will call me back in like 3 or 4 days some things even in 2 weeks which really is unsettling so now when I call her I also call her head person to let them know that I have called her so that is the only way the I can get her to call me back in a proper amount of time it might not be right however what she does be not calling me back or answering the problems that I have is not right either. So that this the only way I can get a call back or and answer to what I need. Many thank.
Don't use website.
I don't use the computer too well. If I practice more probably so.
More available places and less prices for rentals for people on Section 8.
Most of the staff is very helpful.
If I could afford to pay for internet, I would have it.
1. Dogs not on leashes. 2. Garage in parking lot. 3. Smoking weed in playground area.
I can't say anything, thank God we're so lucky people living on housing authority. Thanks and for being so patient giving us a place to live. I keep praying to God all working at housing authority together. So patient, visiting us and giving us a nice place, may all working at Housing patient for serving all housing authority. May God Bless them all. All working at the housing authority.
Used to be if the resident council have an annual meetings, the staff and the commissioners always attend our meetings or vise versa. Should demonstrate compassion, tolerance and practice the golden rule. Thank you.
[Q14] Yes, the additional information would be helpful especially for those who does not own a computer, iPhone, etc. [Q15] Additional comments: This is supposed to be a smoke-free complex, someone is smoking in [identify building]. Neighbors smell the smoke. It would be nice to find the person who is smoking. The outside windows are filthy dirty. Ever since we've lived here, we have never had our outside windows washed. The quiet hours in our house rules are 10:00 p.m. to 8:00 a.m. There are loud music, TV going on when the quiet hours are supposed to follow. Possible solution take all the comments from the survey and publicize the results to the residents. If the solution is solved take further action. The landscape around the [complex] property can be improved. The growth of most of the plants are overgrown and needs trimming more they have been.
Grounds on east side of complex facing [road name] between [buildings] are rather unattractive compared with the rest of the complex grounds. Better ground cover such as the tall grass as well as nicer shrubs. [Staff member] has been a great addition to the complex and does a fine job. Hope we keep [pronoun] for awhile.
Trash is allowed to overflow and accumulate on a regular basis in building [building identification].
On items checked meets I have not used or out at night in the complex. I haven't learned how to use the internet properly. It has made it more comfortable with a resident manager on site.

[Q8-9] Need surveillance cameras in all buildings and outside property
Please have someone talk to us about what to do/expect if [there are] earthquakes. Any chance for solar panels on [complex name]?
Sorry, no computer.
[Q14] Yes, it will be positive will be to have additional information on the AHA website.
I especially appreciate [staff name]'s assistance as [complex name]'s manager.
[Q5] It was well manicured when I moved it. It is not now. Too many pets, cats making noise all night and their feces smell.
Not use to go on the website.
[Q12] Just once. [Q13] Maybe tomorrow. [Q14] Yes. I am disabled, and have difficulties. P.S. We love this place.
See what I mean. Geez! Received 9/24/18 and due 9/11/18
There are some answers that I feel weren't correctly dealt with and that what was said didn't meet with what I was originally told.

Housing
Authority of the City of Alameda

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TDD (510) 522-8467

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: December 5, 2018

Re: Approve a Donation of $2500 to the Butte County Housing Authority to Provide Assistance to Households Displaced by the Camp Fire and Approve the Board Chair to Send a Letter of Support

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BACKGROUND

During the recent Camp Fire in Butte County over 14,000 residences were destroyed including hundreds of low income and Section 8 subsidized family homes.

NAHRO has launched a fund raising campaign to provide assistance to the Housing Authority tenants and staff who have been displaced. AHA staff have reached out to Butte County to offer assistance and at this time, financial assistance is most need. Staff will also work with any displaced Section 8 voucher holder who wishes to relocate to Alameda

FISCAL IMPACT

This donation will be made using non-federal funds. There are sufficient funds in this year's budget to accommodate this unplanned expense.

RECOMMENDATION

Approve a donation of $2,500 to the Butte County Housing Authority to provide assistance to households displaced by the Camp Fire and approve the Board Chair to send a letter of support.

Respectfully submitted,

Vanessa Cooper

Vanessa Cooper
Executive Director

Housing
Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Janet Basta, Director of Human Resources and Operations

Date: December 5, 2018

Re: Adopt the Resolution to Adopt a Revised Pay Schedule with a Modification in Wage Range Assigned to the Deputy Executive Director Position and a Change in Rates to the Resident Manager-Related Positions

BACKGROUND

The purpose of this resolution is to request adoption of a revised Pay Schedule for AHA employees, reflecting a change in the wage range for one position, the Deputy Executive Director, and a change in the rates assigned to Resident Manager, Assistant Resident Manager and Resident Custodian positions.

DISCUSSION

In August, 2018, the Board approved a revised Pay Schedule for fiscal year 2018-2019 incorporating a 3.9% COLA adjustment to pay levels.

AHA management is recommending that the Deputy Executive Director position be assigned to salary range 56, rather than 54, where it is currently assigned. Salaries for all senior management positions are in the process of being benchmarked against comparable agencies, and as recruitment for the Deputy Executive Director position is starting, a priority was placed on completing the analysis for that position first. An external consultant was engaged to complete the study, and data was secured from seven comparator agencies; one additional agency is pending and four agencies did not have a comparable position available to benchmark against. It was determined that AHA was 4.47% below the labor market median for this position, comparing salary only. (Detailed information about the study is available to Board of Commission members upon request). Prior studies indicate that AHA benefits, particular at management levels, are less than the market but an analysis of benefits was not done at this time as no adjustments to the AHA benefit package have been implemented. Management is recommending a change in the Deputy Executive Director salary range from level 54 to level 56 to address the gap in salary. Increasing the salary range assigned to this positon by two ranges provides a 5% increase in salary, which is slightly more than the gap the study found but is: (1) the closest range available to the 4.47% gap identified and (2) will somewhat offset the less valuable AHA benefits package.

AHA management also recommends changing the rates assigned to Resident Manager positions. The current rate is $11.46 per hour, with $15.00 available to those Resident Managers who have additional duties assigned. The minimum wage in California is increasing to $12.00 per hour on January 1, 2019, and the City of Alameda has approved an increase in minimum wage to $13.50 effective July 1, 2019. Management recommends increasing the base rate to $13.50 per hour effective January 1 for Resident Managers, Assistant Resident Managers and Resident Custodians, with an increase from $15.00 per hour to $18.00 for Resident Managers with additional duties. This change will allow AHA to be in compliance with the new City rates until July 2020 when an additional increase will go into effect, as well as being in compliance with state requirements. No change in the Resident Manager II rate is recommended.

FINANCIAL IMPACT

These changes may result in a slight increase in salary expenditures for the current fiscal year. The Deputy Executive Director position was budgeted for the full year, and while funds from that position are being allocated to temporary staffing in the Finance department, it is not anticipated that fiscal year expenditures will exceed the budgeted amount. Resident Manager salary expenditures are not expected to increase by more than $3500 for the balance of the fiscal year; this amount will likely be covered by savings due to vacant positions.

RECOMMENDATION

Adopt the Resolution to Adopt a Revised Pay Schedule with a Modification in Wage Range Assigned to the Deputy Executive Director position and a change in rates to the Resident Manager-related positions.

Respectfully submitted,

Janet Basta

Janet Basta
Director of Human Resources and Operations

JCB

Attachments:

