Housing
Authority of the City of Alameda

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

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 3 minutes per item.
2. Lengthy testimony should be submitted in writing and only a summary of pertinent points presented verbally.
3. Applause and demonstrations are prohibited during Board of Commissioners meetings.

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

**DATE & TIME** **Wednesday, January 21, 2015, 2014 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 three 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. 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.

2-A. Minutes of the Board of Commissioners Regular Meeting held December 17, 2014. Acceptance is recommended.

2-B. Accept the Monthly Overview Report

2-C. Accept the Budget Variance Report

3. AGENDA

3-A. Accept Annual Investment Policy

3-B. Approve Resolution to Accept a Quitclaim Deed and Grant an Access Easement at Stargell Commons Project Site; Authorize Executive Director to Execute Related Documents

3-C. Approve a Short List of Qualified Legal Firms and Authorize the Executive Director to Negotiate Terms and Execute a Final Contract Agreement for Tax Credit Counsel

3-D. Payoff Two US Bank Loans

3-E. Approve the Write-off of Uncollectible HCV Participant Accounts Receivable

3-F. Approve an Amendment to Contract with Sterling Cos. Inc Establishing a Limit of no more than $150,000 for the Contract and Extending the End Date to February 17, 2019, and Authorize the Executive Director to Execute Amendment

3-G. Approve an Amendment to Contract with Koff and Associates LLC Establishing a Limit of No More than One Hundred and Twenty Five Thousand Dollars ($125,000) and Extending the End Date to June 12, 2016 and Authorize the Executive Director to Execute Amendment

3-H. Housing Choice Voucher Waitlist Update

3-I. Amend the Administrative Plan Chapter 16 to Make Mandated Changes from Building to Project, to Allow for Proposal Scoring Criteria to be Stipulated in the Request for Proposals, and to Update Regulation References

(Amendment 2015-1)

3-J. Adopt Amendment to Substitute New IRS Language Within the Flexible Spending Account (FSA) Adoption Agreement Effective December 1, 2014

3-K. Review of AB 1234 Mandatory Ethics Training Requirements

3-L. Adopt the Resolution to Amend the Revised Housing Authority's Personnel Policies

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

5. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

6. EXECUTIVE DIRECTOR COMMUNICATIONS

7. ADJOURNMENT

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Note

- Sign language interpreters will be available on request. Please contact the Housing Authority Executive Assistant at 510-747-4325 or TDD number 510-522-8467 at least 72 hours prior to the Meeting to request an interpreter.
- Equipment for the hearing impaired is available for public use. For assistance, please contact the Housing Authority Executive Assistant at 510-747-4325 or TDD number 510-522-8467 prior to the Meeting or you may also make a request at the Meeting.
- Accessible seating for persons with disabilities, including those using wheelchairs, is available.
- Minutes of the meeting available in enlarged print.
- Please contact the Housing Authority Executive Assistant at 510-747-4325 or TDD number 510-522-8467 at least 48 hours prior to the meeting to request agenda materials in an alternative format, or any other reasonable accommodation that may be necessary to participate in and enjoy the benefits of the meeting.
- 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 SUNSHINE ORDINANCE: 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.
- FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION: the address is 2263 Santa Clara Avenue, Room 380, Alameda, CA, 94501; phone number is 510-747-4800; fax number is 510-865-4048, e-mail address is lweisige@ci.alameda.ca.us; and contact is Lara Weisiger, City Clerk.
- 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, DECEMBER 17, 2014

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

PLEDGE OF ALLEGIANCE

1. ROLL CALL

Present: Commissioners Allen, Jones, Pratt, McCahan, Rickard and Chair Kurrasch
Absent: None

2. 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.

Executive Director Cooper commented on Item 2-B.

Commissioner Jones moved acceptance of the Consent Calendar with the exception of Item 2-A and Commissioner Allen seconded. The motion carried unanimously.

Commissioner Rickard moved to approve the Minutes of the Regular Meeting held November 19, 2014 and Commissioner Allen seconded. The motion carried unanimously.

Commissioner McCahan moved to approve the Minutes of the Special Meeting held December 3, 2014 and Commissioner Jones seconded. The motion carried with one abstention.

*2-A. Minutes of the Board of Commissioners Regular Meeting held November 19, 2014 and Minutes of the Special Meeting held December 3, 2014. Acceptance is recommended.

*2-B. Accept the Monthly Overview Report

*2-C. Accept the Budget Variance Report

3. AGENDA

Chair Kurrasch changed the order of the Agenda. Item 3-B went first.

3-A. Accept the Audit Report for Fiscal Year Ending June 30, 2014

Chair Kurrasch introduced Alan Olds, Director of Finance and Wallace Rowe, the Housing Authority's Auditor. Mr. Olds commented that due to Mr. Rowe being under the weather, he would be speaking and presenting this Item. On page one of the Report is one of the Auditor's opinions and on page 43 and 45 are also part of his opinion process. Mr. Olds said that this is a clean audit with no findings. On page seven at the bottom of the page, you can see change in net position is $22,000. This is quite a bit lower than the previous year mainly because HUD is taking back their net restricted assets. $964,000 was taken back in the last year. Ms. Cooper commented that these funds are held in a separate account at HUD. If we needed to call on them we could. Ms. Cooper said we report what our HAP expenses are every month and they in turn reimburse us for what our expenses were for the previous month. As of December 31, we have over $2.5 million in our reserve.

Ms. Cooper said that she and the Auditor had a previous conversation about a couple of items and the first is, as the Board knows, and has approved, the borrowing that took place last year which inevitably leads to a higher debt payment. The second item related to the waitlist. The waitlist got very low. We have outreached to everyone on the list. We have no one left on the waitlist. We are planning on opening the Housing Choice Voucher (HCV) Waitlist in the first quarter of next year. We expect an overwhelming response.

Mr. Rowe concurred with the report from Mr. Olds and Ms. Cooper.

Commissioner McCahan commented on the HCV Program and the new Budget signed by the President. Chair Kurrasch asked what the percentage of proration that we are getting. Mr. Olds said that the 2014 proration is 79%. With sequestration it went down to 69% and we budgeted 75%. We don't know what it will be in 2015 yet.

Commissioner Rickard moved to accept the Audit Report of page 32 of the packet and Commissioner Jones seconded. The motion carried unanimously.

3-B. Accept the Quarterly Police Report

Ms. Cooper reviewed the standard statistical report in the packet and thanked our police officers for providing it. She commented that it is crucial to have police presence at our sites. She thanked the officers for their participation in the Reading Room activities. She asked the officers to give us some insight as to how it is going. Officer Ledbetter said that we had a little bit of increase of incidents at Independence Plaza but does not see this as a growing trend. Officer Ledbetter said that she likes the new fencing at Esperanza and that having a line of sight into the yards is very helpful. Ms. Cooper commented that our officers meet with staff weekly. In addition to the statistical collecting and the work that the officers are doing out at the properties there is a continuing dialogue which is very helpful and can be preventative as much as fixing a problem after the fact.

Commissioner McCahan commented on the chart on page 36 and the Police Activity Comparison chart on page 37 of the packet. He said that he could see someone in the public reading this chart and saying that crime is rampant in Housing Authority locations, without reading the x 50 point. He said that he would like to use the x50 for internal use and the direct data for external use. Ms. Cooper said that she will have to make it clearer in the report because the report comes as a standard pdf file report from the Police Department.

3-C. Accept the Housing Authority 2014 Fiscal Year-End Report

Ms. Cooper commented that this report has previously been submitted as an Off-Agenda Report. This is a great summary report of everything that has been done in the previous year. This report was prepared by our Management Analyst.

Commissioner McCahan commented on how Inspections are done and confirmed that tenants are notified prior to an inspection. Ms. Cooper said that the landlord and tenant are both notified when an Inspection is scheduled. Commissioner McCahan asked if the tenant and landlord received information on why Inspections fail so that they can focus on these things before the inspector comes out. Ms. Cooper pointed out some things that usually cause Inspection failure. A notice regarding Inspections is being prepared in five languages that will assist tenants.

3-D. Informational Update on Housing Choice Voucher Waitlist

Ms. Cooper said that the Waitlist will open in the first quarter of next year. We have outreached to approximately 150 organizations. We will probably receive somewhere around 4,000 applicants, however, we will only accept approximately 600. Six hundred names will probably last for 2 or 3 years. Ms. Cooper said that she prefers to keep a fresher list by limiting the number that is added. There will be a 1-800 number that will be available for people to call into for information in various languages. There is a one point preference for already living in Alameda. There is not a preference for already being in one of our properties. Ms. Cooper said that there is a plan in place for disseminating information. She reported that announcements will be placed in papers in five different languages, an FAQ will be provided in different languages, there will be a standard press release, and an announcement will be made at the City Council Meeting and at a meeting that she will be attending at Mastick Senior Center. All current tenants and landlords will be provided the announcement, the announcement will also be distributed to our Guyton list.

Commissioner Allen asked what happens when some has a felony. Ms. Gleason commented that when someone does come to the top of the list and begins the process to complete the application, Alameda Police Department will run a background check for anything in the last 5 years that is of a violent or drug related nature. Also, a HUD non-starter is someone who is subject to lifetime registration as a sex offender. People still can request an informal review.

Victoria Johnson is responsible for a small subset of application centers where the general public can go in to fill out an application. The 150 agencies will receive an email information packet and they can market it however they want. We will probably have one or two workshops here. For those who will have an application center, we will be providing them more hands on information and more training in small groups.

Ms. Cooper said that the 1-800 number will not be answered. There will be a voice message that says for instance, Spanish press 1, for Tagalog, press 2, for English, press 3, for Vietnamese, press 4, for Chinese, press 5. This is one way how basic information will be given out. We will monitor for basic problem.

3-E. Verbal Update on Stargell Commons and DelMonte

Ms. Johnson brief the Board of the highlights of the pass month. Stargell Commons is moving along behind the scene. We have a verbal clearance for the final environmental mitigation. We don't have it in writing yet but should have this soon.

3-F. Adopt the Resolution to Amend the Revised Housing Authority's Personnel Policies

Ms. Cooper said that there are two small changes to be made. The first change is about employee selection procedures. Job announcements will now be sent to all staff instead of departments. Internal applicants should submit applications to HR instead of the Executive Director. The second change is regarding paid sick leave. Staff is proposing to eliminate this section that limits use of paid sick leave for family illness up to six days per calendar year. The elimination of this section will allow employees to use accrued sick leave for themselves and any qualifying family member with no limitations.

Commissioner Rickard moved acceptance of the staff recommendation on page 53 and Commissioner Allen seconded. The motion carried unanimously.

3-G. Approve a Three-Year Services Agreement with Island City Development

Ms. Cooper reported that this evening we had our first meeting of the Island City Development (ICD). She thanked Victoria Johnson for all the work that she has done in such a short period of time.

Ms. Johnson explained the structure of the Services Agreement between Island City Development and the Housing Authority. Housing Authority staff would serve the purposes of the non-profit and the non-profit would have to pay the Housing Authority for their services.

The Services Agreement, which is attached to this staff report, spells out that for a sum of $100,000 per year for three years, ICD will have access to Housing Authority staff persons. The Housing Authority Finance Department will be keeping track and invoicing ICD.

Ms. Johnson said that at a future meeting she would come back to the Board with more details about ICD expenses and a request for the Board to loan money to ICD.

Ms. Johnson said that tonight the request is that the Board approve a three-year services agreement with Island City Development and that no money will actually change hands until a future approval related to the budget.

Commissioner Rickard moved acceptance of the staff recommendation on page 61 of the packet and Commissioner Jones seconded. The motion carried unanimously.

3-H. Discussion Regarding Renewal of the Services Agreement between the Housing Authority and the City of Alameda to Provide Housing Services for the City and Additional Policing Services for the Housing Authority

Ms. Cooper talked about some of the current services the City provides the Housing Authority and some of the services Housing Authority provides the City. She said that no decisions are required tonight but that she would be coming back to the Board with an extension of the current plan. Recently we had three staff members who transitioned from the City to Housing Authority and they are under a slightly different operating agreement in terms of hours. That agreement will be up in June 30, 2016 and this will be an appropriate time to reopen the negotiations.

Chair Kurrasch agreed that this is a good idea. Commissioner McCahan noted that in the first paragraph of the staff report, last sentence should read that Housing and Community Development Staff became Housing Authority employees, not City employees, on July 1, 2014.

3-I. Verbal Discussion on Establishing Possible Dates for Board Retreat to Discuss Executive Director Goals and Work on Agency Strategic Plan

Ms. Cooper said that we are in the process of doing a Five-year plan for HUD. It is not really a strategic plan, but it may feed into what the Board wants. Ms. Cooper requested some dates from the Board that would work for a Retreat in 2015. Chair Kurrasch suggested a Saturday retreat. Ms. Cooper suggested that the Board send their available dates to herself and Denise Connors.

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

Mr. Torrey asked about the annual Town Hall Meetings. Chair Kurrasch said that he would speak on those meetings shortly.

5. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Commissioner McCahan reported that City-wide Thanksgiving was a success. They served 976 Thanksgiving meals. He also reported that they would be serving 860 kids on Toys for Tots this Saturday.

Chair Kurrasch reported that last Thursday he and Commissioner McCahan attended the Fair Housing Training put on by the Housing Authority. All of the Housing Authority staff attended and the instructor was very good and there was great participation.

Chair Kurrasch asked if Denise Connors could resend the Town Hall Meeting dates. Esperanza Town Hall meeting is early January.

Chair Kurrasch adjourned the meeting in memory of Sam Sause. Sam Sauce is the husband of Helen Sause who was a previous president of NAHRO.

6. EXECUTIVE DIRECTOR COMMUNICATIONS
None

7. ADJOURNMENT

There being no further business, Chair Kurrasch adjourned the meeting at 7:57pm.

Arthur Kurrasch, Chair

Vanessa M. Cooper
Executive Director/Secretary

Housing
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To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Monthly Overview Report to the Board

BACKGROUND

This memo provides a high level overview of agency activities in the prior month. Data is submitted by each of the five departments – Operations and Managed Housing, Facilities, Housing Programs, Housing and Community Development and Finance.

**Administration and Managed Housing**

Property Management

| | November 2014 | December 2014 |
|---|---|---|
| Occupancy Rate (Actual) | 97.72% | 98.07% |
| Rent Collections Rate | 99.52 | 99.75 |
| # of Units Committed | 4 | 8 |
| New Leases Signed | 4 | 6 |
| Debt Owed compared to previous month | 48,436.29 | 39,872.02 |
| Reduction in Debt | 3.6% | .25% |
| Percentage Reduction of Residents with Installment Agreements | 3.6% | No change |

Staff signed six leases in December, traditionally a slow month for rentals. AHA ended the month with only 11 vacant apartments, one of which is the Senior Condo on Otis Drive which had been held off market since last year.

AHA began the year with three applicants close to approval and only two units on notice to vacate.

Rent collections continue to show improvement. AHA ended December with only $692.32 in outstanding December rents owed. 94.56% of all residents paid their rent on time, by the 5th of December.

Monthly meetings continue for all site managers. At the December meeting copies of the entire Performance Evaluation process and forms were distributed and formal evaluations will be complete by the end of March, 2015.

**Facilities and Maintenance (Director Rod Roche)**

**Capital Improvements Projects** – During the month of December both the Anne B. Diament Windows, Sliding Glass Door & Siding Project, and the Parrot Village Bay Friendly Drought Tolerant Landscape Project both achieved the Substantial Completion Milestone. Over the next several weeks, both of these projects will be proceeding forward with the project close-out phase, and completing minor project scope and punchlist items. Lastly, and as planned for the Holiday Season, the Esperanza Site Improvements Project mostly closed-down for the month of December.

| Capital Projects Update | | | |
|---|---|---|---|
| **December 2014 Update** | **ABD - Windows, Sliding Glass Door, & Siding Replacement** | **ESP - Site Improvements Project** | **PV - Landscaping Project** |
| **BOD Approval** | $ 933,000 | $ 1,550,400 | $ 350,850 |
| | | | |
| **Original Contract Amount** | $ 777,500 | $ 1,292,000 | $ 292,375 |
| Approved Change Orders | $ 51,428 | $ 22,694 | $ 5,560 |
| **Current Contract Amount** | $ 828,928 | $ 1,314,694 | $ 297,935 |
| | | | |
| **Project Cost To Date** | $ 824,010 | $ 436,078 | $ 295,560 |
| **% Complete** | 99% | 33% | 99% |
| **Pending Change Orders** | $13,601 | $20,000 | $0 |
| | | | |
| Original Substantial Completion | 11/15/2014 | 6/30/2015 | 11/26/2014 |
| **Current Substantial Completion** | 12/9/2014 | 6/30/2015 | 12/17/2014 |

## Maintenance Work Orders

| Maintenance Work Order Update | | | | |
|---|---|---|---|---|
| **December 2014 Update** | **FY 2014 Ave.** | **Jul - Nov 2014** | **Dec-14** | **FY 2015 Ave.** |
| Total Monthly WOs | 285 | 1284 | 247 | 255 |
| Preventative Maintenance WOs | 41 | 123 | 3 | 21 |
| Vacancy Turnovers | 6 | 30 | 5 | 6 |

On December 10th, the Independence Plaza Resident Council hosted the Weekly Maintenance Safety Meeting and served breakfast to the entire Facilities Maintenance Team. The IP Resident Council wanted to say "thank you" to our Facilities Team for its Service to the Community.

**Housing Programs (Director Leslie Gleason)**

In December, HPD continued processing and issuing vouchers to the remaining applicants on the Section 8 Housing Choice Voucher (HCV) waiting list from 2003; four were issued in December and another four are anticipated for January. Two families leased up in December; both in AHA units.

As with previous increases in Payment Standards, property owners can now benefit from contract rent values more in line with rents paid by unassisted tenants. Many property owners who have conscientiously kept the rents charged to HCV participants at a modest level are now able to request reasonable rent increases. In December, HPD staff processed 60 rent increase requests for owners of privately-owned units. Executive Director Vanessa Cooper and Director of Housing Program Leslie Gleason met with property owners during two meetings in December to provide basic materials, updated information and forms, and receive feedback from local property owners.

AHA received official notification in November from HUD regarding FY2014 SEMAP results as a Standard Performer and responded to this letter in December by outlining the steps that will be taken to address issues raised by 2014 results. These action steps were reviewed with the Board at your August meeting and have already been implemented though increased training, quality control reviews, and procedural improvements to provide clearer information to participants and allow greater time for staff processing.

A further mid-year review will take place in February.

| | October 2014 | November 2014 | December 2014 |
|---|---|---|---|
| Annual Re-examinations Processed | 113 | 138 | 154 |
| Rent Increases Processed | 40 | 71 | 60 |
| Interim Re-examinations Processed | 53 | 32 | 30 |
| HQS Inspections Conducted | 246<br>First-time pass rate= 58% | 102<br>First-time pass rate = 71% | 266<br>First-time pass rate = 81% |

**Housing and Community Development (Director Victoria Johnson)**

CDBG/HOME Programs – Staff is completing the City's Five-Year Strategic Plan (FYs 2015-20) and Annual Action Plan (FY15-16) for the CDBG /HOME Funds. A Public Hearing will be held on January 20, 2015 before the City Council to accept the 'Priority Needs' that were identified through community meetings and by the Social Services Human Relations Board (SSHRB). The statement of needs will be 11 included in the Notice of Funding Availability (NOFA)/ Request for Proposals (RFP) which is scheduled to be released on January 22, 2015. The NOFA/RFP will include FY 2015-2016 CDBG funds available for Public Services, Economic Development and Capital Improvements.

Rent Review Advisory Committee (RRAC) - Eight Rent Increase complaints were filed in the month of December. Seven cases, all from the same building complex, went before the committee facing a 18% rent increase. The Committee made a recommendation to increase the rent by 10% and is requesting that the owner address maintenance issues with each tenant. No response has yet been received from the owner. The eighth case was dropped at the request of the tenant due to resolution with the landlord prior to the meeting.

Housing Rehabilitation Programs – The owner of the pending ten unit Rental Rehabilitation project has disclosed that she is facing a balloon loan payment due April 1. She has informed staff that she needs the construction completed by that date to qualify for a refinance with her lender. Since construction is projected to take approximately four months, staff is waiting to find out if the owner will sell the property or can secure a bridge loan. Three voucher holders reside at this property and the remaining tenants are CDBG income- eligible.

Staff is also working on two other proposed rehabilitation projects; a duplex with an income eligible owner-occupied unit and a VLI- tenant unit. An emergency rehabilitation loan closed in December for repairs at this property and electrical and heating repairs will begin within the month. The second property is a rental single family with ELI tenant household. The work scope is being determined in this occupied unit. We are exploring a partnership with the County's Healthy Homes Department to leverage funds for the recommended work.

Inclusionary and Below Market Rate Programs – The Housing Authority decided not to exercise the option to purchase the moderate-income BMR property at 428 Roth. Instead, the owner can work with a realtor or otherwise identify a buyer that meets the income requirements. All potential buyers will be qualified through Hello Housing, the Housing Authority's homeownership services consultant.

Real Estate Development – Staff continues to work on three projects.

- Stargell Commons: The Housing Authority's development partner (RCD) continues to work towards a March application for tax credits. A separate staff report that requests Board action is attached.
- 2437 Eagle Avenue: Staff presented a preliminary site plan to the City Development review Team (DRT) on December 17th and has now received technical comments. Anne Phillips Architecture continues to work on preliminary site plan and design. Staff is now working to select a Construction manager/estimator. The selected firm will provide the services needed to for the overall construction management and cost estimating. .
- Del Monte Rental – The City Council approved the Master Plan Ordinance on December 2nd and December 16th. Staff will be meeting

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with Tim Lewis Company to establish a development time schedule and to finalize the initial Term Sheet Agreement.

**Finance (Director Alan Olds)**

Please see the Budget Variance Report

RECOMMENDATION

For information only.

Respectfully submitted,

Vanessa M. Cooper
Executive Director

VMC/

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To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

RE: Budget Variance Report

BACKGROUND
On April 16, 2014 the Board of Commissioners passed and approved a two-year operating budget for all programs covering the fiscal years July 1, 2014 through June 30, 2016. This Budget Variance Report covers preliminary unaudited financial operating results compared to the original budget for the six month fiscal period of July 1, 2014 to December 31, 2014.

DISCUSSION
Operating income is slightly over budget due primarily to other income associated with settlement of the IP bond payoff and the gain on the sale of AHA owned property at 1829 Paru Street. Agency wide expenses are also below budget resulting in an operating surplus of $677,607 compared to budget of $338,133. It is early in the fiscal year and expenses are expected to rise as the fiscal year continues. Interest expense is much higher than budget because the refinancing of Esperanza and IP was still in the preliminary discussion stages at the time of the original budget and loan amounts and interest rates for the financing had not yet been determined. AHA recently received good news in that the Section 8 administrative fees for the calendar year 2014 are being prorated by HUD at 79% of eligibility, which is much better than budget at 75% and much better than last year which was 69%. HUD also has moved the final portion of the HAP net restricted assets (or NRA) backed to Washington as HUD continues to implement their cash management process. Therefore, there is no cash on hand to pay HAP payments over any month's regular HAP subsidy from HUD. Should AHA pay out more in HAP expenses in any given month than HAP subsidy received from HUD, AHA is eligible to request additional funds from AHA's HAP reserve funds held by HUD which currently totals over two million dollars.

Please note cash flow from operations is a negative $464,202 thru December 31, 2014. The FY 2015 budget allowed for deficit cash spending for major capital improvement projects at Esperanza and ABD. The cash shortfall is taken from cash held in operating reserves, as planned per the approved FY 2015 budget. In addition, these cash deficits are planned to increase as the balance of planned improvement projects reach various stages of completion.

Keep in mind that with the change to GAAP financial reporting, cash needed to pay the principal on mortgages, capital improvements projects and to fund regulatory replacement reserves must come from these operating surpluses. A schedule titled Budget Variance Schedule of Significant Cash Items is attached to this narrative illustrating the major changes to cash affected by the conversion to GAAP based reporting several years ago.

**GENERAL FUND**

General Fund has the Shelter Plus Care program, some miscellaneous other income items, pre-development cost and EMP's. General Fund is on target at this early stage in the fiscal year.

EMP activity for the month totaled $3,289 and year to date $12,614.

CIP's for the month totaled $0 and year to date $80,529.

**AHA/CDBG/OTHER MANAGED PROGRAMS**

The reimbursement program under contract with the City for CDBG, HOME and other affordable housing programs is on track with all staff currently on AHA payroll and reimbursement billing processed monthly.

**PARROT VILLAGE AND EAGLE VILLAGE**

Total operating revenue for Parrot Village and Eagle Village properties came in over budget. Operating expenses remain well under budget resulting in a surplus of $68,701 versus a budgeted loss of $-66,263.

EMP expenses total $0. Fiscal Year CIP's totaled $48,000.

**HOUSING AUTHORITY OWNED**

Operating income finished the current period over budget. Operating expenses are over budget due to interest expenses from the recent financing of Esperanza which weren't included in the original budget for FY 2015, since the financing was still in the preliminary discussion stages at the time of the budget approval and acceptance process. Interest expense relative to the Esperanza and IP financing will be adjusted on the next budget revision. Housing Authority Owned properties has a surplus of $15,681 compared to budget of $320,956 for the fiscal year.

EMP activity for the month totaled $160,080 and year to date $160,080.
CIP's totaled $1,169,509 for the fiscal year.

**INDEPENDENCE PLAZA**

Operating income for this fiscal year is over budget for this six month fiscal period. Operating expenses continue to be under budget. The reduced interest rate on the new mortgage has resulted in a $51,000 interest savings for the five months under the new mortgage. Therefore, IP operations resulted in a surplus of $515,813 compared to budget of $146,520.

EMP expenses total $0 and CIP $32,793 for the fiscal year.

**HOUSING CHOICE VOUCHER PROGRAM**

Our lease rate is at 93 percent for the fiscal year and 95 percent for the HUD calendar year 2014 annual funding cycle. A major portion of the NRA restricted HAP reserve was finally moved back to HUD in June 2014. In December, HUD took back the final cash held by AHA in the NRA reserve. A project reserve (or HAP funds Held by HUD reserve) whereby AHA can draw additional HAP funds if our HAP costs exceed any year's HAP budget has been established by HUD in lieu of significant NRA cash reserves held by AHA in the past. Currently this HUD held HAP reserve has a balance in excess of two million dollars. In addition, AHA has been notified by HUD of the award of $242,382 in CY 2014 HAP Set Aside funds. The operating (or administrative) portion of the Housing Choice Voucher program has an operating surplus of $102,603 compared to budget of $28,482 based on income from actual units leased for the fiscal year as required by HUD accounting brief number 19. Administrative fee proration is being reported at 79% of eligibility for calendar year 2014.

**DEVELOPMENT**

2437 Eagle Avenue

In-Progress:

| | |
|---|---|
| Land | $1,200,000 |
| Predevelopment | 5,849 |
| CIP-In progress | 10,500 |
| Maintenance | 2,540 |

Stargell Commons at Alameda Landing

| | |
|---|---|
| Predevelopment | $7,048 |

Island City Development

No financial activity

**BUDGET ADJUSTMENTS**

EMP IP-E2-15 for $61,440 was increased by $800 to $62,240 to cover some additional paint required to complete the project. The overall financial impact of this increase is immaterial to both the FY 2015 CIP's and FY 2015 cash flow.

An unbudgeted request for a reasonable accommodation was internally approved by AHA management for an ADA bathroom at Parrot Village with a total cost of $49,000. The financial impact is that CIP's will increase by $49,000 and cash flow from operations will decrease by $49,000.

During the current month, CIP ESP-C6-14 was increased from $150,000 to $152,941 for architectural services on the Esperanza modernization project. The overall financial impact of this increase is immaterial to both the FY 2015 CIP's and FY 2015 cash flow.

BUDGET CONSIDERATION/FINANCIAL IMPACT

At the bottom of each budget variance report, the balance is shown by either a surplus or deficit. An adjustment for any deficit is made by transferring from accumulated operating reserves at the end of the fiscal year. Generally, surpluses are added to operating reserves while deficits are reductions to operating reserves.

RECOMMENDATION
For information only.

Respectfully submitted,

Vanessa M. Cooper
Executive Director

VC:ajo

Attachments: 1. Budget Variance Report

# Housing Authority of the City of Alameda
## Unaudited Budget Variance Report
## For the Six Month Fiscal Period Ending December 31, 2014

| Description | Year to Date Budget | Year to Date (YTD) Actual Income and Expenditures: General Fund | AHA/CDBG/ Other Managed | Parrot & Eagle Village | HA Owned | Independence Plaza | Section 8 | Total Actual | S/B 50%: YTD Variance | Budget Used | Annual Budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Operating Income** | | | | | | | | | | | |
| Dwelling Rent | $ 1,628,112 | $ - | $ - | $ 247,214 | $ 685,074 | $ 700,962 | $ - | $ 1,633,250 | $ 5,138 | 50% | $ 3,256,224 |
| Interest | 17,971 | 2,852 | - | 2,526 | 19,785 | 768 | 428 | 26,359 | 8,388 | 73% | 35,942 |
| Other Income | 15,825,744 | 235,038 | 280,821 | 741,398 | 1,690,866 | 792,841 | 12,168,525 | 15,909,489 | 83,746 | 50% | 31,651,487 |
| **Total Operating Income** | 17,471,827 | **237,890** | **280,821** | **991,138** | **2,395,725** | **1,494,571** | **12,168,953** | **17,569,098** | **97,272** | **50%** | **34,943,653** |
| **Operating Expenses** | | | | | | | | | | | |
| Administrative: | | | | | | | | | | | |
| Salaries | 1,275,845 | - | 204,993 | 109,671 | 302,478 | 110,692 | 426,378 | 1,154,212 | 121,633 | 45% | 2,551,689 |
| Legal | 36,786 | - | 22 | 2,801 | 14,000 | 2,348 | 6,958 | 26,129 | 10,657 | 36% | 73,572 |
| Contract Costs | 192,020 | - | 9,474 | 12,810 | 52,927 | 18,573 | 42,010 | 135,794 | 56,226 | 35% | 384,039 |
| Sundry | 144,785 | - | 7,674 | 14,912 | 36,487 | 22,927 | 42,573 | 124,573 | 20,212 | 43% | 289,570 |
| Subtotal | 1,649,435 | - | 222,163 | 140,194 | 405,892 | 154,540 | 517,919 | 1,440,708 | 208,727 | 44% | 3,298,870 |
| Tenant Services: | | | | | | | | | | | |
| Salaries | 36,272 | - | - | 5,016 | 23,059 | 12,317 | - | 40,392 | (4,121) | 56% | 72,543 |
| Tenant Activities/Relo Cost | 21,450 | 25,000 | - | 4,046 | 31,124 | 5,620 | 168 | 65,958 | (44,508) | 154% | 42,900 |
| | 57,722 | 25,000 | - | 9,062 | 54,183 | 17,937 | 168 | 106,350 | (48,629) | 92% | 115,443 |
| Utilities: | | | | | | | | | | | |
| Water and Sewer | 258,011 | - | - | 54,432 | 143,215 | 69,884 | 803 | 268,334 | (10,323) | 52% | 516,022 |
| Electricity | 71,930 | - | - | 5,882 | 27,091 | 17,676 | 3,018 | 53,667 | 18,263 | 37% | 143,860 |
| Gas | 35,697 | - | - | 140 | 17,191 | 10,555 | 215 | 28,101 | 7,596 | 39% | 71,394 |
| Subtotal | 365,638 | - | - | 60,454 | 187,497 | 98,115 | 4,036 | 350,102 | 15,536 | 48% | 731,276 |
| Maintenance: | | | | | | | | | | | |
| Salaries | 541,662 | - | - | 93,543 | 260,289 | 114,795 | - | 468,627 | 73,035 | 43% | 1,083,324 |
| Materials | 106,500 | - | 6 | 18,183 | 48,790 | 30,006 | 2,912 | 99,897 | 6,603 | 47% | 213,000 |
| Contract Costs | 699,850 | - | - | 117,607 | 336,057 | 115,158 | 25,718 | 594,540 | 105,310 | 42% | 1,399,700 |
| Subtotal | 1,348,012 | - | 6 | 229,333 | 645,136 | 259,959 | 28,630 | 1,163,064 | 184,948 | 43% | 2,696,024 |
| General: | | | | | | | | | | | |
| Police Services | 105,000 | - | - | 18,060 | 61,845 | 17,745 | 7,350 | 105,000 | 0 | 50% | 210,000 |
| Insurance | 71,824 | - | - | 10,837 | 28,635 | 15,660 | 2,806 | 57,938 | 13,886 | 40% | 143,648 |
| Employee Benefits | 612,550 | - | 58,652 | 81,309 | 228,582 | 93,012 | 171,683 | 633,238 | (20,688) | 52% | 1,225,100 |
| Collection Losses | 15,300 | - | - | - | - | - | - | - | 15,300 | 0% | 30,600 |
| Subtotal | 804,674 | - | 58,652 | 110,206 | 319,062 | 126,417 | 181,839 | 796,176 | 8,498 | 49% | 1,609,348 |
| **Total Operating Exp.** | 4,225,481 | 25,000 | 280,821 | 549,249 | 1,611,770 | 656,968 | 732,592 | 3,856,400 | 369,081 | 46% | 8,450,961 |
| Mortgage/HAP Payments: | | | | | | | | | | | |
| HAP Payments | 11,692,516 | 102,081 | - | - | - | - | 11,333,758 | 11,435,839 | 256,677 | 49% | 23,385,032 |
| Mortgage | 309,902 | - | - | 35,729 | 349,444 | 150,138 | - | 535,311 | (225,409) | 86% | 619,804 |
| Interest-City Loan | - | - | - | - | - | - | - | - | 0 | | - |