Exhibit 1: Pay Schedule
Exhibit 2: Resolution

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
PAY SCHEDULE FY 2018-2019

			MONTHLY SALARY				
PositionTitle	Salary Range	Effective Date	Step 1	Step 2	Step 3	Step 4	Step 5
Custodian****	7	7/1/2018	$ 4,168	$ 4,376	$ 4,596	$ 4,825	$ 5,067
Housing Assistant	8	7/1/2018	$ 4,270	$ 4,483	$ 4,708	$ 4,943	$ 5,189
Accounting Technician	10	7/1/2018	$ 4,483	$ 4,708	$ 4,943	$ 5,189	$ 5,449
Program Assistant	12	7/1/2018	$ 4,708	$ 4,943	$ 5,189	$ 5,449	$ 5,722
Housing Specialist I	14	7/1/2018	$ 4,943	$ 5,189	$ 5,449	$ 5,722	$ 6,008
Maintenance Technician I****	14	7/1/2018	$ 4,943	$ 5,189	$ 5,449	$ 5,722	$ 6,008
Facilities Project Specialist	15	7/1/2018	$ 5,067	$ 5,319	$ 5,585	$ 5,865	$ 6,158
Accounting Specialist (aka Senior Accounting Technician)	15	7/1/2018	$ 5,067	$ 5,319	$ 5,585	$ 5,865	$ 6,158
Housing Specialist II	18	7/1/2018	$ 5,449	$ 5,722	$ 6,008	$ 6,308	$ 6,624
Rent Stabilization Program Specialist	18	7/1/2018	$ 5,449	$ 5,722	$ 6,008	$ 6,308	$ 6,624
Maintenance Specialist	18	7/1/2018	$ 5,449	$ 5,722	$ 6,008	$ 6,308	$ 6,624
Maintenance Technician II****	20	7/1/2018	$ 5,722	$ 6,008	$ 6,308	$ 6,624	$ 6,955
Executive Assistant	22	7/1/2018	$ 6,008	$ 6,308	$ 6,624	$ 6,955	$ 7,303
Housing Specialist III	24	7/1/2018	$ 6,308	$ 6,624	$ 6,955	$ 7,303	$ 7,668
Lead Maintenance Technician****	24	7/1/2018	$ 6,308	$ 6,624	$ 6,955	$ 7,303	$ 7,668
Property Management Supervisor	26	7/1/2018	$ 6,624	$ 6,955	$ 7,303	$ 7,668	$ 8,052
Housing Programs Supervisor	26	7/1/2018	$ 6,624	$ 6,955	$ 7,303	$ 7,668	$ 8,052
Maintenance Supervisor	26	7/1/2018	$ 6,624	$ 6,955	$ 7,303	$ 7,668	$ 8,052
Accounting Officer	28	7/1/2018	$ 6,955	$ 7,303	$ 7,668	$ 8,052	$ 8,453
Management Analyst	32	7/1/2018	$ 7,668	$ 8,052	$ 8,453	$ 8,876	$ 9,320
Project Manager	33	7/1/2018	$ 7,859	$ 8,252	$ 8,664	$ 9,098	$ 9,554
Asset Manager	33	7/1/2018	$ 7,859	$ 8,252	$ 8,664	$ 9,098	$ 9,554
Controller	36	7/1/2018	$ 8,453	$ 8,876	$ 9,320	$ 9,786	$ 10,275
Program Manager	37	7/1/2018	$ 8,664	$ 9,098	$ 9,554	$ 10,031	$ 10,532
Senior Project Manager	37	7/1/2018	$ 8,664	$ 9,098	$ 9,554	$ 10,031	$ 10,532
Senior Management Analyst	37	7/1/2018	$ 8,664	$ 9,098	$ 9,554	$ 10,031	$ 10,532
Director of Housing Programs	43	7/1/2018	$ 10,031	$ 10,532	$ 11,059	$ 11,612	$ 12,192
Director of Property Operations	43	7/1/2018	$ 10,031	$ 10,532	$ 11,059	$ 11,612	$ 12,192
Director of Rent Stabilization	43	7/1/2018	$ 10,031	$ 10,532	$ 11,059	$ 11,612	$ 12,192
Director of HR and Operations	47	7/1/2018	$ 11,059	$ 11,612	$ 12,192	$ 12,802	$ 13,442
Director of Housing and Community Development	47	7/1/2018	$ 11,059	$ 11,612	$ 12,192	$ 12,802	$ 13,442
Director of Finance	50	7/1/2018	$ 11,895	$ 12,490	$ 13,115	$ 13,770	$ 14,458
Deputy Executive Director	56	1/1/2019	$ 13,770	$ 14,458	$ 15,181	$ 15,940	$ 16,737
Executive Director**	N/A	7/1/2018	$ 20,591	$ 21,621			
Resident Manager II***, ****	N/A	7/1/2018	$ 28.09/hour				
Resident Manager *, ***, ****	N/A	1/1/2019	$ 13.50/hour	$18.00/hour			
Assistant Resident Manager***	N/A	1/1/2019	$ 13.50/hour				
Resident Custodian***	N/A	1/1/2019	$ 13.50/hour				

*Two rates are applicable depending on assigned duties
**Salary authorized by Board of Commissioners per Employment Agreement
***Resident and Resident Custodian staff are paid a flat hourly rate; no range is applied
****Indicates classification with 40 hour work week; other positions are based on 37-1/2 hour work week

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

ADOPT THE REVISED PAY SCHEDULE FY 2018 - 2019

WHEREAS, the Housing Authority of the City of Alameda adopted a revised Pay Schedule in August 2018; and

WHEREAS, the Housing Authority of the City of Alameda has identified a need to increase the wage range for the Deputy Executive Director position reflected on that schedule; and

WHEREAS, minimum wage levels are increasing on both the City of Alameda and state levels, impacting Resident Manager, Assistant Resident Manager and Resident Custodian positions;

NOW, THEREFORE, BE IT RESOLVED, that on December 5, 2018, the Housing Authority will adopt the revised Pay Schedule for FY 2018 - 2019 effective January 1, 2019.

ATTEST:

______________________________	______________________________
Vanessa M. Cooper Secretary	Kenji Tamaoki, Chair Board of Commissioners

Adopted: ______________________

Housing
Authority of the City of Alameda

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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: December 5, 2018

Re: Accept Presentation of Agency Pension Liabilities and Provide Direction to Staff on the Establishment of a Trust for Pension Liabilities in Order to Return with a Prefunding Request in Early 2019

BACKGROUND

The Housing Authority provides two pension plans to its employers through CalPERS. As with other state and local agencies, accounting changes in recent years have required the AHA to present the full unfunded liability of the pension plans. The Board requested a discussion of possibilities to pay down the unfunded liability.

DISCUSSION

AHA's Pension and Post-Employment Benefit (OPEB) consultants Nicolay Consulting Group will provide an overview presentation of the agency's two CalPERs pension plans.

This session is an opportunity for the Board to understand the retirement plans, the AHA's outstanding pension liability, and to provide direction to staff on the possible options for pre-funding the agency's liability.

In 2017, AHA established a trust for the outstanding OPEB liabilities. A similar solution is proposed here and is being used by a number of other CalPERS agencies including Housing Authorities.

It is particularly important that the Board understand the assumptions in the potential prefunding scenarios including phase in periods, discount rates, initial seed amount, estimated rate of return etc.

If there is interest by the Board in prefunding, staff will return to the Board in early 2019 with 3-4 scenarios and a request for funds to establish the trust.

It is important to note that the CalPERS valuation is over a year old which is normal. However, Nicolay Consulting Group and staff are working on establishing updated census to provide updated numbers in early 2019.

Board members are asked to indicate what additional information may be needed to make a decision on the prefunding options.

It is important to note that any trust requires ongoing management and monitoring. Staff propose that a standing Board committee be established to monitor the pension and OPEB trusts once established. This committee would be subject to Brown Act requirements and would meet at least annually. Assigned AHA staff would be the Finance Director (currently vacant), the Controller, and the Executive Director.

FISCAL IMPACT

No financial decision is requested for this meeting. The cost of this work with Nicolay Consulting Group to provide the information to the Board and do the analysis is approximately $10,000 and there are sufficient funds in the current budget for this cost.

However, in the future fiscal impacts, if agreed by the Board at a future meeting, could include a prepayment of $1 million from reserves. This would be a one-time unbudgeted item and will require Board approval at a future meeting. The amount may change depending actuarial assessments and Board direction.

RECOMMENDATION

Accept presentation of agency pension liabilities and provide direction to staff on the establishment of a trust for pension liabilities in order to return with a prefunding request in early 2019.

Respectfully submitted,

Vanessa Cooper

Vanessa Cooper
Executive Director

CalPERS Miscellaneous Plan

Housing Authority of the City of Alameda (AHA)

Pension Stabilization
Strategy Study

December 5, 2018

Presented by:
Nicolay Consulting Group

- The purpose of this presentation is to present alternative funding strategies for the CalPERS Miscellaneous Plan {a Cost Sharing Multiple-Employer Defined Benefit Plan of the Housing Authority of the City of Alameda (AHA)} to mitigate the increasing volatility in the annual required contributions.

Note: This is separate from the Other Post Employment Benefit Plan (OPEB) liability. Nicolay will provide an update on the OPEB trust & liability in early 2019.

1. Overview of AHA's CalPERS Misc. Pension Plan
2. Overview of CalPERS Funding Policy
3. Current CalPERS Projected Costs
4. Determining Alternate Funding

Appendix

Will return in January or February for funding decisions.

1

Overview of AHA’s CalPERS Misc. Pension Plan

- **Pension Plan** is an exchange between the employer and employee where the employee agrees to work for the employer, and the employer agrees to provide the employee a "benefit" at retirement.