# Housing Authority of the City of Alameda
## Unaudited Budget Variance Report
## For the Six Month Fiscal Period Ending December 31, 2014

| | | Year to Date (YTD) Actual Income and Expenditures | | | | | | | S/B 50% | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Description | Year to Date Budget | General Fund | AHA/CDBG/ Other Managed | Parrot & Eagle Village | HA Owned | Independence Plaza | Section 8 | Total Actual | YTD Variance | Budget Used | Annual Budget |
| Subtotal | 12,002,418 | 102,081 | - | 35,729 | 349,444 | 150,138 | 11,333,758 | 11,971,150 | 31,268 | 50% | 24,004,836 |
| Other Expenses: | | | | | - | | | | | | |
| Extraordinary Maint. | 286,090 | 12,614 | - | 201,000 | 160,080 | 2,218 | - | 375,912 | (89,822) | 66% | 572,180 |
| Pre-Development Costs | 54,788 | 73,551 | - | - | - | - | - | 73,551 | (18,764) | 0% | 109,575 |
| Subtotal | 340,878 | 86,165 | - | 201,000 | 160,080 | 2,218 | - | 449,463 | (108,586) | 66% | 681,755 |
| **Total Expenses** | **16,568,776** | **213,246** | **280,821** | **785,978** | **2,121,294** | **809,324** | **12,066,350** | **16,277,013** | **291,763** | **49%** | **33,137,552** |
| **Surplus/(Deficit)** | **903,051** | **24,644** | - | **205,160** | **274,431** | **685,247** | **102,603** | **1,292,085** | **389,035** | | **1,806,101** |
| Depreciation | 564,918 | 49,836 | - | 136,458 | 258,750 | 169,434 | - | 614,478 | (49,561) | 54% | 1,129,835 |
| Operating Income after Depr. | 338,133 | (25,192) | - | 68,702 | 15,681 | 515,813 | 102,603 | 677,607 | 339,474 | | 676,266 |

# Housing Authority of the City of Alameda
## Unaudited Budget Variance Report
## For the Six Month Fiscal Period Ending December 31, 2014

| Description | Year to Date Budget | Year to Date (YTD) Actual Income and Expenditures | | | | | | | S/B 50% | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | General Fund | AHA/CDBG/ Other Managed | Parrot & Eagle Village | HA Owned | Independence Plaza | Section 8 | Total Actual | YTD Variance | Budget Used | Annual Budget |
| **GAAP to Cash Adjustments:** | | | | | | | | | | | |
| Operating Income after Depr. | | (25,192) | - | 68,702 | 15,681 | 515,813 | 102,603 | 677,607 | | | |
| Cash Adjustments | | | | | | | | | | | |
| Addback Depreciation | | 49,836 | - | 136,458 | 258,750 | 169,434 | - | 614,478 | | | |
| Subtract Mtg Prin Paymts | | - | - | (71,990) | (87,297) | (207,898) | - | (367,185) | | | |
| Subtract Replacement Res | | - | - | (16,099) | (15,250) | (26,740) | - | (58,089) | | | |
| Total Adjustments | | 49,836 | - | 48,369 | 156,203 | (65,204) | - | 189,204 | | | |
| Adjusted Net Cash | | 24,644 | - | 117,071 | 171,884 | 450,609 | 102,603 | 866,811 | | | |
| Reserve Transfers, Loans, Prior Period Adj | | | | | | | | | | | |
| Operating Reserve Transfers | | 300,000 | - | - | (300,000) | - | - | - | | | |
| Replacement Reserves-Draw | | - | - | - | - | - | - | - | | | |
| Replacement Reserves-Voluntary | | - | - | - | - | - | - | - | | | |
| Equipment Reserves-Voluntary | | - | - | - | - | - | - | - | | | |
| Total Reserve Transfers | | 300,000 | - | - | (300,000) | - | - | - | | - | |
| Capital Assets | | | | | | | | | | | |
| Capital Asset Additions | | (80,529) | - | (48,000) | (1,169,509) | (51,607) | - | (1,349,645) | | | |
| Net Capital Assets | | (80,529) | - | (48,000) | (1,169,509) | (51,607) | - | (1,349,645) | | - | |
| Net GAAP to Cash Adj's | | 244,115 | - | 69,071 | (1,297,625) | 399,002 | 102,603 | (482,834) | | - | |

# Unaudited Budget Variance Report
## General Fund
## For the Six Months Ending December 31, 2014

| Account Description | Annual Budget | Monthly Budget | Monthly Actuals | Monthly Variance | Y-T-D Budget | Y-T-D Actuals | YTD Variance | S/B 50% USED |
|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME:** | | | | | | | | |
| Dwelling Rents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Interest | 2,000 | 167 | 563 | 396 | 1,000 | 2,852 | 1,852 | 143% |
| Other Income | 238,296 | 19,858 | 122,309 | 102,451 | 119,148 | 235,038 | 115,890 | 99% |
| Total Operating Income | 240,296 | 20,025 | 122,872 | 102,847 | 120,148 | 237,890 | 117,742 | 99% |
| **OPERATING EXPENSES:** | | | | | | | | |
| **Administrative:** | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Legal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Contract Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Sundry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| **Tenant Services:** | | | | | | | | |
| Salaries | 0 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 | 0% |
| Tenant Activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 | 0% |
| **Utilities:** | | | | | | | | |
| Water and Sewer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Electricity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Gas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| **Maintenance:** | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Materials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Contract Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| **General:** | | | | | | | | |
| Police Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Insurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Claims Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Employee Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Collection Losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total Operating Expenses | 0 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 | 0% |
| **Mortgage/HAP Payments:** | | | | | | | | |
| Hap Payments | 230,280 | 19,190 | 14,505 | 4,685 | 115,140 | 102,081 | 13,059 | 44% |
| Mortgage Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 230,280 | 19,190 | 14,505 | 4,685 | 115,140 | 102,081 | 13,059 | 44% |
| **Other Expenses:** | | | | | | | | |
| Extraordinary Maintenance | 33,000 | 2,750 | 3,289 | (539) | 16,500 | 12,614 | 3,886 | |
| Pre-development Costs | 109,575 | 9,131 | 8,571 | 560 | 54,788 | 73,551 | (18,764) | 0% |
| Total | 142,575 | 11,881 | 11,860 | 21 | 71,288 | 86,165 | (14,878) | 0% |
| **Total Expenses** | 372,855 | 31,071 | 51,365 | 29,706 | 186,428 | 213,246 | 23,182 | |
| **Operating Income before Dep** | (132,559) | (11,047) | 71,507 | 82,554 | (66,280) | 24,644 | 90,924 | |
| **Depreciation (paper expense)** | 50,564 | 4,214 | 8,306 | (4,092) | 25,282 | 49,836 | (24,554) | |
| **Operating Income after Depr** | (183,123) | (15,260) | 63,201 | 78,461 | (91,562) | (25,192) | 66,370 | |

# Unaudited Budget Variance Report
# AHA/CDBG/Other Managed Programs
# For the Six Months Ending December 31, 2014

| Account Description | Annual Budget | Monthly Budget | Monthly Actuals | Monthly Variance | Y-T-D Budget | Y-T-D Actuals | YTD Variance | S/B 50% USED |
|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME:** | | | | | | | | |
| Dwelling Rents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | #DIV/0! |
| Other Income | 610,043 | 50,837 | 46,657 | (4,180) | 305,022 | 280,814 | (24,208) | 46% |
| Total Operating Income | 610,043 | 50,837 | 46,657 | (4,180) | 305,022 | 280,814 | (24,208) | 46% |
| **OPERATING EXPENSES:** | | | | | | | | |
| **Administrative:** | | | | | | | | |
| Salaries | 399,369 | 33,281 | 33,827 | 546 | 199,685 | 204,993 | 5,309 | 0% |
| Legal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Contract Costs | 78,709 | 6,559 | 1,946 | (4,613) | 39,355 | 17,169 | (22,186) | 0% |
| Sundry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 478,078 | 39,840 | 35,773 | (4,067) | 239,039 | 222,162 | (16,877) | 0% |
| **Tenant Services:** | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Tenant Activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| **Utilities:** | | | | | | | | |
| Water and Sewer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Electricity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Gas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| **Maintenance:** | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Materials | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Contract Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | C | 0% |
| **General:** | | | | | | | | |
| Police Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Insurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Claims Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Employee Benefits | 131,965 | 10,997 | 10,884 | 113 | 65,983 | 58,652 | 7,331 | 0% |
| Collection Losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 131,965 | 10,997 | 10,884 | 113 | 65,983 | 58,652 | 7,331 | 0% |
| Total Operating Expenses | 610,043 | 50,837 | 46,657 | (3,954) | 305,022 | 280,814 | (9,547) | 0% |
| **Mortgage/HAP Payments:** | | | | | | | | |
| Hap Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | #DIV/0! |
| Mortgage Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | #DIV/0! |
| **Other Expenses:** | | | | | | | | |
| Extraordinary Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Pre-development Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total Expenses | 610,043 | 50,837 | 46,657 | (3,954) | 305,022 | 280,814 | (9,547) | |
| **Operating Income before Dep** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **Depreciation (paper expense)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **Operating Income after Depr** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

# Unaudited Budget Variance Report
# Parrot Village and Eagle Village
# For the Six Fiscal Months Ending December 31, 2014

| Account Description | Annual Budget | Monthly Budget | Monthly Actuals | Monthly Variance | Y-T-D Budget | Y-T-D Actuals | YTD Variance | 50% USED |
|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME:** | | | | | | | | |
| Dwelling Rents | 477,000 | 39,750 | 41,949 | 2,199 | 238,500 | 247,214 | 8,714 | 52% |
| Interest | 7,000 | 583 | 0 | (583) | 3,500 | 2,526 | (974) | 36% |
| Other Income | 1,350,000 | 112,500 | 124,023 | 11,523 | 675,000 | 741,398 | 66,398 | 55% |
| Total Operating Income | 1,834,000 | 152,833 | 165,972 | 13,139 | 917,000 | 991,138 | 74,138 | 54% |
| **OPERATING EXPENSES:** | | | | | | | | |
| **Administrative:** | | | | | | | | |
| Salaries | 257,333 | 21,444 | 17,761 | 3,683 | 128,667 | 109,671 | 18,996 | 43% |
| Legal | 9,840 | 820 | 771 | 49 | 4,920 | 2,801 | 2,119 | 28% |
| Contract Costs | 35,249 | 2,937 | 2,090 | 847 | 17,625 | 12,810 | 4,815 | 36% |
| Sundry | 35,204 | 2,934 | 3,113 | (179) | 17,602 | 14,912 | 2,690 | 42% |
| Total | 337,626 | 28,136 | 23,735 | 4,401 | 168,813 | 140,194 | 28,619 | 42% |
| **Tenant Services:** | | | | | | | | |
| Salaries | 5,494 | 458 | 890 | (432) | 2,747 | 5,016 | (2,269) | 91% |
| Tenant Activities | 4,800 | 400 | 0 | 400 | 2,400 | 4,046 | (1,646) | 84% |
| Total | 10,294 | 858 | 890 | (32) | 5,147 | 9,062 | (3,915) | 88% |
| **Utilities:** | | | | | | | | |
| Water and Sewer | 108,900 | 7,683 | 23,137 | (15,454) | 54,450 | 54,432 | 18 | 50% |
| Electricity | 16,540 | 1,378 | 1,240 | 138 | 8,270 | 5,882 | 2,388 | 36% |
| Gas | 5,463 | 455 | 27 | 428 | 2,732 | 140 | 2,592 | 3% |
| Total | 130,903 | 9,517 | 24,404 | (14,887) | 65,452 | 60,454 | 4,998 | 46% |
| **Maintenance:** | | | | | | | | |
| Salaries | 214,754 | 17,896 | 15,179 | 2,717 | 107,377 | 93,543 | 13,834 | 44% |
| Materials | 49,700 | 4,142 | 3,640 | 502 | 24,850 | 18,183 | 6,667 | 37% |
| Contract Costs | 280,990 | 23,416 | 42,553 | (19,137) | 140,495 | 117,607 | 22,888 | 42% |
| Total | 545,444 | 45,454 | 61,372 | (15,918) | 272,722 | 229,333 | 43,389 | 42% |
| **General:** | | | | | | | | |
| Police Services | 49,770 | 4,148 | 3,115 | 1,033 | 24,885 | 18,060 | 6,825 | 36% |
| Insurance | 24,735 | 2,061 | 1,836 | 225 | 12,368 | 10,838 | 1,530 | 44% |
| Employee Benefits | 157,809 | 13,151 | 13,247 | (96) | 78,905 | 81,309 | (2,405) | 52% |
| Claims Cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Collection Loss | 13,600 | 1,133 | 0 | 1,133 | 6,800 | 0 | 6,800 | 0% |
| Total | 245,914 | 20,493 | 18,198 | 2,295 | 122,957 | 110,207 | 12,750 | 45% |
| Total Operating Expenses | 1,270,181 | 104,457 | 128,599 | (24,142) | 635,091 | 549,250 | 85,841 | 43% |
| **Mortgage/HAP Payments:** | | | | | | | | |
| Mortgage | 143,317 | 11,943 | 5,814 | 6,129 | 71,659 | 35,729 | 35,930 | 25% |
| Total | 143,317 | 11,943 | 5,814 | 6,129 | 71,659 | 35,729 | 35,930 | 25% |
| **Other Expenses:** | | | | | | | | |
| Extraordinary Maintenance | 286,500 | 23,875 | 0 | 23,875 | 143,250 | 201,000 | (57,750) | |
| Total | 286,500 | 23,875 | 0 | 23,875 | 143,250 | 201,000 | (57,750) | |
| Total Expenses | 1,699,998 | 140,275 | 134,413 | 5,862 | 849,999 | 785,979 | 64,020 | 46% |
| **Operating Income before Dep** | 134,002 | 12,559 | 31,559 | 19,001 | 67,001 | 205,159 | 138,158 | 153% |
| **Depreciation (paper expense)** | 266,528 | 22,211 | 22,743 | (532) | 133,264 | 136,458 | (3,194) | |
| **Operating Income after Depr** | (132,526) | (11,044) | 8,816 | (2,228) | (66,263) | 68,701 | 134,964 | |

# Unaudited Internal Budget Variance Report
# Housing Authority-Owned Properties
# For the Six Month Fiscal Period Ending December 31, 2014

| Account Description | Annual Budget | Monthly Budget | Monthly Actuals | Monthly Variance | Y-T-D Budget | Y-T-D Actuals | YTD Variance | 50% USED |
|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME:** | | | | | | | | |
| Dwelling Rents | 1,399,224 | 116,602 | 117,324 | 722 | 699,612 | 685,074 | (14,538) | 49% |
| Interest | 25,500 | 2,125 | 1,052 | (1,073) | 12,750 | 19,785 | 7,035 | 78% |
| Other Income | 3,255,777 | 271,315 | 280,631 | 9,316 | 1,627,889 | 1,690,866 | 62,978 | 52% |
| Total Operating Income | 4,680,501 | 390,042 | 399,007 | 8,965 | 2,340,251 | 2,395,725 | 55,475 | 51% |
| **OPERATING EXPENSES:** | | | | | | | | |
| Administrative: | | | | | | | | |
| Salaries | 582,309 | 48,526 | 49,458 | (932) | 291,155 | 302,478 | (11,324) | 52% |
| Legal | 35,328 | 2,944 | 2,195 | 749 | 17,664 | 14,000 | 3,664 | 40% |
| Contract Costs | 120,153 | 10,013 | 8,936 | 1,077 | 60,077 | 52,927 | 7,150 | 44% |
| Sundry | 89,347 | 7,446 | 8,789 | (1,343) | 44,674 | 36,487 | 8,187 | 41% |
| Total | 827,137 | 68,928 | 69,378 | (450) | 413,569 | 405,892 | 7,677 | 49% |
| Tenant Services: | | | | | | | | |
| Salaries | 43,803 | 3,650 | 3,632 | 18 | 21,902 | 23,059 | (1,158) | 53% |
| Tenant Activities | 30,000 | 2,500 | 1,543 | 957 | 15,000 | 31,124 | (16,124) | 104% |
| Total | 73,803 | 6,150 | 5,175 | 975 | 36,902 | 54,183 | (17,282) | 73% |
| Utilities: | | | | | | | | |
| Water and Sewer | 270,775 | 21,265 | 87,277 | (66,012) | 135,388 | 143,215 | (7,828) | 53% |
| Electricity | 70,880 | 5,907 | 5,217 | 690 | 35,440 | 27,091 | 8,349 | 38% |
| Gas | 44,806 | 3,734 | 4,466 | (732) | 22,403 | 17,191 | 5,212 | 38% |
| Total | 386,461 | 30,905 | 96,960 | (66,055) | 193,231 | 187,497 | 5,734 | 49% |
| Maintenance: | | | | | | | | |
| Salaries | 524,811 | 43,734 | 39,810 | 3,924 | 262,406 | 260,289 | 2,117 | 50% |
| Materials | 113,400 | 9,450 | 6,154 | 3,296 | 56,700 | 48,790 | 7,910 | 43% |
| Contract Costs | 793,980 | 66,165 | 46,178 | 19,987 | 396,990 | 336,057 | 60,933 | 42% |
| Total | 1,432,191 | 119,349 | 92,142 | 27,207 | 716,096 | 645,136 | 70,960 | 45% |
| General: | | | | | | | | |
| Police Services | 106,680 | 8,890 | 10,430 | (1,540) | 53,340 | 61,845 | (8,505) | 58% |
| Insurance | 63,320 | 5,277 | 4,862 | 415 | 31,660 | 28,635 | 3,025 | 45% |
| Employee Benefits | 380,303 | 31,692 | 36,313 | (4,621) | 190,152 | 228,582 | (38,431) | 60% |
| Claims Cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Collection Loss | 17,000 | 1,417 | 0 | 1,417 | 8,500 | 0 | 8,500 | 0% |
| Total | 567,303 | 47,275 | 51,605 | (4,330) | 283,652 | 319,062 | (35,411) | 56% |
| Total Operating Expenses | 3,286,895 | 272,608 | 315,260 | (42,652) | 1,643,448 | 1,611,770 | 31,678 | 49% |
| Mortgage/HAP Payments: | | | | | | | | |
| Mortgage | 72,520 | 6,043 | 68,917 | (62,874) | 36,260 | 349,444 | (313,184) | 482% |
| Interest to City Loan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 72,520 | 6,043 | 68,917 | (62,874) | 36,260 | 349,444 | (313,184) | 482% |
| Other Expenses: | | | | | | | | |
| Extraordinary Maintenance | 181,240 | 15,103 | 0 | 15,103 | 90,620 | 160,080 | (69,460) | 88% |
| Total | 181,240 | 15,103 | 0 | 15,103 | 90,620 | 160,080 | (69,460) | 88% |
| Total Expenses | 3,540,655 | 293,755 | 384,177 | -90,422 | 1,770,328 | 2,121,294 | (350,967) | 60% |
| Operating Income before Dep | 1,139,846 | 96,287 | 14,830 | (81,457) | 569,923 | 274,431 | (295,492) | 24% |
| Depreciation (paper expense) | 497,935 | 41,495 | 43,125 | (1,630) | 248,968 | 258,750 | (9,783) | |
| Operating Income after Depr | 641,911 | 53,493 | (28,295) | (81,788) | 320,956 | 15,681 | (305,275) | |

# Unaudited Internal Budget Variance Report
# Independence Plaza
# For the Six Fiscal Months Ending December 31, 2014

| Account Description | Annual Budget | Monthly Budget | Monthly Actuals | Monthly Variance | Y-T-D Budget | Y-T-D Actuals | YTD Variance | S/B 50% USED |
|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME:** | | | | | | | | |
| Dwelling Rents | 1,380,000 | 115,000 | 121,484 | 6,484 | 690,000 | 700,962 | 10,962 | 51% |
| Interest | 1,442 | 120 | 0 | (120) | 721 | 768 | 47 | 53% |
| Other Income | 1,453,599 | 121,133 | 128,431 | 7,298 | 726,800 | 792,841 | 66,042 | 55% |
| Total Operating Income | 2,835,041 | 236,253 | 249,915 | 13,662 | 1,417,521 | 1,494,571 | 77,051 | 53% |
| **OPERATING EXPENSES:** | | | | | | | | |
| Administrative: | | | | | | | | |
| Salaries | 362,473 | 30,206 | 18,760 | 11,446 | 181,237 | 110,692 | 70,545 | 31% |
| Legal | 17,374 | 1,448 | 896 | 552 | 8,687 | 2,348 | 6,339 | 14% |
| Contract Costs | 53,377 | 4,448 | 2,195 | 2,253 | 26,689 | 18,573 | 8,116 | 35% |
| Sundry | 54,383 | 4,532 | 4,708 | (176) | 27,192 | 22,927 | 4,265 | 42% |
| Total | 487,607 | 40,634 | 26,559 | 14,075 | 243,804 | 154,540 | 89,264 | 32% |
| Tenant Services: | | | | | | | | |
| Salaries | 23,245 | 1,937 | 1,820 | 117 | 11,623 | 12,317 | (695) | 53% |
| Tenant Activities | 8,000 | 667 | 40 | 627 | 4,000 | 5,620 | (1,620) | 70% |
| Total | 31,245 | 2,604 | 1,860 | 744 | 15,623 | 17,937 | (2,315) | 57% |
| Utilities: | | | | | | | | |
| Water and Sewer | 135,990 | 11,333 | 46,727 | (35,395) | 67,995 | 69,884 | (1,889) | 51% |
| Electricity | 47,960 | 3,997 | 3,265 | 732 | 23,980 | 17,676 | 6,304 | 37% |
| Gas | 20,629 | 1,719 | 2,762 | (1,043) | 10,315 | 10,555 | (241) | 51% |
| Total | 204,579 | 17,048 | 52,754 | (35,706) | 102,290 | 98,115 | 4,175 | 48% |
| Maintenance: | | | | | | | | |
| Salaries | 343,759 | 28,647 | 19,133 | 9,514 | 171,880 | 114,795 | 57,085 | 33% |
| Materials | 45,500 | 3,792 | 2,171 | 1,621 | 22,750 | 30,006 | (7,256) | 66% |
| Contract Costs | 308,980 | 25,748 | 17,426 | 8,322 | 154,490 | 115,158 | 39,332 | 37% |
| Total | 698,239 | 58,187 | 38,730 | 19,457 | 349,120 | 259,959 | 89,161 | 37% |
| General: | | | | | | | | |
| Police Services | 37,590 | 3,133 | 3,028 | 105 | 18,795 | 17,745 | 1,050 | 47% |
| Insurance | 51,483 | 4,290 | 2,673 | 1,617 | 25,742 | 15,660 | 10,082 | 30% |
| Employee Benefits | 241,043 | 20,087 | 15,031 | 5,056 | 120,522 | 93,012 | 27,510 | 39% |
| Collection Loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 330,116 | 27,510 | 20,732 | 6,778 | 165,058 | 126,417 | 38,641 | 38% |
| Total Operating Expenses | 1,751,786 | 145,982 | 140,635 | 5,347 | 875,893 | 656,968 | 218,925 | 38% |
| Mortgage Interest | | | | | | | | |
| Mortgage Interest | 403,967 | 33,664 | 22,919 | 10,745 | 201,984 | 150,138 | 51,846 | 37% |
| Total | 403,967 | 33,664 | 22,919 | 10,745 | 201,984 | 150,138 | 51,846 | 37% |
| Other Expenses: | | | | | | | | |
| Extraordinary Maintenance | 71,440 | 5,953 | 0 | 5,953 | 35,720 | 2,218 | 33,502 | |
| Total | 71,440 | 5,953 | 0 | 5,953 | 35,720 | 2,218 | 33,502 | |
| Total Expenses | 2,227,193 | 185,599 | 163,554 | 22,045 | 1,113,597 | 809,324 | 304,273 | 36% |
| **Operating Income** before Dep | 607,848 | 50,654 | 86,361 | 35,707 | 303,924 | 685,247 | 381,323 | 113% |
| **Depreciation (paper expense)** | 314,808 | 26,234 | 28,239 | (2,005) | 157,404 | 169,434 | (12,030) | |
| **Operating Income after Depr** | 293,040 | 24,420 | 58,122 | 33,702 | 146,520 | 515,813 | 369,293 | |

# Unaudited Budget Variance Report
## Section 8 Voucher Program
## For the Six Months Ending December 31, 2014

| Account Description | Annual Budget | Monthly Budget | Monthly Actuals | Monthly Variance | Y-T-D Budget | Y-T-D Actuals | YTD Variance | S/B 50% USED |
|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME:** | | | | | | | | |
| Dwelling Rents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Interest | 0 | 0 | 0 | 0 | 0 | 428 | 428 | |
| Other Income | 24,743,772 | 2,061,981 | 2,010,837 | (51,144) | 12,371,886 | 12,168,525 | (203,361) | 49% |
| Total Operating Income | 24,743,772 | 2,061,981 | 2,010,837 | (51,144) | 12,371,886 | 12,168,953 | (202,933) | 49% |
| **OPERATING EXPENSES:** | | | | | | | | |
| Administrative: | | | | | | | | |
| Salaries | 950,205 | 79,184 | 66,795 | 12,389 | 475,103 | 426,378 | 48,725 | 45% |
| Legal | 11,030 | 919 | 2,116 | (1,197) | 5,515 | 6,958 | (1,443) | 63% |
| Contract Costs | 96,552 | 8,046 | 7,226 | 820 | 48,276 | 42,010 | 6,266 | 44% |
| Sundry | 110,636 | 9,220 | 7,653 | 1,567 | 55,318 | 42,573 | 12,745 | 38% |
| Total | 1,168,423 | 97,369 | 83,790 | 13,579 | 584,212 | 517,919 | 66,293 | 44% |
| Tenant Services: | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Tenant Activities | 100 | 8 | 0 | 8 | 50 | 168 | (118) | 168% |
| Total | 100 | 8 | 0 | 8 | 50 | 168 | (118) | 168% |
| Utilities: | | | | | | | | |
| Water and Sewer | 357 | 30 | 192 | (162) | 179 | 803 | (625) | 225% |
| Electricity | 8,480 | 707 | 494 | 213 | 4,240 | 3,018 | 1,222 | 36% |
| Gas | 496 | 41 | 56 | (15) | 248 | 215 | 33 | 43% |
| Total | 9,333 | 778 | 742 | 36 | 4,667 | 4,036 | 631 | 43% |
| Maintenance: | | | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Materials | 4,400 | 367 | 328 | 39 | 2,200 | 2,912 | (712) | 66% |
| Contract Costs | 15,750 | 1,313 | 13,077 | (11,765) | 7,875 | 25,718 | (17,843) | 163% |
| Total | 20,150 | 1,679 | 13,405 | (11,726) | 10,075 | 28,630 | (18,555) | 142% |
| General: | | | | | | | | |
| Police Services | 15,960 | 1,330 | 928 | 402 | 7,980 | 7,350 | 630 | 46% |
| Insurance | 4,110 | 343 | 502 | (160) | 2,055 | 2,806 | (751) | 68% |
| Employee Benefits | 313,980 | 26,165 | 27,639 | (1,474) | 156,990 | 171,683 | (14,693) | 55% |
| Claims Cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total | 334,050 | 27,838 | 29,069 | (1,232) | 167,025 | 181,839 | (14,814) | 54% |
| Total Operating Expenses | 1,532,056 | 127,671 | 127,006 | 665 | 766,028 | 732,592 | 33,436 | 48% |
| Mortgage/HAP Payments: | | | | | | | | |
| HAP | 23,154,752 | 1,929,563 | 1,884,507 | 45,056 | 11,577,376 | 11,333,758 | 243,618 | 49% |
| Other Expenses: | | | | | | | | |
| Extraordinary Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Expenses | 24,686,808 | 2,057,234 | 2,011,513 | 45,721 | 12,343,404 | 12,066,350 | 277,054 | 49% |
| Operating Income before Dep | 56,964 | 4,747 | (676) | 4,071 | 28,482 | 102,603 | 74,121 | |
| Depreciation (paper expense) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Operating Income after Depr | 56,964 | 4,747 | (676) | 4,071 | 28,482 | 102,603 | 74,121 | |

# Housing Authority of the City of Alameda
# Budget Variance Schedule of Significant Cash Items
# For the Reporting Period Ending December 31, 2014

| Description | | | Amount |
|---|---|---|---|
| Operating Income before Depreciation | | $ | 1,292,085 |
| | | | |
| Less: | | | |
| Principal portion of mortgage payments | (367,185) | | |
| Replacement Reserves-Mortgage Required | (58,089) | | |
| Capital Improvements | (1,349,645) | | |
| Sub-total | | | (1,774,919) |
| | | | |
| Net Cash (for these limited, but significant items) | | $ | (482,834) |

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

RE: Annual Review of Investment Policy

BACKGROUND

In February 1996 the Housing Commission adopted by resolution a revised Investment Policy for the investment of program funds provided by the U. S. Department of Housing and Urban Development (HUD) and to allow for less restrictive investment of non-HUD program funds.

Because of legislation, passed by the Federal and State governments during 1995 and 1996, all government agencies are required to review the investment policy at a public meeting of their officials once each year.

DISCUSSION

The State Legislature passed the following legislation, in 1995 SB 564 (Chapter 783) and SB 866 (Chapter 784) followed in July of 1996, two statutes modifying provisions of SB 564 and SB 866, SB 864 (Chapter 156) and AB 2845 (Chapter 81). The Federal Government through HUD issued Notice PIH 95-27 May 11, 1995 revised by Notice 96-33 June 4, 1996, reinstated by PIH 2002-13.

State legislation requires that the Authority Finance Director file an annual investment policy with the Board of Commissioners. It also requires that the Finance Director file a quarterly report with the Board of Commissioners on the status of all investments, compliance with the adopted investment policy and a certificate that the expenditure requirements for the next six months can be met.

California Government Code provides that each person or governing body investing public funds is a Trustee and, therefore, is a fiduciary subject to the Prudent Investor Standard. It further provides that the primary objectives when investing public funds are the safety of principal, preservation of liquidity and the return of an acceptable yield, in that order. The bill also prohibits the use of specific investment vehicles and limits the use of others, including reverse repurchase agreements.

The types of investments permitted under the State and Federal legislation are not different from the types of investments currently held by the Housing Authority. All Housing Authority investments are insured, government backed or fully collateralized securities that ensure the safety of the principal, preserve liquidity and provide an acceptable yield.

The attached Investment Policy follows a model investment policy provided by the Municipal Treasurers Association of the United States and Canada (as noted in Local Agency Investment Guidelines booklet prepared by the California Debt Advisory Commission approved by Matt Fong, when he was State Treasurer and Chairman).

FISCAL IMPACT

Does not apply.

RECOMMENDATION

It is recommended that the Board of Commissioners accept the report on the Investment Policy.

Respectfully submitted,

Vanessa M. Cooper
Executive Director

VC:AJO

Attachment

# INVESTMENT POLICY

SCOPE:

This investment policy applies to all liquid assets of the Housing Authority of the City of Alameda. These funds are accounted for in the Consolidated Annual Financial Statements, which includes the Housing Choice Voucher program and SRO Program.

PRUDENCE:

Investments shall be made with good judgment and care, under prevailing circumstances, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVE:

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities, shall be:

1. **Safety.** Safety of principal is the foremost objective of the investment program. Housing Authority investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. **Liquidity.** The investment portfolio will remain sufficiently liquid to enable the Housing Authority to meet all operating requirements which might be reasonably anticipated.