- There are two main categories of pension benefits
  - Defined Contribution:
    - Employer contributes a certain amount of money to the employee's **retirement account** each year.
    - For example: matching and/or profit sharing contributions.
  - Defined Benefit:
    - The employee earns a "portion" of monthly **retirement benefit** per year predetermined by a formula.
    - For example, a monthly payment equals to x% of his/her compensation payable when an employees attained a certain age.

- The CalPERS Misc. Pension Plan is a **Defined Benefit type plan**.
  - The terms of the Plan are set by the State and cannot be changed.

- Public Employees' Pension Reform Act (PEPRA) in 2013, AHA has two pension plans:

  1) Miscellaneous Plan of the Housing Authority of the City of Alameda (Classic)
     - Employees (participants) hired or a member elsewhere before 1/1/2013.
  2) PEPRA Miscellaneous Plan of the Housing Authority of the City of Alameda (PEPRA)
     - Employees (participants) hired after 1/1/2013.

- Both plans are funded both by the employer and employee. However, PEPRA law requires PEPRA participants to accept more responsibility in funding their pension (at least 50% of the normal cost rate).

- The "Miscellaneous Plan" is a risk sharing pooled plan within CalPERS for small to medium size agencies (2,356 agencies, 100K participants).

The CalPERS Misc. Plan	June 30, 2017($B)
Present Value of Benefits	$19.0
Entry Age Accrued Liability	$15.9
Market Value of Assets	12.2
Unfunded Accrued Liability	$3.7

- Retirement benefit is based on number of *years of service at eligible agencies*, *benefit factor(*which is a percentage based on retirement age), and *final compensation*, which is the highest average 12 month annual compensation throughout the participant's career.

- Two groups of members

Classifications	Date of Hire or Membership
Classic	Prior to January 1, 2013
PEPRA	On/after January 1, 2013

- A Classic CalPERS members become eligible upon attainment of age 50 (PEPRA, age 52) and at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

- Classis Members Sample Benefit Factor* percentages are shown:

Retirement Age	2% per eligible year at 55
50	1.426%
55	2.000%
60	2.262%
63 & up	2.418%

- PEPRA Members Sample Benefit Factor* percentages are shown:

Retirement Age	2% per eligible year at 62
52	1.000%
55	1.300%
60	1.800%
65	2.300%

***Final average compensation period is one-year for Classic and three-year for PEPRA participants**

- AHA’s Misc. Plan Participants as of June 30, 2017:

Members	Classic	PEPRA
Actives	30	16
Transferred	30	2
Separated	10	7
Retired	13	0
Total	83	25

2

Overview of Funding Policy

- **Funding Policy** describes how to finance the retirement benefits already accrued to date and benefits going to be accrued in the future.
- AHA has the statutory requirement to pay the minimum contribution annually required by the CalPERS system, which consist of:
  - Normal Cost, plus
  - Amortization of the Unfunded Accrued Liability (UAL).
- Accrued Liability is the hypothetical amount of plan asset needed at the time of measurement based on a pre-determined trajectory to achieve full-funding using actuarial assumptions.
- Unfunded Accrued Liability is the portion of Accrued Liability NOT YET covered by assets.
- Who contributes:
  - Employees are responsible for paying a portion of the Normal Cost.
  - Employers are responsible for paying the remaining portion of the Normal Cost and amortization of the Unfunded Accrued Liability.

What is the current funding status of the AHA CalPERS Misc. Plan?

	June 30, 2017 (in millions)
Entry Age Normal Accrued Liability(EANAL)*	$15.7
Plan's Market Value of Assets(MVA)	13.6
Unfunded Accrued Liability (UAL)	$ 2.0
Funded Ratio (MVA/EANAL) %	87%

- Present Value of Future Benefits as of June 30, 2017 is $18.8M (published by CalPERS).
- Assumptions & Methods are prescribed by the CalPERS Board of Administration according provisions set forth in the California Public Employees' Retirement Law.
- * Did not reflect any anticipated changes in discount rate after June 30, 2017. Discount rate is scheduled to change to 7.00% as of June 30, 2018.

Page 4 of the CalPERS 6/30/2017 Actuarial Valuation Report

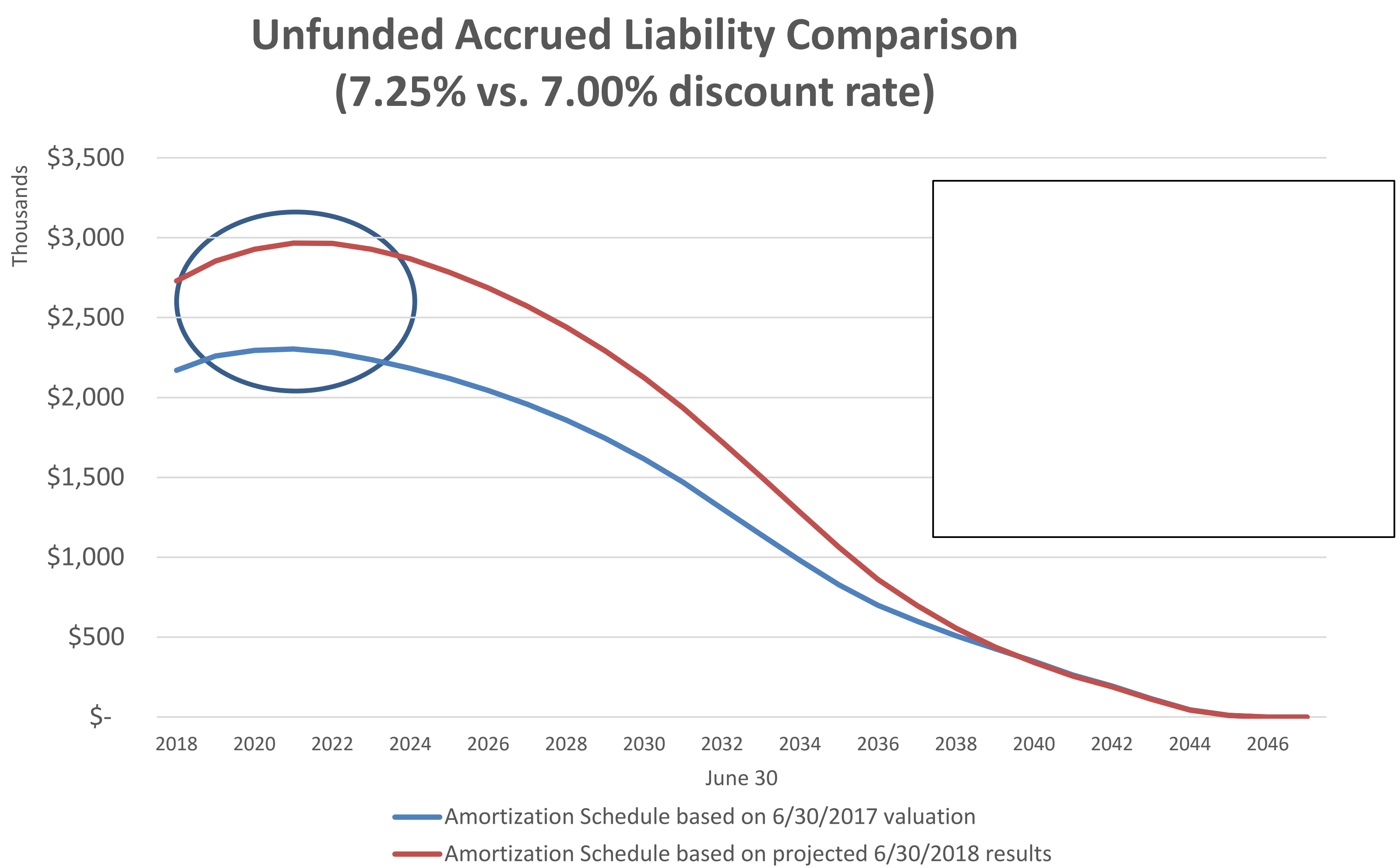
		Fiscal Year 2018-19		Fiscal Year 2019-20
Estimated Employer Contributions Based on Projected Payroll				
Plan's Estimated Employer Normal Cost	$	330,200	$	299,782
Plan's Payment on Amortization Bases[4]		85,024		124,549
% of Projected Payroll (illustrative only)		2.614%		4.515%
Estimated Total Employer Contribution	$	415,224	$	424,331
% of Projected Payroll (illustrative only)		12.766%		15.383%