3. **Return on Investments.** The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. (California Government Code 53600.5)

DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from Section 401(E) of the HUD/PHA Annual Contributions Contract and California Government Code Sections 53601, et seq. Management responsibility for the investment program is hereby delegated to the Executive Director, who shall establish written procedures for the operation of the investment program consistent with this investment policy.

Procedures should include references to safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements, banking services contracts, as appropriate. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Executive Director.

The Executive Director is responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials. The Executive Director is a trustee and a fiduciary subject to the prudent investor standard. (California Government Code 53600.3)

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Executive Director will select financial institutions on the basis of credit worthiness, financial strength, experience and minimal capitalization, that are authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by State laws.

For brokers/dealers of government securities and other investments, the Executive Director will select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Executive Director will have received from said firm a signed Certification Form. This form will attest that the individual responsible for the Housing Authority's account with that firm has reviewed the Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Housing Authority that are appropriate under the terms and conditions of the Investment Policy.
AUTHORIZED AND SUITABLE INVESTMENTS:

1. The Housing Authority is empowered by HUD Notice PIH 96-33 (reinstated by PIH 2002-13) to invest HUD funds in the following:

   a. United States Treasury Bills, Notes and Bonds;

b. Obligations issued by Agencies or Instrumentalities of the U. S. Government;

c. State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by County treasuries;

d. Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100 percent collateralized by securities listed in "a" and "b" above;

e. Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in "a" and "b" above;

f. Insured Super NOW Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in "a" and "b" above;

g. Negotiable Certificates of Deposit (CDs) issued by federally- or state-chartered banks or associations. Not more than 30 percent of surplus funds can be invested in CDs;

h. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements will be no more than 102 percent of market value; (See special limits in HUD Notice 96-33 and CGC 53601.0.)

i. Sweep Accounts that are 100 percent collateralized by securities listed in "a" and "b" above;

j. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (i.e., Money Market Mutual Funds) Such Funds must carry the highest rating of at least two (2) national rating agencies. Not more than 20 percent of surplus funds can be invested in Money Market Mutual Funds;

k. Funds held under the terms of a Trust Indenture or other contract or agreement, including the HUD/PHA Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts;

l. Principal only STRIPS; and

m. Any other investment security authorized under the provisions of HUD Notice PIH 96-33.

2. The Housing Authority is empowered by California Government Code (CGC) Sections

5922 and 53601 et seq. to invest non-HUD funds in the following:

a. Bonds issued by the City of Alameda;

b. United States Treasury Bills, Notes and Bonds;

c. Registered state warrants or treasury notes or bonds issued by the State of California;

d. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasuries, other local agencies or Joint Powers Agencies;

e. Obligations issued by Agencies or Instrumentalities of the U. S. Government;

f. Bankers Acceptances with a term not to exceed 180 days. Not more than 40 percent of surplus funds can be invested in Bankers Acceptances and no more than 30 percent of surplus funds can be invested in the bankers acceptances of any single commercial bank;

g. Prime Commercial Paper with a term not to exceed 180 days and the highest rating issued by Moody's Investors Service or Standard & Poor's Corporation (S&P). Commercial paper cannot exceed 10 percent of total surplus funds, provided, that if the average maturity of all Commercial paper does not exceed 31 days, up to 30 percent of surplus funds can be invested in Prime Commercial paper;

h. Negotiable Certificates of Deposit (CDs) issued by federally- or state-chartered banks or associations. Not more than 30 percent of surplus funds can be invested in CDs;

i. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements will be no less than 102 percent of market value. Reverse repos cannot constitute more than 20 percent of AHA's portfolio. Reverse repos are also limited to 92 days unless the minimum spread between the rate on investment and cost of funds is guaranteed in writing. (See special limits in CGC 53601.)

j. Medium term notes, not to exceed five (5) years of U. S. corporations rated "A" or better by Moody's or S&P. Not more than 30 percent of surplus funds can be invested in medium term notes;

k. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (i.e., Money Market Mutual Funds). Such Funds must carry the highest rating of at least two national rating agencies. Not more than 15 percent of surplus funds can be invested in Money Market Mutual Funds. In addition, no more than 10 percent of AHA's portfolio may be invested in any single mutual fund.

l. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements;

m. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations;

n. Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five (5) years. Securities in this category must be rated "AA" or better by a national rating service. No more than 20 percent of surplus funds can be invested in this category of securities; and

o. Any other investment security authorized under the provisions of CGC 5922 and 53601.

3. Also, see CGC 53601 and Attachment A to HUD Notice 96-33, "HUD Approved Investment Instruments," for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC 53601 and Attachment A are attached and included by reference in this Investment Policy.

4. Under the provisions of CGC 53631.5, the Housing Authority will not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

COLLATERALIZATION:

1. The percentage of collateralization on repurchase agreements will conform to the amount required under CGC 53601 (i)(2).

SAFEKEEPING AND CUSTODY:

1. All security transactions entered into by the Housing Authority will be conducted on delivery-versus-payment (DVP) basis.

2. All securities purchased or acquired will be delivered to the Board of Commissioner of the Authority by book entry, physical delivery, or by third-party custodial agreement. (CGC 53601)

## INVESTMENT POLICY

DIVERSIFICATION:

It is the policy of the Housing Authority to diversify its investment portfolio. The Authority will diversify its investments by security type and, within each type, by institution. Assets will be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies will be determined and revised periodically. In establishing specific diversification strategies, the following guidelines will apply:

1. Portfolio maturities will be matched against projected liabilities to avoid an over concentration in a specific series of maturities.

2. Maturities selected will provide for stability and liquidity.

3. Disbursement and payroll dates will be covered by the scheduled maturity of specific investments, marketable U. S. Treasury Bills or Notes or other cash equivalent instruments, such as money market mutual funds.

MAXIMUM MATURITIES:

To the extent possible, the Housing Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Housing Authority will not directly invest in securities maturing more than one year from the date of purchase. However, the Housing Authority may collateralize its repurchase agreements using longer-dated investments not to exceed one year to maturity.

Reserve funds may be invested in securities exceeding one year if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

INTERNAL CONTROL:

The Housing Authority shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

REPORTING:

**INVESTMENT POLICY**

The Executive Director shall submit to each member of the Board of Commissioners a quarterly investment report. The report will include:

1. A complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed by third party contractors.

2. The source of the portfolio valuation. In the case of funds invested in the LAIF, FDIC Insured accounts or county investment pools, current statements from those institutions will satisfy the above reporting requirements. The report will also include a certification that:

   a. All investment actions executed since the last report have been made in full compliance with the Investment Policy; and

   b. The Housing Authority will meet its expenditure obligations for the next six months. [CGC 53646(b)]

3. The Executive Director will maintain a complete and timely record of all investment transactions.

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Approve Resolution to Accept a Quitclaim Deed and Grant an Access Easement at Stargell Commons Project Site and Authorize Executive Director to Execute Related Documents

## BACKGROUND

Stargell Commons is a proposed 32 unit rental project at Alameda Landing that will be jointly developed by the Housing Authority and Resources for Community Development (RCD). The project site is subject to a Disposition and Development Agreement (Alameda Landing DDA) between the Successor Agency of the Community Improvement Commission of the City of Alameda and Catellus Alameda Development, LLC. The Alameda Landing DDA states that the project site will be acquired by the Housing Authority in order to construct the multi-family project. The site includes both a primary parcel where the residential units, community space and the main parking area will be built, and a secondary overflow parking parcel.

## DISCUSSION

The Stargell Commons project site and the adjacent improvements are currently being prepared for building construction by Catellus Development. The anticipated project schedule is shown below.

| SCHEDULED DATE | CRITICAL EVENT |
|---|---|
| January 2015 | Final environmental clearance (State of CA and EPA) |
| February 2015 | Transfer of project site and easement granted from City to AHA |
| March 2015 | RCD applies for tax credit allocation |
| July 2015 | Award of tax credits |
| August 2015 | Catellus completes project site infrastructure |
| December 2015 | Construction loan closing |
| August 2016 | Completion of construction and first occupancy |
| March 2017 | Project stabilization and conversion to permanent financing |

At this time, there are two events that might delay the project schedule. These are any delay in obtaining the final environmental release from the State Department of Toxic Substances or a delay in the award of a tax credit allocation.

In order to move forward with the development project, staff requests Board approval of two actions that are described in the attached Resolution. The first action is to accept a Quitclaim Deed from the Successor Agency of the City of Alameda that will convey ownership of Lot 108 at Alameda Landing to the Housing Authority. Once the Stargell Commons project has obtained all necessary funding and permits, the project site will be ground leased to a newly formed tax credit partnership for 75 years. The Housing Authority affiliate (Island City Development) will be a co-general partner in the tax credit partnership. The second action is to accept an access easement that runs from Willie Stargell Road to the project site. The access easement is being granted temporarily to allow for construction, and will expire once the new road (Bette Street) has been completed.

The attached Resolution and all legal documents associated with the transfer of the deed and the access easement have been prepared by the law firm of Miller Starr Regalia.

## FINANCIAL IMPACT

The costs associated with the transfer of the site and granting of the access easement include legal services and land survey costs. These are eligible pre-development expenses that will be reimbursed by the construction loan proceeds at the time the construction loan is closed. The total cost of Housing Authority legal and survey services for the project will be approximately $50,000.

## RECOMMENDATION

Approve Resolution to accept a Quitclaim Deed and grant an Access Easement at the Stargell Commons Project Site and authorize the Executive Director to execute all related documents.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

VMC/VJ

Attachment: Resolution

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

# *Resolution No.______*

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE (1) TO ACCEPT A QUITCLAIM DEED FROM THE SUCCESSOR AGENCY FOR THE PROJECT SITE AND (2) TO ACCEPT AN ACCESS EASEMENT FOR A PORTION OF THE PROJECT SITE**

**WHEREAS,** the Successor Agency of the Community Improvement Commission of the City of Alameda (the "Successor Agency") is engaged in activities necessary to carry out and implement that certain Disposition and Development Agreement (Alameda Landing Mixed Use Project), dated as of December 5, 2006 (as amended and assigned, the "DDA"); and

**WHEREAS,** pursuant to ABx1 26 (as revised by AB 1484), on February 1, 2012, the Successor Agency acquired real property subject to the DDA (the "Alameda Landing Property") by operation of law; and

**WHEREAS,** Section 7.4 of the DDA contemplates conveyance of a portion of the Alameda Landing Property to the Housing Authority of the City of Alameda (the "Housing Authority") for development of a multifamily affordable housing project (the "Project"); and

**WHEREAS,** on May 15, 2013, the Housing Authority Board of Commissioners selected Resources for Community Development, as the developer of the Project; and

**WHEREAS,** on June 18, 2013, the City Council of the City of Alameda (the "**City**") approved and adopted Resolution No. 1483, which, among other things, approved Tentative Map PLN-13-0060 (the "Tentative Map"), a 108-lot subdivision of a portion of the Alameda Landing Property; and

**WHEREAS,** Lot 108 as shown the Tentative Map is the site designated for development of the Project, together with a triangular portion of Lot AI to the west of Lot 108 as shown on the Tentative Map across the portion of Lot AI to be improved as the future Bette Street (the "Overflow Parking Area") (collectively, the "Project Site"); and

**WHEREAS**, pursuant to California Environmental Quality Act (CEQA), the City, as the lead agency has undertaken the required analysis of the environmental impacts of the Project and based on its independent judgment and based on substantial evidence in the record, the City finds the Project to be exempt from CEQA pursuant to California Public Resources sections 21159.21, 21159.23 (Exemption for affordable housing) and 21159.24 (Exemption for infill affordable housing), as well as CEQA Guideline section 15332 (Infill development projects). Furthermore, the Project does not trigger any of the exceptions in CEQA Guidelines section 15300.2 in that the Project will not have any significant effects due to unusual circumstances or any cumulatively significant impacts and will not adversely impact any designated historic resources.

**WHEREAS,** to facilitate development of the Project on the Project Site it is necessary for the Housing Authority to accept conveyance of the Project Site pursuant to a quitclaim deed (the "Quitclaim Deed") from the Successor Agency prior to recordation of the Final Map PLN-13-0060 ("Final Map") and to accept an access easement (the "Easement") over a portion of the future Bette Street to facilitate access to and from the Overflow Parking Area until recordation of the Final Map; and

**WHEREAS,** on ____________, 2014, the Housing Authority Board of Commissioners held a public meeting to consider the approval of the Quitclaim Deed and the Easement after publishing notice of the public meeting as required by law, and heard all interested persons expressing a desire to comment thereon or object thereto, and considered the Quitclaim Deed and the Easement; and

**NOW, THEREFORE, BE IT RESOLVED,** that the Board of Commissioners hereby approves the Quitclaim Deed and the Easement, using its own independent judgment.

**BE IT FURTHER RESOLVED,** that the Board of Commissioners hereby authorizes the Executive Director to accept the Quitclaim Deed and the Easement (both on file in the Office of the City Clerk and in the Housing Authority's public reference binder) subject to any minor conforming, technical or clarifying changes approved by the Executive Director and Housing Authority counsel. The Executive Director and Secretary of the Housing Authority are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Quitclaim Deed and the Easement from the Successor Agency.

******

ATTEST:

Vanessa M. Cooper
Executive Director/Secretary

Arthur Kurrasch, Chair
Board of Commissioners

**Adopted:**

Date

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Approve a Short List of Qualified Legal Firms and Authorize the Executive Director to Negotiate Terms and Execute a Final Contract Agreement for Tax Credit Counsel

## BACKGROUND

Any time the Housing Authority wishes to develop new rental units or to redevelop an existing project through the use of low income housing tax credits, the services of specialized tax credit counsel are required. Housing Authority general counsel will continue to provide certain legal advice during the real estate development process, but specialized legal counsel can provide specific services related to the preparation of a tax credit application, detailed review of transaction documents, negotiation with tax credit investors and to assist with the financial closing.

A public solicitation for tax credit counsel services was issued on November 25, 2014 and responses were due on December 19, 2014. Five legal firms responded to the solicitation. The firms that responded are listed on Attachment A.

## DISCUSSION

The response submissions were reviewed by three staff members. The evaluation criteria included four factors:
- Demonstrated understanding of the service requested
- Prior experience in performing similar work
- Qualifications of the firm and assigned individuals
- Fees charged and cost effectiveness of the proposed service

Of the five firms that responded, four firms successfully demonstrated understanding of the service requested and have extensive experience working with the low income housing tax credit program. The firm of Dongell, Lawrence and Finney has extensive experience with affordable housing legislation and housing policy but lacks real estate transaction experience.

Based on staff review of the responses, staff recommends that other four firms be placed on a short list of pre-qualified legal firms. Staff further seeks Board authorization to allow the Executive Director to determine which firm is best suited for a specific project and to execute contract agreements for tax credit counsel legal services when needed.

## FINANCIAL IMPACT

During the feasibility phase of development, legal services may be incurred to assist with review of documents. In this case, limited services will be requested and legal fees will be billed on an hourly basis and paid from funds set aside for feasibility. When a development project is underway, legal fees are paid for from the approved pre-development budget, and the expense is reimbursed by the construction loan proceeds at the start of construction. Generally, the total cost of legal services will fall between $35,000 and $50,000 depending on the complexity of the transaction.

## RECOMMENDATION

Authorize the Executive Director to approve a short list of qualified firms and to execute a contract agreement for tax credit counsel legal services.

Respectfully submitted,

Vanessa Coo

Vanessa M. Cooper
Executive Director

VMC/VJ

Attachment A – Tax Credit Counsel Responses

## Attachment A
## TAX CREDIT COUNSEL: RESPONSES RECEIVED TO REQUEST FOR QUALIFICATIONS

| Name Of Firm | Address | Contact Name, Title | Demonstrated Relevant Experience | Prior Housing Authority Experience |
|---|---|---|---|---|
| Goldfarb Lipman Attorneys | 1300 Clay Street, 11th Fl. Oakland, CA 94612 | Jennifer K. Bell, Partner | Y | Y |
| Downs Pham & Kuei LLP | 1 Embarcadero Center St. 500 San Francisco, CA 94111 | Tuan A Pham, Partner | Y | Y |
| Carle, Mackie, Power & Ross LLP | 100 B Street, Suite 400 Santa Rosa, CA 94501 | Henry Loh II, Senior Associate | Y | Y |
| Dongell Lawrence Finney LLP | 707 Wilshire Blvd., St. 4500 Los Angeles, CA 90017 | Tal C. Finney, Named Partner | N | N |
| Ballard Spahr LLP | 2029 Century Park E. Suite 800 Los Angeles, CA 90067 | Amy McClain, Partner | Y | Y |

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

To: Honorable Chair and Members
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

RE: Payoff Two US Bank Loans

BACKGROUND

On July 26, 1996, AHA purchased property at 1917 Stanford and entered into a mortgage loan with US Bank in the amount of $193,000 secured by AHA's owned property at 1917 Stanford known as Stanford House at a 5.05% interest rate. The current balance on the loan secured by 1917 Stanford is $111,516. On October 9, 1996, AHA acquired the property at the Lincoln/Willow Complex and entered into a mortgage loan with US Bank for $218,177 at a 6.0% interest rate. The current balance on the Lincoln/Willow loan is $130,923. There currently is no prepayment penalty on these US Bank loans.

DISCUSSION

At June 30, 2014, AHA had over $35 million in Cash assets and an unrestricted operating reserve of over $28 million. In the current low interest environment, AHA's investment yield is .26% so it makes sense to payoff higher interest rate loans at 5% and 6%. This will result in reducing annual interest cost by $13,400 and improving cash flow through reduced overall debt service by over $28,000. Paying off these two loans will also reduce AHA overall debt and free two more owned properties of debt.

FISCAL IMPACT

Cash assets will be reduced by $242,439 and debt will be reduced by $242,439. Interest expense will be lowered by $13,400 and cash flow will increase by $28,000 annually.

RECOMMENDATION

The Executive Director and staff recommend these two US Bank loans be paid off as soon as possible.

Respectfully Submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director
VC:ajo
Attachments: 1. Budget Variance Report

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

To: Honorable Chair and
Members of the Board of Commission

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Write-off of Uncollectible Account Receivable

## BACKGROUND

Periodically, the Housing Authority writes-off uncollectible rent and miscellaneous charges from its books. The term write-off indicates a procedure where past due amounts from tenants or voucher participants are removed from its books after the usual means of collection have been exhausted. For budget purposes, this write-off appears as an expense. This procedure does not preclude the Housing Authority from continuing to pursue collection through a collection agency. Future collection of amounts previously written-off will reduce future expenses.

## DISCUSSION

This request is to write-off accounts receivable for a Section 8 Housing Choice Voucher participant whose outstanding debt to the Housing Authority has been discharged through a court-order bankruptcy decree. The debt was incurred based on unreported income from June 1996 to June 1997. The amount of this write-off is $9.030.00 and is the remaining amount of a repayment agreement between the participant and the Housing Authority signed in 1998. Uncollected Tenant Accounts Receivable is a budgeted expense item.

## BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no financial impact to current financials as a result of this write-off because AHA has already set-up an allowance for bad debt reserve for this receivable.

## RECOMMENDATION

Staff recommends approval to write-off this repayment agreement account receivable in the amount of $9,030.00.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Approve an Amendment to Contract with Sterling Cos. Inc Establishing a Limit of no more than $150,000 for the Contract and Extending the End Date to February 17, 2019, and Authorize the Executive Director to Execute Amendment

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## BACKGROUND

The Housing Authority of the City of Alameda is not permitted to provide Housing Quality Standards (HQS) on the properties that it owns, manages or controls. In addition to the 572 units directly owned by AHA, the other tax credit properties co-owned with local nonprofits (Breakers, Shinsei Gardens and Park Alameda) are also subject to this requirement. Furthermore, additional coverage is needed to meet with gaps in AHA staffing availability.

On November 8, 2013, the Housing Authority issued a Request for Proposals for HQS Inspections Services. Two firms responded. The highest scored firm, Sterling Cos Inc, was selected.

On February 18, 2014, a consultant agreement between the Housing Authority and Sterling Cos. Inc was executed with an initial term of 1 year. No maximum compensation limit was set at that time.

## DISCUSSION

Staff is requesting an amendment to the contract with Sterling Cos. Inc, providing a total contract amount not to exceed $150,000 and extending the end date to February 17, 2019, for a total of five years of services. After this time, services will need to be rebid.

AHA expects to use the services of Sterling Cos. Inc to assist with inspections of AHA owned units and for other units as needed where gaps in staffing over the course of the contract period. Sterling Cos Inc. may also provide scheduling services if necessary during the course of the contract. This was included in the original bid packet in 2013.

Sterling Cos Inc provides HQS services for most Bay Area Housing Authorities. AHA has contracted with Sterling for many years and has expended the following amounts most recently.

| | |
|---|---|
| FY 2012 | $51,491 |
| FY 2013 | $27429 |
| FY 2014 | $19,893 |
| FY 2015 | $12,536 (partial year) |

FINANCIAL IMPACT

Staff is not expecting the upward adjustment to have an impact as this contract is within the current operating budget for Section 8 expenses.

RECOMMENDATION

Approve the amendment to the Sterling Cos. Inc contract.

Respectfully submitted,

Vanessa Coor.

Vanessa M. Cooper
Executive Director

VMC: tms

Attachments:

- Contract Amendment

AMENDMENT NO. 1 TO CONSULTANT AGREEMENT

This Amendment of a Consultant Agreement by and between the Housing Authority of the City of Alameda, public body, corporate and politic (hereinafter "AHA") and Sterling Cos Inc., a California Limited Liability Partnership, whose address is 1322 Del Mar Avenue, Vallejo, CA 9558 (hereinafter "Consultant"), made with reference to the following:

RECITALS

A. On February 18, 2014, a Consultant Agreement was entered into by and between AHA and Consultant.

B. The effective date of this Amendment shall be January 21, 2015.

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

D. The Original Consultant Agreement had no financial limit and a one-year term of the contract.

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

The Compensation to Consultant will be increased providing a total contract amount not to exceed $150,000 and extending the end date to February 17, 2019, for a total of five years of services.

The applicable fee schedule for the duration of the contract extension will be as stated in the original contract.

AHA may choose to use the scheduling services offered in the original proposal as part of this total contract amount.

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

| | |
|---|---|
| Sterling Cos Inc | Housing Authority of the City of Alameda |
| ______________________ | ______________________________ |
| | Vanessa M. Cooper<br>Executive Director |

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Approve an Amendment to Contract with Koff and Associates LLC Establishing a Limit of No More than One Hundred and Twenty Five Thousand Dollars ($125,000) and Extending the End Date to June 12, 2016 and Authorize the Executive Director to Execute Amendment

## BACKGROUND

Prior to the Housing Authority achieving its autonomy, the City of Alameda Human Resources Department was acting as the Human Resources Department for the Housing Authority. Koff was selected in 2012 following a Request for Proposals (RFP) process in the prior year. Five firms applied.

On June 11, 2012, a consultant agreement between the Housing Authority and Koff & Associates was executed with an initial term of 1 year and the ability to extend for a further two years. The agreement provided a contract limit for the first year of forty-four thousand five hundred dollars and zero cents ($44,500.00) with a provision (page 1) that "*Additional years will be negotiated based upon projects and ongoing services to be provided*".

The scope of the contract was divided into four key tasks:

- Recruiting for Management Analyst
- Compensation Study
- Job Classifications and Compensation
- Human Resources Administration Services

The first three items were completed in 2012-13. Human Resources Administration Services has continued since the start of the contract as AHA does not have a dedicated HR position in the budget.

The following amounts have been paid to date:

| | |
|---|---|
| FY 2012 | $11,846 |
| FY 2013 | $50,359 |
| FY 2014 | $34,392 |
| FY 2015 | $ 4,836 |

DISCUSSION

Staff is requesting an amendment to the contract with Koff & Associates LLC, increasing the not to exceed amount of the contract to a total not to exceed amount of one hundred and twenty five thousand dollars ($125,000) and extending the end date to June 12, 2016, for a total of five years of services. This is expected to meet the current need for HR Administration Services as defined in the contract:

*"Human Resource Administration Services: Consultant will be available on a "stand-by" basis for AHA's miscellaneous needs. Advice will be provided on a variety of topics including employee relations issues, assistance with various labor laws, wage and hour issues for exempt and non-exempt employees, personnel files and record keeping, performance evaluations, forms, etc."*

AHA expects to use the services of Koff and Associates LLC to assist with on going HR administration including recruitments, background checks, compliance with labor laws, personnel actions as well as updating the HR procedures and policies and record keeping.

FINANCIAL IMPACT

We are not expecting the upward adjustment in this contracts as this increase will fit within the current operating budget for consulting expenses.

RECOMMENDATION

Approve the amendment to the Koff & Associations LLC contract.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

VMC: vmc

Attachments: Contract Amendment

AMENDMENT NO. 1 TO CONSULTANT AGREEMENT

This Amendment of a Consultant Agreement by and between the Housing Authority of the City of Alameda, public body, corporate and politic (hereinafter "AHA") and KOFF & ASSOCIATES INC. , a California Limited Liability Partnership, whose address is 2835 7th Street, Berkeley, CA 94710 (hereinafter "Consultant"), made with reference to the following:

RECITALS

A. On June 11, 2012, a Consultant Agreement was entered into by and between AHA and Consultant.

B. The effective date of this Amendment shall be January 21, 2015.

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

D. The Original Consultant Agreement limited the Compensation to Consultant to not exceed forty four thousand five hundred dollars and zero cents ($44,500.00) for the initial one-year term of the contract.

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

The Compensation to Consultant will be increased a total not to exceed amount of one hundred and twenty five thousand dollars ($125,000) and extending the end date to June 12, 2016, for a total of five years of services.

The applicable fee schedule for the duration of the contract extension will be

- President & CEO $160/hour
- Senior Project Manager $125/hour
- Associates $110/hour
- Technical/Admin Support $60/hour

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

| | |
|---|---|
| KOFF & ASSOCIATES INC | Housing Authority of the City of Alameda |
| ______________________ | ______________________ |
| Georg Krammer<br>Partner | Vanessa M. Cooper<br>Executive Director |

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Housing Choice Voucher Waitlist Update

BACKGROUND

The Housing Choice Voucher Wait List will open from January 29-February 3 to accept on-line applications. Due to the need for affordable housing in Alameda and the wider Bay area, and the long period of time since this opportunity was last available through the AHA, we anticipate that thousands of applications will be received, of which 750 will be randomly selected for placement on the HCVP wait list and processed for eligibility and voucher issuance over the next two to three years.

Weekly planning meetings for this event began in October 2014 to establish policies, procedures, and resources needed to ensure an open, accessible, successful and smooth process. Over the past three months, the planning group has

- reviewed similar openings conducted by other PHAs,
- established the wait list opening period,
- obtained Board of Commissioner approval of the wait list opening and related expenses,
- procured a qualified software vendor and worked with them to customize the on-line application and process,
- solicited participation by area community-based organizations as Application Centers and Outreach Partners,
- established a process for Reasonable Accommodations as may be needed for applicants, and
- created an extensive marketing plan including printed materials, website notices, and telephone access to information in multiple languages.

The application process will be entirely on-line and accessible from computers, tablets, and smart phones. The application will be hosted on an external website with back up systems to ensure round-the-clock access during the opening period, with links to the site from the AHA and City of Alameda websites. Extensive information and Frequently Asked Questions (FAQs) will be available on the AHA website in multiple languages.

Eleven area organizations will serve as Application Centers to facilitate wide and effective access to the online process: Mastick Senior center, Alameda Point Collaborative, Alameda Boys & Girls Club, Islamic Center of Alameda, Alameda One-Stop Career Center at the College of Alameda, Ethiopian Community Cultural Center, Family Violence Law Center, United Indian nations, AIDS Project of the East bay, Alternatives in Action, and the Lions' Center for the Blind. Computer access, volunteer assistance, and AHA staff liaisons will be available at these sites. Training will be provided to these Application Centers and a more general Orientation Session open to all area organizations will be held to review the application process and answer questions so that these local providers can help their stakeholders access the process and promote this opportunity within their community.

For persons with disabilities who are unable to access the online process directly, at the Application centers, or with assistance from family or friends, the AHA will provide reasonable accommodations based on requests submitted by email or an external mailbox by January 31, 2015.

RECOMMENDATION

For information only.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

VMC/

Housing
Authority of the City of Alameda

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Amend the Administrative Plan Chapter 16 to Make Mandated Changes From Building to Project, to Allow for Proposal Scoring Criteria to be Stipulated in the Request for Proposals, and to Update Regulation References

(Amendment 2015-1)

## BACKGROUND

The Administrative Plan for the Housing Choice Voucher Program (HCVP) for the AHA establishes the policies and procedures whereby the Housing Authority will administer HCVP tenant-based and project-based rental assistance programs under contract to HUD and in accordance with applicable statutes, HUD regulations, and state and local law.

## DISCUSSION

On June 25, 2014, HUD issued The Housing and Economic Recovery Act of 2008 (HERA): Changes to the Section 8 Tenant-Based Voucher and Section 8 Project-Based Voucher Programs; Final Rule. This implemented many changes to the Project-Based Voucher (PBV) program. With this rule, the regulations were extensively revised and the word "building" was changed to "project" throughout the regulations in regards to the cap on PBV assistance.

One objective of this revision is to make all the changes implemented by HERA and this rule, including updating references to the regulations and adding or removing language that was added or removed from the regulations.

The second objective of this revision is to allow for greater flexibility in specifying the criteria for a Request for Proposals (RFP) under the PBV program. The Administrative Plan contains Ranking and Selection Checklists that are very precise. The scoring for PBV proposals should be precise, but the Housing Authority may need the flexibility to change criteria between requests. The detailed listing (with point values) is removed from the Administrative Plan, and replaced with a more general listing of items to score proposals on and the requirement that the RFP specify the scoring criteria.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This Amendment to the HCVP Administrative Plan will not have a significant financial impact.

RECOMMENDATION

We recommend approval of the attached Amendment (2015-01) to the HCVP Administrative Plan.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

VMC:tms

Attachment:

AHA Housing Choice Voucher Program Administrative Plan Amendment 2015-01

AHA Housing Choice Voucher Program Administrative Plan Amendment: 2014-04

Program: Housing Choice Voucher Program (HCVP)
Effective Date: January 22, 2015

Purpose: This amendment to the Administrative Plan of the Housing Authority of the City of Alameda (AHA) Section 8 Administrative Plan revises Chapter 16 to update the regulation references due to the Final Rule issued June 25, 2014 and to allow the scoring of applications for Project-Based vouchers to be specified in the Request for Proposals rather than pre-determined in the Administrative Plan.

---

Proposed deletions are struck-out and proposed additions are underlined.

1. Revise Chapter 16, Section 16-II.A. OVERVIEW to make a mandated change from building to project.

In this document, the AHA will describe the procedures for owner or owner's designee submission of PBV proposals, AHA selection of PBV proposals, describe how the AHA will determine that PBV proposals comply with HUD program regulations and requirements, that proposals comply with the cap on the number of PBV units per project~~building~~, and meet site selection standards.

2. Revise Chapter 16, Section 16-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51] to remove reference to the Alameda Times Star as it is no longer a publication and to allow for scoring criteria to be specified within general categories in the Request for Proposal issued for Project-Based vouchers.

AHA Request for Proposals for Rehabilitated and Newly Constructed Units

The AHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in one of the following newspapers:

- *Alameda Journal*
- ~~*Alameda Times-Star*~~

In addition, the AHA will post the RFP and proposal submission and selection procedures on its website (www.alamedahsg.org).

The AHA will publish its notice at least once in the newspapers and trade journals mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. Proposals will be due in the AHA office by close of business no less than three weeks from the date of publication.

In order for the proposal to be considered, the owner or owner's designee (hereinafter referred to as "owner") must submit the proposal to the AHA by the published deadline date and time, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed. All proposals will be time and date stamped upon submission.