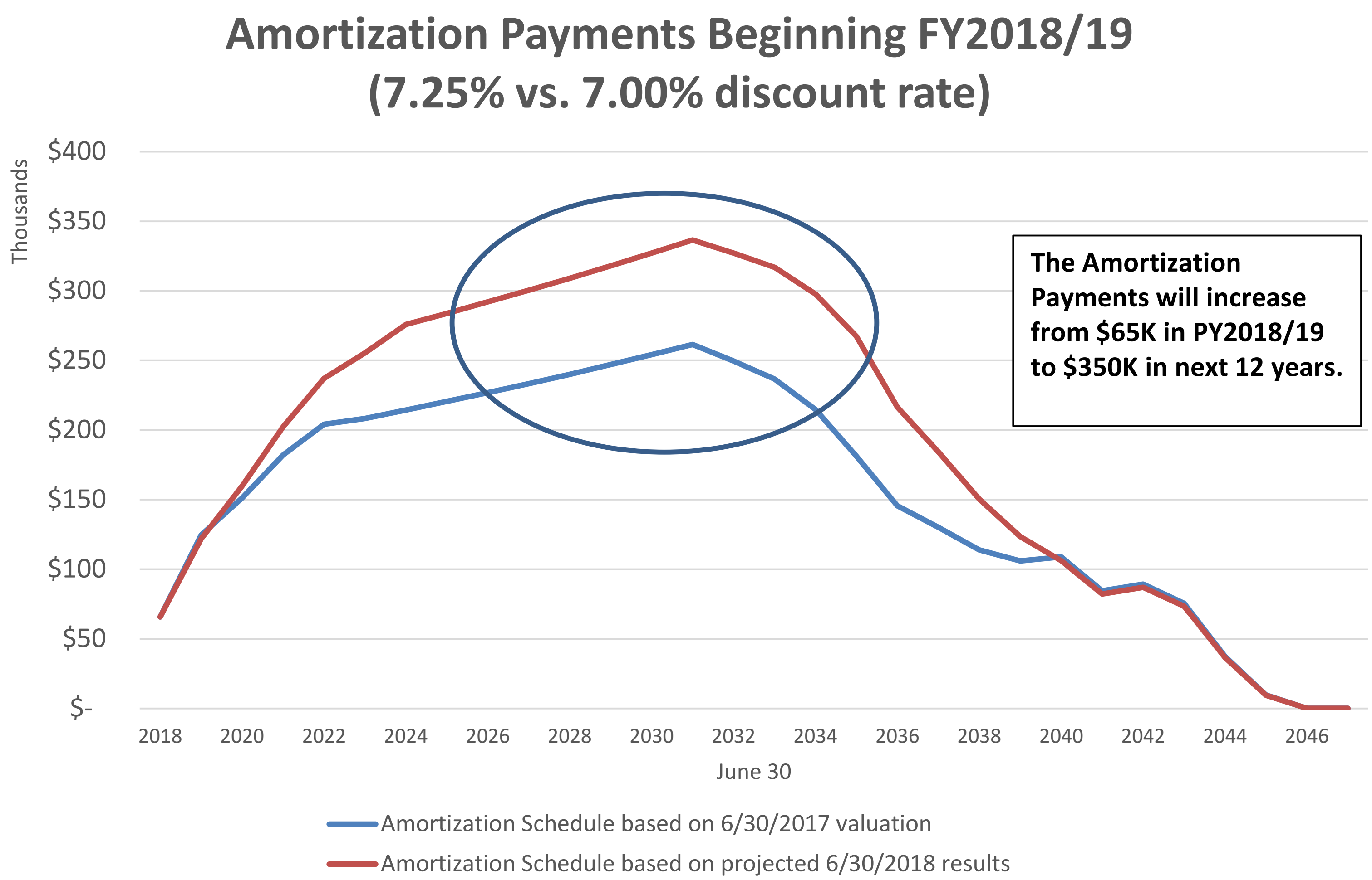
- Normal Cost is relatively stable each year. However, the amortization of Unfunded Accrued Liability is increasingly volatile over the years due to changes in assumptions to value liabilities and unexpected investment losses.

CalPERS Assumptions	Rate
Payroll Increase (CalPERS Rate)	2.875%
Discount Rate June 30, 2017(Current)	7.250%
Discount Rate June 30, 2018 (on/after*)	**7.000%**

*There is no guarantee the discount rate will not change in the future

Anticipated Increase in Accrued Liability In Next Year's Valuation




Amortization Payments Beginning FY2018/19
(7.25% vs. 7.00% discount rate)
Thousands
$400
$350
$300
$250
$200
$150
$100
$50
$-
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
June 30
The Amortization Payments will increase from $65K in PY2018/19 to $350K in next 12 years.
Amortization Schedule based on 6/30/2017 valuation
Amortization Schedule based on projected 6/30/2018 results

- Current Funding Policy: Minimum Required Contribution by CalPERS
  - Initial Unfunded Actuarial Accrued Liability(UAL) is amortized over 20 years from 2013.
  - Subsequent unexpected changes in liabilities due to experience gain/loss are “Phase-In” over 30 years (2-year delay with 5-year “Phase-in” method)
  - Changes in actuarial assumptions are amortized over 20 years. (also, “Phase-In” method)
- 2-years delay with 5-year “Phase-In” period
  - For the first two years, the amortization amount is zero.
  - After the two-year waiting period, amortization payments are “Phase-In” over five years, by a factor of 20%, 40%, 60%, 80%, and 100% of the annual payment.
  - Unfunded liability will increase with interest when less than 100% of the annual payments are not paid.

- For example, on 6/30/2018 valuation, the discount rate would change from 7.25% to 7.00%, which will cause the unfunded liability to increase by approximately $560,000 in next valuation.

Example of CalPERS Amortization "Phase-In" Methodology							
Additional Unfunded Amount	$560,251						
Percentage Amortized	0%	0%	20%	40%	80%	100%	100%
$Amort. Payment	$0	0	11,835	24,351	37,576	51,542	66,280
Year	1	2	3	4	5	6	7
Ending Unfunded	$560,251	599,469	641,432	674,089	696,087	705,944	**702,044**

Example of Amortization Without "Phase-In" Methodology							
Additional Unfunded Amount	$560,251						
Percentage Amortized	100%	100%	100%	100%	100%	100%	100%
$Amort. Payment	$39,626	39,626	40,765	41,937	43,143	44,383	45,660
Year	1	2	3	4	5	6	7
Ending Unfunded	$560,251	558,479	556,583	553,376	548,732	542,515	**534,581**

$167K higher in UAL with "Phase-In"

Paying off the Unfunded Accrued Liability using Authority Controlled Pension Trust

- The Authority can access trust's assets at any time, as long as it is used to meet the plan's benefit obligations.
- Trust balance can also be used for CalPERS required contributions. This could mitigate the volatility in CalPERS Employer contributions.
- Trust balance can be used to offset CalPERS Total Pension Liability under GASB68.
- Excess assets can pay for Normal Costs after the unfunded is zero.
- Section 115 Trust could have lower administrative & investment expenses compared to CalPERS.
- Similar to the CBERT account opened in 2016 for the OPEB Plan.
- Signals to plan participants a commitment from AHA to ensure retirement benefits security.
- Other HAs or Cities that adopted a Pension Stabilization Trust recently:
  - Housing Authority of the County of Butte
  - City of Pleasanton, Camarillo, Pasadena, Glendale, Manhattan Beach, Rolling Hills and Palo Alto etc.
  - Please refer to Appendix for more agencies.

- State of California owes CalPERS $59 billion in Unfunded Pension Liabilities.
- State's annual contributions to CalPERS are on track to increase from $5.8B to $11.2B by 2031-32.
- Department of Finance analysis estimates that Pension Stabilization Plan will reduce State's pension contributions by more than $11B over 20 years.
- California State Treasure John Chiang:
  - "it is fiscally responsible to reallocate reasonable amount of the Surplus Money Investment Fund money that is earning a low rate of return*, to pay down a debt that is costing the state 7% in interest."
  - *2-Year Treasury Constant Maturity Rate is currently at 2.81%

- AHA has fiduciary responsibility on Trust’s assets.
- Market volatility has a more direct impact to the Authority’s financials.
- If trust earns less than CalPERS, the Authority will have to make additional contributions.
- Trust will incur investment expenses compared to CalPERS, which has minimal expenses.
- Opportunity costs of Authority’s capital (i.e. reserves are depleted)
- CalPERS’ contribution requirement would not take Trust’s assets into account.
- Requires active management by AHA.
  - Increased reporting.
  - Requires pension expertise.