The AHA will rate and rank proposals for **rehabilitated** and **newly constructed** housing using the criteria listed on the Ranking and Selection Checklist~~. The Checklist for each RFP will be posted on the AHA website and~~ in the RFP advertisement. ~~A sample of the Ranking and Selection Checklist is below:~~

| ~~TERM OF CONTRACT REQUESTED (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
|---|---|
| ~~Fifteen years~~ | ~~20~~ |
| ~~Eight to 11 years~~ | ~~10~~ |
| ~~Five to seven years~~ | ~~5~~ |
| ~~SITE LOCATION (MIN. 10 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If not a project for the elderly or disabled, site is within three miles of places of significant employment, offering a range of jobs for lower income workers, and a significant health facility.~~ | ~~20~~ |
| ~~Same as above but distance is more than three miles but less than five miles~~ | ~~10~~ |
| ~~If a project for the elderly or disabled, site is within 1/4 mile of shopping, significant health facility and neighborhood services, or is within 1/4 mile of bus to these services.~~ | ~~20~~ |
| ~~Same as above but distance is more than 1/4 mile but less than two miles~~ | ~~10~~ |
| ~~DESIGN (MIN. 10 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If architectural elevations, setbacks, and massing are considered acceptable for proposed use and in relation to adjacent land uses by City Planning Department staff; project amenities are appropriate for the planned use.~~ | ~~20~~ |
| ~~If the proposed project meets most of the above criteria and only slight modifications will be necessary to meet City Planning approval.~~ | ~~10~~ |
| ~~* Project Amenities: If a family housing development, the site plan provides for laundry facilities, recreational facilities on site or such facilities exist within 1/4 mile of the project site. If a senior housing development, in addition to the above, units should have access to exterior in form of balconies or first floor patios and interior common areas with square footage not less than required under CA Tax Allocation Committee Requirements.~~ | |

| ~~DEVELOPMENT EXPERIENCE (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
|---|---|
| ~~If applicant has developed 100 or more low-income housing units as primary or co-sponsor in the past five years.~~ | ~~10~~ |
| ~~If applicant has developed between 50 and 100 low-income housing units as primary or co-sponsor in the past five years.~~ | ~~5~~ |
| ~~OWNER EXPERIENCE (MIN. 1 PT. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If applicant has 20 or more years experience in owning affordable rental housing.~~ | ~~5~~ |
| ~~If applicant has 10 to 19 years experience in owning affordable rental housing.~~ | ~~2~~ |
| ~~If applicant has 20 or more years experience in owning other types of rental housing.~~ | ~~2~~ |

| | |
|---|---|
| ~~If applicant has 10 to 19 years experience in owning other types of rental housing.~~ | ~~1~~ |
| **MANAGEMENT EXPERIENCE (MIN. 1 PT. REQUIRED)** | **MAX. PTS. AVAIL.** |
| ~~If applicant has 20 or more years experience in managing and maintaining affordable rental housing.~~ | ~~5~~ |
| ~~If applicant has 10 to 19 years experience in managing and maintaining affordable rental housing.~~ | ~~2~~ |
| ~~If applicant has 20 or more years experience in managing and maintaining other types of rental housing.~~ | ~~2~~ |
| ~~If applicant has 10 to 19 years experience in managing and maintaining other types of rental housing.~~ | ~~1~~ |
| **PROJECT FEASIBILITY/READINESS TO COMMENCE CONSTRUCTION (MIN. 10 PTS. REQUIRED)** | **MAX. PTS. AVAIL.** |
| ~~If zoning and other required entitlements are approved and 80% of amount of projected construction period or permanent period debt financing required for feasibility is conditionally committed and/or reserved by official governmental action.~~ | ~~20~~ |
| ~~If zoning and other required entitlements are approved and 50% but less than 80% of amount of projected construction period or permanent period debt financing required for feasibility is conditionally committed and/or reserved by official governmental action.~~ | ~~10~~ |
| **PUBLIC PURPOSE (MIN. 5 PTS. REQUIRED)** | **MAX. PTS. AVAIL.** |
| ~~75% or more of units will be restricted to low- or very-low income occupancy~~ | ~~20~~ |
| ~~50% to 74% of units will be restricted to low- or very-low income occupancy~~ | ~~10~~ |
| ~~25% to 49% of units will be restricted to low- or very-low income occupancy~~ | ~~5~~ |
| ~~Other City-identified priority needs.*~~ | ~~10~~ |
| ~~* Priority needs would be those indicated in the City of Alameda Consolidated Plan for a particular community or any other official document that indicates a community's needs as it relates to housing. Applicants will be asked for justification/documentation of how their projects meet priority needs.~~ <br><br> ~~NOTE: No more than 20 points will be given in this category.~~ | |

An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60 % of the total maximum available points. If there are a limited number of vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the date and time of submission will be the tie-breaker.

The Ranking and Selection Checklist will include, but is not limited to, the following scoring components:

- Site location adequacy (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Design adequacy (amenities and physical layout of project to meet the needs of the population served);
- Project Feasibility – Financial;

- Project Feasibility – Developer and Management experience;

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;

- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities;

- Social Services provided onsite; and

- Other criteria stated in the RFP.

AHA Requests for Proposals for Existing Housing Units

The AHA will advertise its request for proposals (RFP) for existing housing in at least one of the following newspapers:

- *Alameda Journal*
- ~~*Alameda Times-Star*~~

In addition, the AHA will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.

The AHA will periodically publish its notice in the newspapers ~~and trade journals~~ mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. If ~~O~~owner proposals will be accepted on an ongoing basis with an evaluation taking place when the AHA has received a minimum of five proposals or four weeks have past, whichever comes first, the public notice will state this. The proposals will be evaluated using the criteria listed on the Ranking and Selection Checklist. The Checklist for each RFP will be posted on the AHA website and RFP advertisement. ~~A sample of the Ranking and Selection Checklist is below:~~

| ~~TERM OF CONTRACT REQUESTED (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
|---|---|
| ~~Fifteen years~~ | ~~20~~ |
| ~~Eight to 11 years~~ | ~~10~~ |
| ~~Five to seven years~~ | ~~5~~ |
| ~~COMMUNITY AMENITIES (MIN. 10 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If not a project for the elderly or disabled, site is within two miles of places of significant employment, offering a range of jobs for lower income workers, and a significant health facility.~~ | ~~20~~ |
| ~~Same as above but distance is more than two miles but less than five miles~~ | ~~10~~ |
| ~~If a project for the elderly or disabled, site is within 1/4 mile of shopping, significant health facility and neighborhood services, or is within 1/4 mile of bus to these services.~~ | ~~20~~ |
| ~~Same as above but distance is more than two miles but less than two miles~~ | ~~10~~ |
| ~~UNIT/APT. COMPLEX AMENITIES (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~Unit amenities include the following: features adapted for persons with disabilities, off-street parking, laundry facilities, porches/decks, play area for children, recreational facility for children and adults, common area function room~~ | |
| ~~Three or more amenities~~ | ~~20~~ |
| ~~Two amenities~~ | ~~10~~ |

| | |
|---|---|
| ~~One amenity~~ | ~~5~~ |
| **PREVIOUS EXPERIENCE (MIN. 5 PTS. REQUIRED)** | **MAX. PTS. AVAIL.** |
| ~~20 years or more experience managing and maintaining **affordable** rental housing~~ | ~~20~~ |
| ~~10 to 19 years experience managing and maintaining **affordable** rental housing~~ | ~~10~~ |
| ~~20 years or more experience managing and maintaining rental housing~~ | ~~10~~ |
| ~~10 to 19 years experience managing and maintaining rental housing~~ | ~~5~~ |

| **PUBLIC PURPOSE (MIN. 5 PTS. REQUIRED)** | **MAX. PTS. AVAIL.** |
|---|---|
| ~~75% or more of units, including non-PBV units, to be restricted to low- or very-low income occupancy~~ | ~~20~~ |
| ~~50% to 74% of units, including non-PBV units, to be restricted to low- or very-low income occupancy~~ | ~~10~~ |
| ~~25% to 49% of units, including non-PBV units, to be restricted to low- or very-low income occupancy~~ | ~~5~~ |
| ~~Senior housing~~ | ~~10~~ |
| ~~Supportive services as defined in AHA's Administrative Plan 16-II.F.~~ | ~~10~~ |
| ~~Other City-identified priority needs.*~~ | ~~10~~ |
| ~~* Priority needs would be those indicated in the City of Alameda Consolidated Plan for a particular community or any other official document that indicates a community's needs as it relates to housing. Applicants will be asked for justification/documentation of how their projects meet priority needs.~~ | |

An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60 % of the total maximum available points. If there are a limited number of vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the date and time of submission will be the tie-breaker.

The Ranking and Selection Checklist will include, but will not be limited to, the following scoring components:

- Site location (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Other criteria stated in the RFP.

AHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The AHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis. AHA will ensure that the Previous Competitive Selection which is the basis for selection for PBV assistance is made without regard to the possibility of PBV assistance.

The AHA may periodically advertise that it is accepting proposals, specifying the number of vouchers available for this purpose in one of the following newspapers:

- *Alameda Journal*
- ~~*Alameda Times-Star*~~

Proposals will be reviewed on a first-come first-served basis. The AHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the AHA goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community; and
- The rating factors outlined in the previous section.

3. Revise Chapter 16, Section 16-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS to remove the reference to 24 CFR 983.53 as HUD deleted this regulation.

***~~High-rise Elevator Projects for Families with Children [24 CFR 983.53(b)]~~***

~~Currently, there are no high-rise elevator projects in Alameda. If any should be built, the AHA will not use such projects for families with children.~~

4. Revise Chapter 16, 16-V.B. HAP CONTRACT REQUIREMENTS to make a mandated change from building to project.

**Contract Information [24 CFR 983.203]**

The HAP contract will specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;

- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any building that will exceed the 25 percent per ~~building~~ project cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

5. Revise Chapter 16, 16-V.C. AMENDMENTS TO THE HAP CONTRACT to correct regulation reference.

**Substitution of Contract Units [24 CFR 983.~~206~~207(a)]**

6. Revise Chapter 16, 16-V.C. AMENDMENTS TO THE HAP CONTRACT to correct regulation references and to make the mandated changes from building to project.

**Addition of Contract Units [24 CFR 983. ~~206(b)~~207(b)]**

At the AHA's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per ~~building~~ project and on the overall size of the AHA's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

The AHA will consider adding contract units to the HAP contract when the AHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.

7. Revise Chapter 16, 16-V. 16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES to correct regulation references.

**16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207~~6~~(c) and 983.302(e)]**

8. Revise Chapter 16, 16-V.D. SELECTION FROM THE WAITING LIST to make the mandated changes from building to project.

If the AHA has ~~buildings~~ projects with more than 25 percent of the units receiving project-based assistance because those ~~buildings~~ projects include "excepted units" (units specifically made available for elderly or disabled families, or families receiving supportive services), the AHA will give preference to such families when referring families to these units [24 CFR 983.261(b)].

9. Revise Chapter 16, 16-VI.E. OFFER OF PBV ASSISTANCE to clarify reasonable accommodations will be made as needed.

***Persons with Disabilities***

~~If an applicant family's head or spouse is disabled, t~~The AHA will assure effective communication~~,~~ with all households, including those with persons with disabilities. In ~~in~~ accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet alternate forms could be provided~~. This may include making alternative formats available~~ (see Chapter 2). In addition, the AHA will have a mechanism for referring a family that includes a member with mobility impairment to an appropriate accessible PBV unit.

## Chapter 16

## PROJECT-BASED VOUCHERS

### INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. General provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. Policies related to the submission and selection of owner proposals for PBV assistance. This part describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. Requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. Requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, this part describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. Requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. Occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. Determining the initial rent to owner, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. Types of payments owners may receive under this program.

## PART I: GENERAL REQUIREMENTS

### 16-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows the AHA, which already administers a tenant-based voucher program under an annual contributions contract (ACC) with HUD, to operate a PBV program using up to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. The AHA will only operate a PBV program, at its discretion up to 20 percent of its voucher program budget authority, consistent with its Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an "Agreement to enter into HAP Contract" (AHAP) or a HAP contract, the AHA is not required to reduce the number of these units under HAP contract if the amount of budget authority is subsequently reduced. It is noted that while the number of units does not need to be reduced, HAP contracts cannot be renewed if more than 20 percent of the base allocation is utilized for PBV. The AHA, however, is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

### 16-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the AHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

### 16-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program will be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. The AHA will not use voucher program funds to cover relocation costs, except that the AHA may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes also will be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the AHA to ensure the owner and any representatives of the owner, such as a property manager, comply with these requirements.

**16-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]**

The AHA, owners and property managers must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a).

In addition, the AHA will comply with the AHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

**PART II: PBV OWNER PROPOSALS**

**16-II.A. OVERVIEW**

In this document, the AHA will describe the procedures for owner or owner's designee submission of PBV proposals, AHA selection of PBV proposals, describe how the AHA will determine that PBV proposals comply with HUD program regulations and requirements, that proposals comply with the cap on the number of PBV units per project~~building~~, and meet site selection standards.

**16-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]**

The AHA will select PBV proposals in accordance with the selection procedures in this AHA Administrative Plan. The AHA will select PBV proposals by either of the following two methods.

- AHA request for PBV Proposals. The AHA may solicit proposals by using a Request For Proposals (RFP) to select proposals on a competitive basis in response to the AHA request. The AHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- AHA selection of a proposal previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

**Solicitation and Selection of PBV Proposals [24 CFR 983.51(b) and (c)]**

AHA procedures for selecting PBV proposals are designed and operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the AHA.

AHA Request for Proposals for Rehabilitated and Newly Constructed Units

The AHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in one of the following newspapers:

- *Alameda Journal*
- ~~*Alameda Times-Star*~~

In addition, the AHA will post the RFP and proposal submission and selection procedures on its website (www.alamedahsg.org).

The AHA will publish its notice at least once in the newspapers and trade journals mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. Proposals will be due in the AHA office by close of business no less than three weeks from the date of publication.

In order for the proposal to be considered, the owner or owner's designee (hereinafter referred to as "owner") must submit the proposal to the AHA by the published deadline date and time, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed. All proposals will be time and date stamped upon submission.

The AHA will rate and rank proposals for **rehabilitated** and **newly constructed** housing using the criteria listed on the Ranking and Selection Checklist~~. The Checklist for each RFP will be posted on the AHA website and~~ in the RFP advertisement. ~~A sample of the Ranking and Selection Checklist is below:~~

| | |
|---|---|
| ~~TERM OF CONTRACT REQUESTED (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~Fifteen years~~ | ~~20~~ |
| ~~Eight to 11 years~~ | ~~10~~ |
| ~~Five to seven years~~ | ~~5~~ |
| ~~SITE LOCATION (MIN. 10 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If not a project for the elderly or disabled, site is within three miles of places of significant employment, offering a range of jobs for lower income workers, and a significant health facility.~~ | ~~20~~ |
| ~~Same as above but distance is more than three miles but less than five miles~~ | ~~10~~ |
| ~~If a project for the elderly or disabled, site is within 1/4 mile of shopping, significant health facility and neighborhood services, or is within 1/4 mile of bus to these services.~~ | ~~20~~ |
| ~~Same as above but distance is more than 1/4 mile but less than two miles~~ | ~~10~~ |
| ~~DESIGN (MIN. 10 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If architectural elevations, setbacks, and massing are considered acceptable for proposed use and in relation to adjacent land uses by City Planning Department staff; project amenities are appropriate for the planned use.~~ | ~~20~~ |
| ~~If the proposed project meets most of the above criteria and only slight modifications will be necessary to meet City Planning approval.~~ | ~~10~~ |
| ~~* Project Amenities: If a family housing development, the site plan provides for laundry facilities, recreational facilities on site or such facilities exist within 1/4 mile of the project site. If a senior housing development, in addition to the above, units should have access to exterior in form of balconies or first floor patios and interior common areas with square footage not less than required under CA Tax Allocation Committee Requirements.~~ | |



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|---|---|
| ~~**DEVELOPMENT EXPERIENCE (MIN. 5 PTS. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~If applicant has developed 100 or more low-income housing units as primary or co-sponsor in the past five years.~~ | ~~10~~ |
| ~~If applicant has developed between 50 and 100 low-income housing units as primary or co-sponsor in the past five years.~~ | ~~5~~ |
| ~~**OWNER EXPERIENCE (MIN. 1 PT. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~If applicant has 20 or more years experience in owning affordable rental housing.~~ | ~~5~~ |
| ~~If applicant has 10 to 19 years experience in owning affordable rental housing.~~ | ~~2~~ |
| ~~If applicant has 20 or more years experience in owning other types of rental housing.~~ | ~~2~~ |
| ~~If applicant has 10 to 19 years experience in owning other types of rental housing.~~ | ~~1~~ |
| ~~**MANAGEMENT EXPERIENCE (MIN. 1 PT. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~If applicant has 20 or more years experience in managing and maintaining affordable rental housing.~~ | ~~5~~ |
| ~~If applicant has 10 to 19 years experience in managing and maintaining affordable rental housing.~~ | ~~2~~ |
| ~~If applicant has 20 or more years experience in managing and maintaining other types of rental housing.~~ | ~~2~~ |
| ~~If applicant has 10 to 19 years experience in managing and maintaining other types of rental housing.~~ | ~~1~~ |
| ~~**PROJECT FEASIBILITY/READINESS TO COMMENCE CONSTRUCTION (MIN. 10 PTS. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~If zoning and other required entitlements are approved and 80% of amount of projected construction period or permanent period debt financing required for feasibility is conditionally committed and/or reserved by official governmental action.~~ | ~~20~~ |
| ~~If zoning and other required entitlements are approved and 50% but less than 80% of amount of projected construction period or permanent period debt financing required for feasibility is conditionally committed and/or reserved by official governmental action.~~ | ~~10~~ |
| ~~**PUBLIC PURPOSE (MIN. 5 PTS. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~75% or more of units will be restricted to low- or very-low-income occupancy~~ | ~~20~~ |
| ~~50% to 74% of units will be restricted to low- or very-low-income occupancy~~ | ~~10~~ |
| ~~25% to 49% of units will be restricted to low- or very-low-income occupancy~~ | ~~5~~ |
| ~~Other City-identified priority needs.*~~ | ~~10~~ |
| ~~* Priority needs would be those indicated in the City of Alameda Consolidated Plan for a particular community or any other official document that indicates a community's needs as it relates to housing. Applicants will be asked for justification/documentation of how their projects meet priority needs.~~ ~~NOTE: No more than 20 points will be given in this category.~~ | |

An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60 % of the total maximum available points. If there are a limited number of vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the date and time of submission will be the tie-breaker.