Section 3

Study Results for AHA

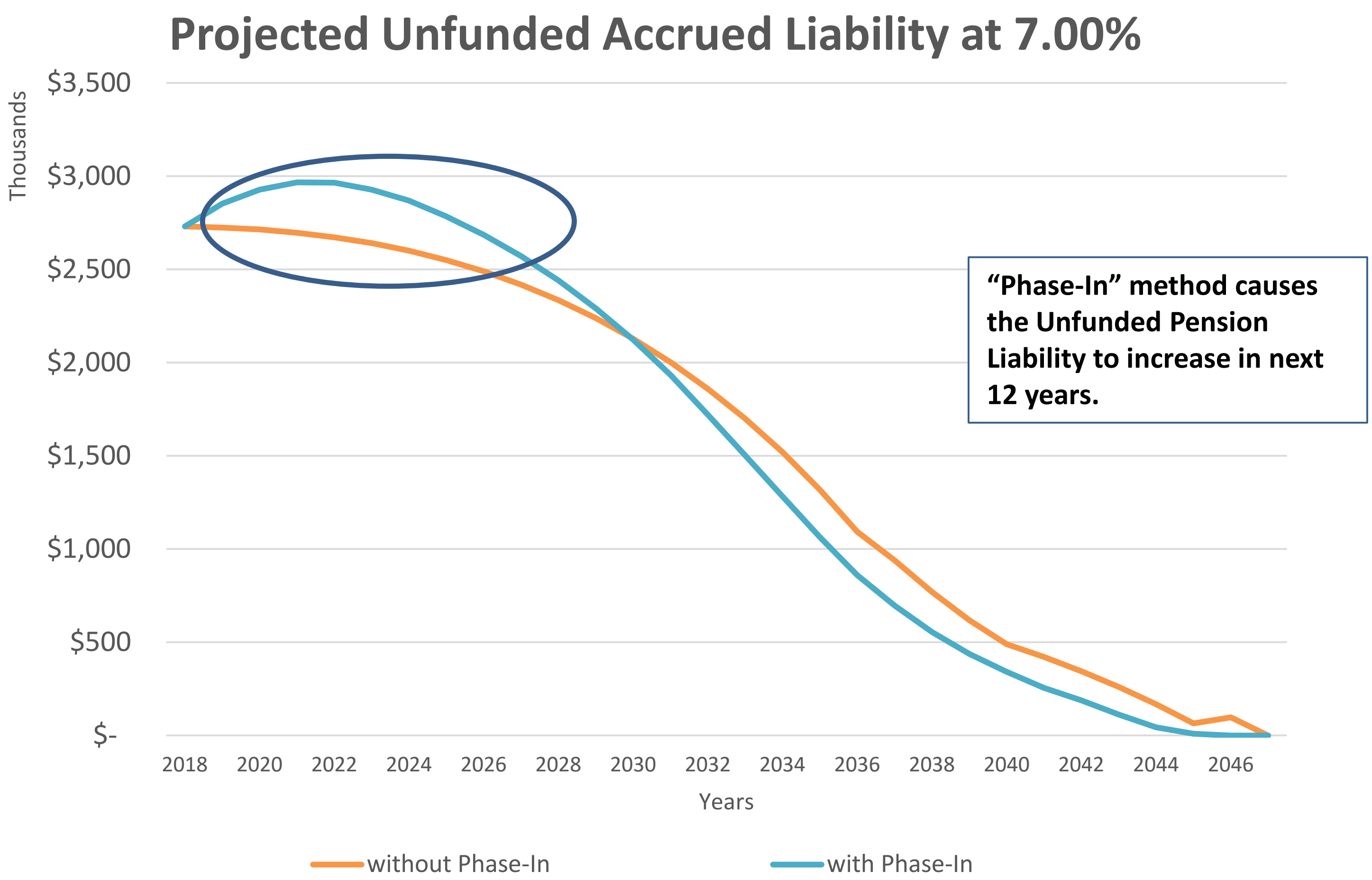
Fiscal Year Beginning	CalPERS Min. Contribution With Phase-In (Current)	CalPERS Min. Contribution Without Phase-In (True Cost)
2018	409,000	538,000
2019	476,000	551,000
2020	524,000	566,000
2021	577,000	581,000
2022	622,000	596,000
2023	650,000	612,000
2024	681,000	628,000
2025	699,000	644,000
2026	718,000	661,000
2027	737,000	679,000
.	.	.
.	.	.
.	.	.
2044	686,000	764,000
2045	675,000	635,000
2046	682,000	787,000
2047	699,000	699,000
2048	716,000	716,000

Key Observations

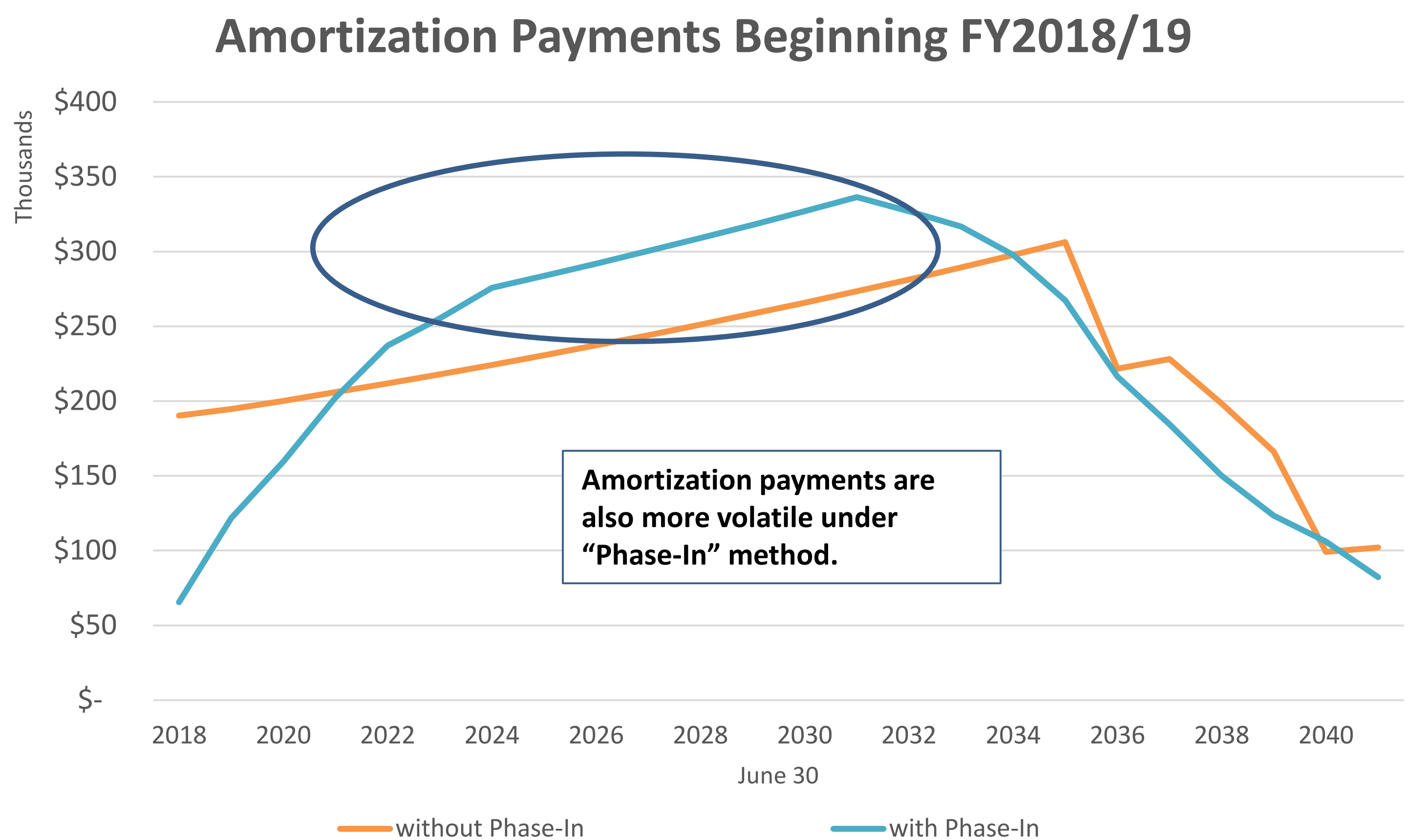
- The Board needs to understand the "true cost" of the plan.
- Any delay in amortization payments will increase the UPL over time. Hence higher total $contribution.
- Delaying UPL payment will add costs and volatility to the total contribution under CalPERS "Phase-In" methodology.
- Pre-funding to reduce the total $costs.

Assumptions

- Minimum contributions include payment to unfunded accrued liability, plus normal costs (assumed to increase 2.5%).
- Projected contributions determined by CalPERS with "Phase-In" methodology.
- Minimum contributions without "Phase-In" column represent the "true cost" of the plan.
- Discount rate of 7.25% for June30 2017, and 7.00% for June 30, 2018 and thereafter.
- Does not take into account discount rate may decrease further.



Projected Unfunded Accrued Liability at 7.00%
Thousands
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$-
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
Years
without Phase-In
with Phase-In
"Phase-In" method causes the Unfunded Pension Liability to increase in next 12 years.


Amortization Payments Beginning FY2018/19
Thousands
$400
$350
$300
$250
$200
$150
$100
$50
$-
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
June 30
Amortization payments are also more volatile under "Phase-In" method.
without Phase-In
with Phase-In

Section 4

Determining Alternative Funding

- The assumption used to calculate the alternate funding period projections are the same as the assumption used on slide 15.
- Assumed an initial $1,000,000 Seed Contribution to the Trust by AHA. Trust account is used to pay CalPERS required contributions.
- Additional Contributions are "accumulated", with excess contributions accruing expected long term investment return of 6.00% (7.00% for comparison).
- Contributions are calculated so the "Accumulated" trust balance will be equal to the UAL at the end of amortization period.
- Subsequent contributions are assumed to increase 2.50% a year (assumes a stable % payroll costs).

On the next 4 slides we project AHA’s Annual Pension Contributions under 4 scenarios:

$1.0M initial Trust Fund Balance, **6.00%** Trust Fund Rate of Return:

Scenario 1. **10-year** amortization

Scenario 2. **20-year** amortization

$1.5M initial Trust Fund Balance, **6.00%** Trust Fund Rate of Return:

Scenario 3. **10-year** amortization

$1.0M initial Trust Fund Balance, 7**.00%** Trust Fund Rate of Return:

Scenario 4. **10-year** amortization

Fiscal Year Beginning	Annual Contrib. To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2018	**$ 578,028**	$ 409,211	$ 1,233,808	$ 1,619,642
2019	592,479	475,846	1,427,917	1,499,316
2020	607,291	523,799	1,599,553	1,367,424
2021	622,473	576,873	1,742,475	1,222,920
2022	638,035	622,034	1,863,497	1,064,233
2023	653,986	650,278	1,979,124	889,480
2024	670,336	681,238	2,086,646	697,388
2025	687,094	699,339	2,199,238	486,103
2026	704,271	717,924	2,317,136	254,163
2027	721,878	737,004	2,440,591	0

Plan is fully funded

***Payroll is assumed to increase 2.50% per year**

Fiscal Year Beginning	Annual Contribution To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2018	**$ 486,781**	$ 409,211	$ 1,139,864	$ 1,713,586
2019	498,951	475,846	1,232,043	1,695,190
2020	511,425	523,799	1,293,226	1,673,751
2021	524,210	576,873	1,316,600	1,648,794
2022	537,316	622,034	1,308,373	1,619,356
2023	550,748	650,278	1,284,403	1,584,200
2024	564,517	681,238	1,241,296	1,542,739
2025	578,630	699,339	1,191,496	1,493,845
2026	593,096	717,924	1,134,468	1,436,831
2027	607,923	737,004	1,069,639	1,370,952
2028	623,121	756,594	996,399	1,295,403
2029	638,699	776,708	914,095	1,209,312
2030	654,667	797,358	822,031	1,111,741
2031	671,033	818,561	719,464	1,001,672
2032	687,809	820,611	625,904	877,425
2033	705,005	822,109	542,892	737,945
2034	722,630	814,628	480,748	581,863
2035	740,695	795,960	452,694	407,751
2036	759,213	756,285	482,870	213,918
2037	778,193	736,400	554,871	0

Plan is fully funded

***Payroll is assumed to increase 2.50% per year**

Fiscal Year Beginning	Annual Contribution To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2018	**$ 518,431**	$ 409,211	$ 1,702,449	$ 1,151,001
2019	531,392	475,846	1,861,784	1,065,450
2020	544,677	523,799	1,994,987	971,991
2021	558,294	576,873	2,095,558	869,837
2022	572,251	622,034	2,170,036	757,693
2023	586,557	650,278	2,234,634	633,970
2024	601,221	681,238	2,286,329	497,705
2025	616,252	699,339	2,337,966	347,376
2026	631,658	717,924	2,389,428	181,872
2027	647,450	737,004	2,440,591	0

Plan is fully funded

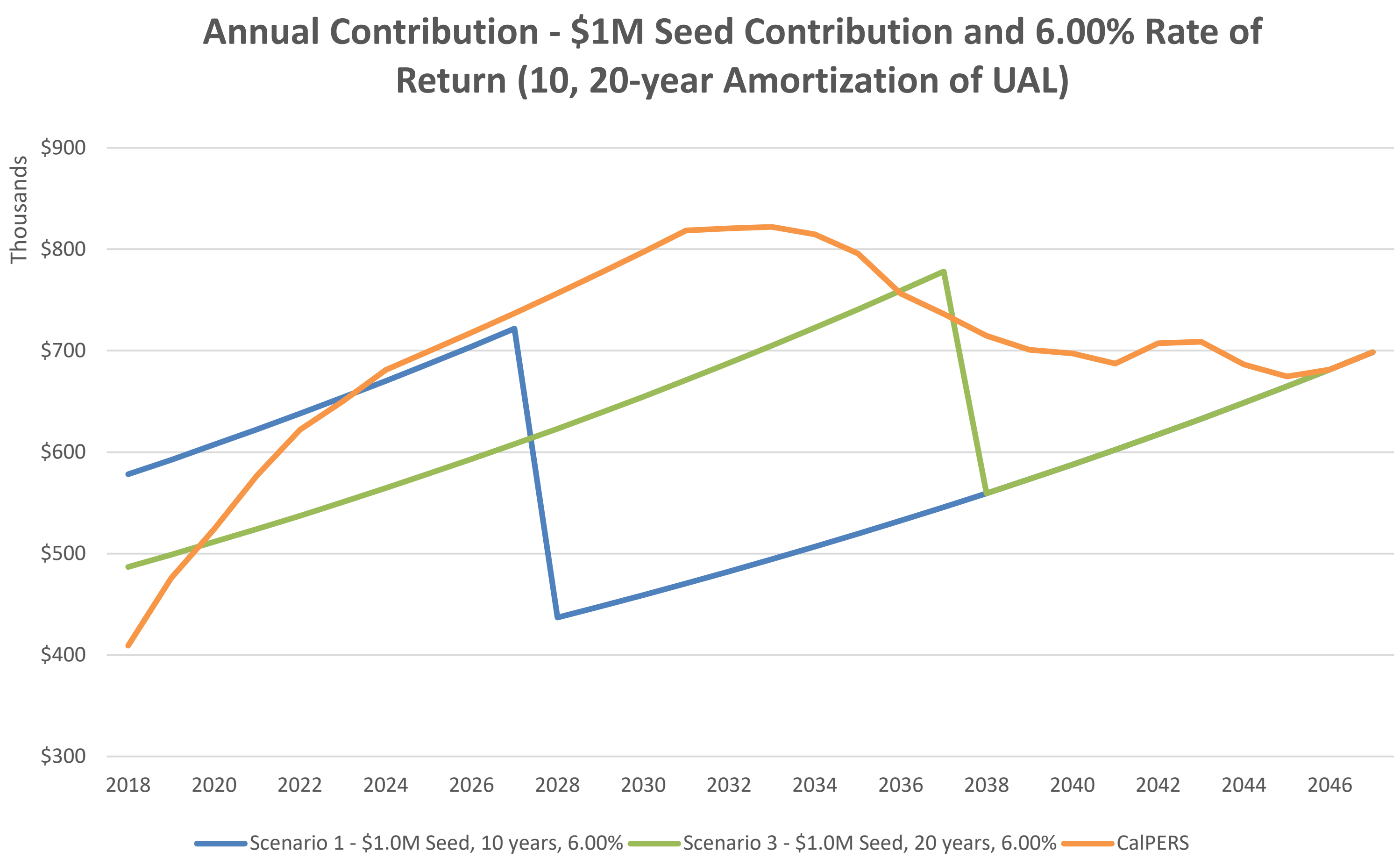
***Payroll is assumed to increase 2.50% per year**

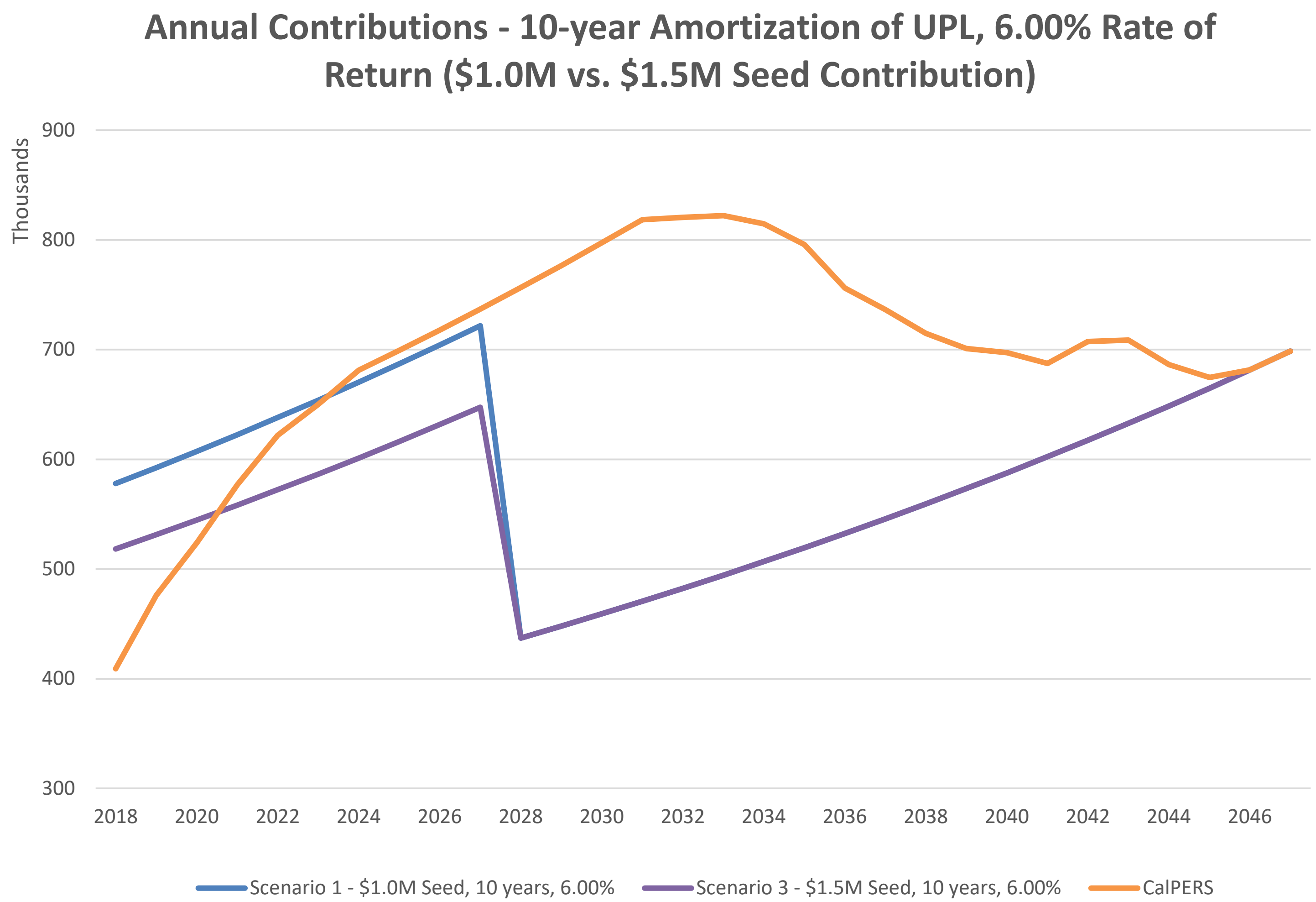
Fiscal Year Beginning	Annual Contribution To Trust*	CalPERS Payment From Trust	Trust Fund EOY	Trust Fund + CalPERS (Unfunded)
2018	**$ 563,242**	$ 409,211	$ 1,229,331	$ 1,624,119
2019	577,323	475,846	1,420,352	1,506,882
2020	591,756	523,799	1,590,072	1,376,906
2021	606,550	576,873	1,732,074	1,233,320
2022	621,713	622,034	1,852,988	1,074,742
2023	637,256	650,278	1,969,227	899,377
2024	653,188	681,238	2,078,057	705,978
2025	669,517	699,339	2,192,673	492,669
2026	686,255	717,924	2,313,402	257,898
2027	703,411	737,004	2,440,591	0

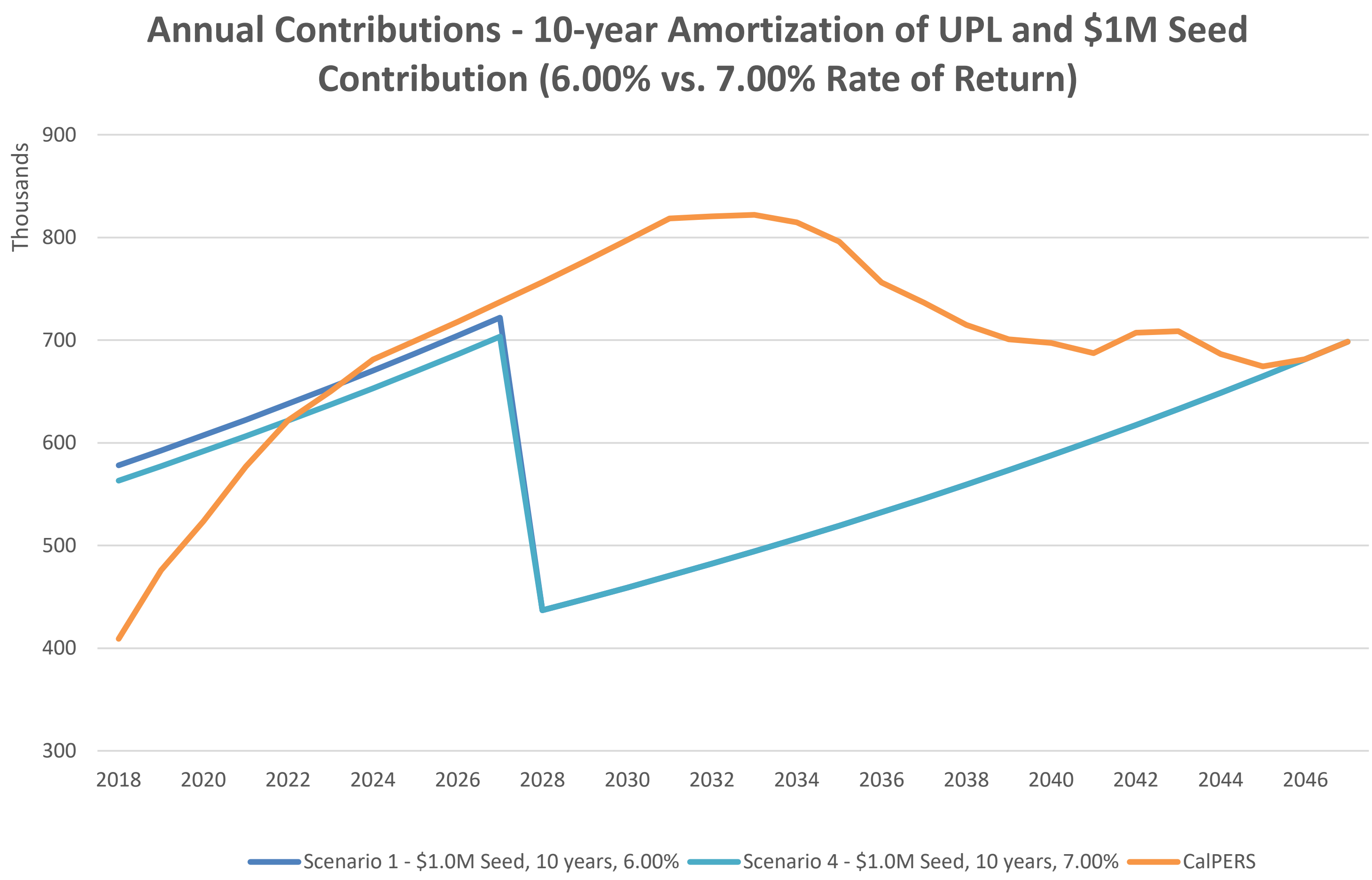
Plan is fully funded

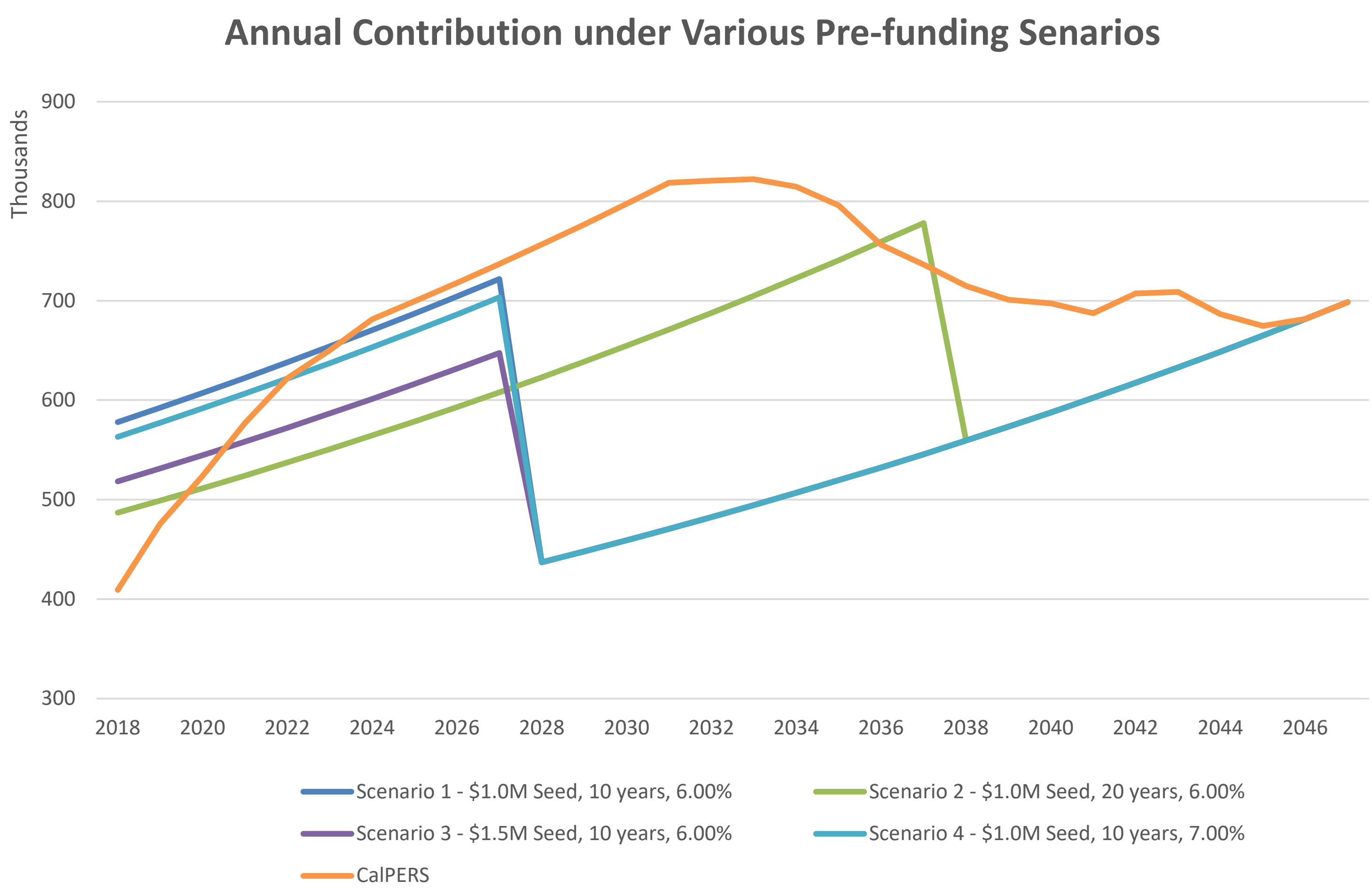
***Payroll is assumed to increase 2.50% per year**

The "Four Unknowns"


Annual Contribution - $1M Seed Contribution and 6.00% Rate of Return (10, 20-year Amortization of UAL)
Thousands
$900
$800
$700
$600
$500
$400
$300
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
Scenario 1 - $1.0M Seed, 10 years, 6.00%
Scenario 3 - $1.0M Seed, 20 years, 6.00%
CalPERS


Annual Contributions - 10-year Amortization of UPL, 6.00% Rate of Return ($1.0M vs. $1.5M Seed Contribution)
Thousands
900
800
700
600
500
400
300
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
Scenario 1 - $1.0M Seed, 10 years, 6.00%
Scenario 3 - $1.5M Seed, 10 years, 6.00%
CalPERS


Annual Contributions - 10-year Amortization of UPL and $1M Seed Contribution (6.00% vs. 7.00% Rate of Return)
Thousands
900
800
700
600
500
400
300
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
Scenario 1 - $1.0M Seed, 10 years, 6.00%
Scenario 4 - $1.0M Seed, 10 years, 7.00%
CalPERS


Annual Contribution under Various Pre-funding Senarios
Thousands
900
800
700
600
500
400
300
2018
2020
2022
2024
2026
2028
2030
2032
2034
2036
2038
2040
2042
2044
2046
Scenario 1 - $1.0M Seed, 10 years, 6.00%
Scenario 2 - $1.0M Seed, 20 years, 6.00%
Scenario 3 - $1.5M Seed, 10 years, 6.00%
Scenario 4 - $1.0M Seed, 10 years, 7.00%
CalPERS

	CalPERS	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Expected ROR	7.00%	6.00%	6.00%	6.00%	7.00%
Initial Seed Cont.	N/A	$1.0M	$1.0M	$1.5M	$1.0M
Amortization Years	20-30 years	10 years	20 years	10 years	10 years
Initial Flat Contribution Include Normal Costs	$409,000	$578,000	$487,000	$518,000	$563,000
Total Contribution (Seed + sum of Annual Conts.)	$20.9M	$18.6M	$19.7M	$18.4M	$18.4M
Savings (compared to CalPERS)		$2.3M	$1.2M	$2.5M	$2.5M

- Assumed initial contribution increases 2.50% per year in each future years.
- Savings is the difference between CalPERS total contributions and Scenarios' total contributions plus initial funding amount.
- A 1.00% increase in rate of return will increase the savings by $0.2M
- In PY2017/18, CalPERS reported a rate of return on assets of 8.60%.

QUESTIONS/ COMMENTS

Appendix

Latest Development in CalPERS Funding Policy

Current Amortization Method

Circular Letter: 200-027-18
April 26, 2018

The following table summarizes key features of the current policy.

Source of UAL

Driver	(Gain)/Loss Investment	(Gain)/Loss Non-investment	Assumption/ Method Change	Benefit Change	Golden Handshake
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate*	Payroll (3%)	3%	3%	3%	3%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

* Reducing to 2.875% for the 6/30/2017 valuations and 2.75% for the 6/30/2018 valuations.

Effective 6/30/2019 New Amortization Method

Circular Letter: 200-027-18
April 26, 2018

Source

Driver	(Gain)/Loss Investment	(Gain)/Loss Non-investment	Assumption/ Method Change	Benefit Change	Golden Handshake
Amortization Period	20 Years	20 Years	20 Years	20 Years	5 Years
Escalation Rate	0%	0%	0%	0%	0%
Ramp Up	5	0	0	0	0
Ramp Down	0	0	0	0	0

The policy allows existing amortization bases to remain unchanged to minimize budgeting disruptions. The June 30, 2019 implementation date means that the first contribution year that state employers will see any impact is fiscal year 2020-21.

OPEB/PENSION CLIENT LIST

UPDATED: FEBRUARY 2018

CITIES & TOWNS

Alameda
Alhambra
Atherton
Bakersfield
Bell Gardens
Beverly Hills
Brea*
Brisbane
Burlingame*
Camarillo
Capitola*
Chino Hills
Colma
Commerce
Coronado
Covina
Crescent City
Cupertino
Cypress*
Daly City
Duarte
Dublin
El Centro*
El Segundo*
Elk Grove
Fountain Valley
Fullerton
Galt
Glendale
Half Moon Bay
Healdsburg*
Hercules
Hermosa Beach
Huntington Beach
La Mesa*
La Verne
Lake Forest
Lakewood
Livermore
Lodi
Los Altos Hills*
Los Gatos
Mammoth Lakes
Manhattan Beach
Morgan Hill
Napa
National City
Norwalk
Novato
Oakley
Oroville
Palo Alto
Pasadena
Pico Rivera
Port Hueneme
Rancho Cucamonga*
Redding
Redwood City
Rialto
Richmond
Rohnert Park
Rolling Hills
Rosemead
San Leandro
San Ramon
Santa Ana
Santa Clara
Santa Clarita
Sausalito
Solana Beach
Stanton
Stockton
Temple City
Tiburon
Tustin
Union City
Upland
Vallejo
Villa Park
West Covina
West Sacramento
Westminster*
Woodland
Yountville
Yuba City
Yucca Valley

COUNTIES

Amador
Contra Costa
Humboldt
Imperial
Inyo
Kern
Kings
Merced
Mono
Nevada
Placer
Plumas
Riverside
San Benito
Shasta
Siskiyou
Solano
Sonoma
Sutter
Trinity
Yolo

Bolded agencies have adopted PRSP

* PRSP only

PUBLIC AGENCY RETIREMENT SERVICES PARS
TRUSTED SOLUTIONS. LASTING RESULTS.