The Ranking and Selection Checklist will include, but is not limited to, the following scoring components:

- Site location adequacy (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Design adequacy (amenities and physical layout of project to meet the needs of the population served);
- Project Feasibility – Financial;
- Project Feasibility – Developer experience;
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Other criteria stated in the RFP.

AHA Requests for Proposals for Existing Housing Units

The AHA will advertise its request for proposals (RFP) for existing housing in at least one of the following newspapers:

- *Alameda Journal*
- ~~*Alameda Times-Star*~~

In addition, the AHA will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.

The AHA will periodically publish its notice in the newspapers ~~and trade journals~~ mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. If ~~O~~owner proposals will be accepted on an ongoing basis with an evaluation taking place when the AHA has received a minimum of five proposals or four weeks have past, whichever comes first, the public notice will state this. The proposals will be evaluated using the criteria listed on the Ranking and Selection Checklist. The Checklist for each RFP will be posted on the AHA website and RFP advertisement. ~~A sample of the Ranking and Selection Checklist is below:~~

| ~~TERM OF CONTRACT REQUESTED (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
|---|---|
| ~~Fifteen years~~ | ~~20~~ |
| ~~Eight to 11 years~~ | ~~10~~ |
| ~~Five to seven years~~ | ~~5~~ |
| ~~COMMUNITY AMENITIES (MIN. 10 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
| ~~If not a project for the elderly or disabled, site is within two miles of places of significant employment, offering a range of jobs for lower income workers, and a significant health facility.~~ | ~~20~~ |
| ~~Same as above but distance is more than two miles but less than five miles~~ | ~~10~~ |

| | |
|---|---|
| ~~If a project for the elderly or disabled, site is within 1/4 mile of shopping, significant health facility and neighborhood services, or is within 1/4 mile of bus to these services.~~ | ~~20~~ |
| ~~Same as above but distance is more than two miles but less than two miles~~ | ~~10~~ |
| ~~**UNIT/APT. COMPLEX AMENITIES (MIN. 5 PTS. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~Unit amenities include the following: features adapted for persons with disabilities, off street parking, laundry facilities, porches/decks, play area for children, recreational facility for children and adults, common area function room~~ | |
| ~~Three or more amenities~~ | ~~20~~ |
| ~~Two amenities~~ | ~~10~~ |
| ~~One amenity~~ | ~~5~~ |
| ~~**PREVIOUS EXPERIENCE (MIN. 5 PTS. REQUIRED)**~~ | ~~**MAX. PTS. AVAIL.**~~ |
| ~~20 years or more experience managing and maintaining **affordable** rental housing~~ | ~~20~~ |
| ~~10 to 19 years experience managing and maintaining **affordable** rental housing~~ | ~~10~~ |
| ~~20 years or more experience managing and maintaining rental housing~~ | ~~10~~ |
| ~~10 to 19 years experience managing and maintaining rental housing~~ | ~~5~~ |

| ~~PUBLIC PURPOSE (MIN. 5 PTS. REQUIRED)~~ | ~~MAX. PTS. AVAIL.~~ |
|---|---|
| ~~75% or more of units, including non PBV units, to be restricted to low- or very-low income occupancy~~ | ~~20~~ |
| ~~50% to 74% of units, including non-PBV units, to be restricted to low- or very-low income occupancy~~ | ~~10~~ |
| ~~25% to 49% of units, including non-PBV units, to be restricted to low- or very-low income occupancy~~ | ~~5~~ |
| ~~Senior housing~~ | ~~10~~ |
| ~~Supportive services as defined in AHA's Administrative Plan 16-II.F.~~ | ~~10~~ |
| ~~Other City-identified priority needs.*~~ | ~~10~~ |
| ~~* Priority needs would be those indicated in the City of Alameda Consolidated Plan for a particular community or any other official document that indicates a community's needs as it relates to housing. Applicants will be asked for justification/documentation of how their projects meet priority needs.~~ | |

An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60 % of the total maximum available points. If there are a limited number of vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the date and time of submission will be the tie-breaker.

The Ranking and Selection Checklist will include, but will not be limited to, the following scoring components:

- Site location (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Other criteria stated in the RFP.

AHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The AHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis. AHA will ensure that the Previous Competitive Selection which is the basis for selection for PBV assistance is made without regard to the possibility of PBV assistance.

The AHA may periodically advertise that it is accepting proposals, specifying the number of vouchers available for this purpose in one of the following newspapers:

- *Alameda Journal*

- ~~Alameda Times-Star~~

Proposals will be reviewed on a first-come first-served basis. The AHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the AHA goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community; and
- The rating factors outlined in the previous section.

**AHA-owned Units [24 CFR 983.51(e) and 983.59]**

If the AHA submits a proposal for project-based housing that is owned or controlled by the AHA will:

- Seek HUD approval to have an independent entity review the proposal and determine if the AHA's proposal should be selected. If HUD does not approve of the independent entity, the AHA will seek HUD's review of the AHA's proposal.
- Use an independent entity which meets HUD approval to perform HQS inspections.
- Use an independent entity which meets HUD approval to determine rents and rent reasonableness.
- Will obtain HUD approval for the services of these entities prior to selecting the proposal for AHA-owned housing.

The AHA will only compensate the independent entity, which is responsible for obtaining the services of an appraiser, from AHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The AHA will not use other program receipts to compensate the independent entity and appraiser for their services. The AHA, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

**AHA Notice of Owner Selection [24 CFR 983.51(d)]**

Within 14 calendar days of the AHA making a selection, the AHA will notify the selected owner in writing of the owner's selection for the PBV program. The AHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, the AHA will publish its notice for selection of PBV proposals in the same newspapers and trade journals the AHA used to solicit the proposals. The announcement will include the name of the owner and address of units selected for the PBV program. The AHA will also post the notice of owner selection on its website.

The AHA will make available to any interested party its rating and ranking sheets and documents that identify the AHA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The AHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The AHA will make these documents available for review at the AHA during normal business hours. The cost for reproduction of allowable documents will be 10¢ per page.

**16-II.C. HOUSING TYPE [24 CFR 983.52]**

The AHA will attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program if, at the time of notice of AHA selection, the units exist and substantially comply with HQS. "Substantially" is defined as any unit that has an accumulation of items that would cost less than $1,000 and take less than one month's time to comply fully with HQS requirements. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing. The AHA choice of housing type will be reflected when it solicits proposals.

### 16-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

**Ineligible Housing Types [24 CFR 983.53]**

The AHA will not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes or pads; and transitional housing. In addition, the AHA will not attach or pay PBV assistance for a unit occupied by an owner and the AHA will not select or enter into an AHAP or enter into a HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

~~***High-rise Elevator Projects for Families with Children [24 CFR 983.53(b)]***~~

~~Currently, there are no high-rise elevator projects in Alameda. If any should be built, the AHA will not use such projects for families with children.~~

**Subsidized Housing [24 CFR 983.54]**

The AHA will not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that the AHA could attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the AHA in accordance with HUD requirements.

**Other Ineligible Housing Types**

Due to the need for more one, two, and three bedroom units, the AHA will not attach or pay PBV assistance for group homes or single room occupancy (SRO) units.

**16-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55]**

The AHA will provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements. The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

A subsidy layering review is not required for existing housing.

The AHA will submit the necessary documentation to HUD for a subsidy layering review for new construction and rehabilitation projects. The AHA will not enter into an AHAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract will contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

If before or during the HAP contract, the owner receives additional HUD or other governmental assistance for the project that results in an increase in project financing in an amount that is equal to or greater than 10 percent of the original development budget, the Owner must report such changes to the PHA and the PHA must notify the HCA, or HUD (if there is no participating HCA in their jurisdiction), that a further subsidy layering review is required.

**16-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT**

**25 Percent per Project Cap [24 CFR 983.56(a) as amended by HERA]**

In general, the AHA will not select a proposal to provide PBV assistance for units in a project or enter into an AHAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than 25 percent of the number of dwelling units (assisted or unassisted) in the project.

**Exceptions to 25 Percent per Project Cap [24 CFR 983.56(b) as amended by HERA]**

Exceptions are allowed and PBV units are not counted against the 25 percent per project cap if:

- The units are in a single-family building, defined by HUD as any building with one to four units;



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- The units are *excepted units* in a multifamily building because they are specifically made available for elderly or disabled families or families receiving supportive services (also known as *qualifying families*).

In calculating the number of units in the project that can be assisted where there are excepted units, the following is an example of how the formula will work:

| | |
|---|---|
| 120 | Units per Project |
| x .25 | 25% multiplier |
| 30 | Baseline units that can be project-based |
| + 31 | Number of Excepted Units (4 fourplexes + 5 triplexes = 31) |
| 61 | Total number of Units that may be project-based |

**Supportive Services**

The types of supportive services offered to families for a project to qualify for the exception are those intended to promote self-sufficiency, including:

- Outreach
- Case management, counseling
- Health care, psychiatric and mental health care, substance abuse treatment
- Life skills, parenting skills
- Child care, transportation, housing search assistance, budgeting
- Employment assistance, job training/placement
- Education, vocational opportunities

Supportive services do not have to be provided at the project site. When supportive services are provided, whether or site or not, the following conditions apply:

- The statement of family responsibility in the lease must contain the family's obligation to participate in the designated service program. Failure of the family to comply is good cause to terminate the family from the program.
- Participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers is not required as a condition of living in an excepted unit.
- The AHA will ensure that only families receiving supportive services and complying with the service requirements are assisted.

To qualify, a family must have at least one member receiving at least one qualifying supportive service. The AHA will not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined above, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

The AHA will monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. Monitoring will be accomplished by requiring the owner to provide quarterly reports on the family's participation and confirming this information by certification by the tenant at the annual re-examination. All "Excepted Families" must complete an annual PBV Certification of Supportive Services.

The AHA will provide PBV assistance for the following types of excepted units – units limited to use by "qualifying families":

- Units in a multifamily building specifically made available for elderly or disabled families; and
- Units for families receiving supportive services.

Elderly, disabled, and families receiving supportive services are all "qualifying families."

**Promoting Partially-Assisted Projects [24 CFR 983.56(c) as amended by HERA]**

The AHA is not setting a cap on the number of PBV units assisted per project beyond the 25 percent cap for non-excepted units.

**16-II.G. SITE SELECTION STANDARDS**

**Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]**

The AHA will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an AHAP contract or HAP contract for units on the site, unless the AHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities will be consistent with the Agency Plan under 24 CFR 903 and this Administrative Plan.

In addition, prior to selecting a proposal, the AHA will determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders (See Chapter 2), and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

It is the AHA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the AHA will limit approval of sites for PBV housing in census tracts that have family poverty concentrations of 20 percent or less.

The AHA will grant exceptions to the 20 percent standard where the AHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites census tracts where:

- The proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- The concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

- The proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- New market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- There has been an overall decline in the poverty rate within the past five years; or
- There are meaningful opportunities for educational and economic advancement.

**Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]**

The AHA will not enter into an AHAP for units that will be rehabilitated, nor execute a HAP contract for existing units until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

**New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]**

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD-required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the AHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;

- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

**16-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]**

The AHA's activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* (i.e., City of Alameda) is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The AHA will not enter into an AHAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the City of Alameda, responsible for the environmental review under 24 CFR part 58, must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The AHA will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the AHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The AHA will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The AHA requires the owner to carry out mitigating measures required by the City of Alameda (or HUD, if applicable) as a result of the environmental review.

**PART III: DWELLING UNITS**

**16-III.A. OVERVIEW**

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

**16-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]**

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, cooperative housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

**Lead-based Paint [24 CFR 983.101(c)]**

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

### 16-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

Housing will comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The AHA will ensure that the percentage of accessible dwelling units complies with the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, will comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

### 16-III.D. INSPECTING UNITS

**Pre-selection Inspection [24 CFR 983.103(a)]**

The AHA will examine the proposed site before the proposal selection date. If the units to be assisted already exist, the AHA will inspect all the units before the proposal selection date, and will determine whether the units substantially (as previously defined on page 7) comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. The AHA, however, will not execute the HAP contract until the units fully comply with HQS.

**Pre-HAP Contract Inspections [24 CFR 983.103(b)]**

The AHA will inspect each contract unit before execution of the HAP contract. The AHA will not enter into a HAP contract covering a unit until the unit fully complies with HQS.

**Turnover Inspections [24 CFR 983.103(c)]**

Before providing assistance to a new family in a contract unit, the AHA will inspect the unit. The AHA will not provide assistance on behalf of the family until the unit fully complies with HQS.

**Annual Inspections [24 CFR 983.103(d)]**

At least annually during the term of the HAP contract, the AHA will inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. The sample will be selected at random. A database of the units will be maintained which can be exported to Excel. This software program has a Random Number Generation Tool that will allow 20 percent of the total units to be selected at random. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the AHA will reinspect 100 percent of the contract units in the building.

**Other Inspections [24 CFR 983.103(e)]**

The AHA will inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The AHA will take into account complaints and any other information coming to its attention in scheduling inspections.

The AHA will conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and will conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting AHA supervisory quality control HQS inspections, the AHA will include a representative sample of both tenant-based and project-based units.

**Inspecting AHA-owned Units [24 CFR 983.103(f)]**

In the case of AHA-owned units, the inspections will be performed by an independent agency designated by the AHA and approved by HUD. The independent entity will furnish a copy of each inspection report to the AHA and to the HUD San Francisco field office. The AHA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the AHA-owner.

## PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

### 16-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

### 16-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the AHA will enter into an agreement to enter into an AHAP contract with the owner of the property. The Agreement will be in the form required by HUD [24 CFR 983.152(a)].

In the AHAP, the owner agrees to develop the PBV contract units to comply with HQS, and the AHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the AHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(b)].

**Content of the Agreement [24 CFR 983.152(c)]**

At a minimum, the AHAP will describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;

- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements will be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description will include the rehabilitation work write up and, where determined necessary by the AHA, specifications and plans. For new construction units, the description will include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

**Execution of the AHAP [24 CFR 983.153]**

The AHAP will be executed "promptly" after AHA notice of proposal selection to the selected owner. The AHA, however, will not enter into the AHAP with the owner until the subsidy layering review is completed. Likewise, the AHA will not enter into the AHAP until the environmental review is completed and the AHA has received environmental approval. Promptly, in this case, requires the selected owner to have completed the necessary reviews for the project and be ready to enter into an AHAP within one year from the date of notification that the project is awarded PBV assistance. The AHA has the option to grant an extension to this one year limit provided the owner can demonstrate that progress is being made and that the project will go to AHAP within the extended time frame.

## 16-IV.C. CONDUCT OF DEVELOPMENT WORK

**Labor Standards [24 CFR 983.154(b)]**

If an AHAP covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The AHA will monitor compliance with labor standards.

**Equal Opportunity [24 CFR 983.154(c)]**

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

### Owner Disclosure [24 CFR 983.154(d) and (e)]

The AHAP and HAP contracts must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the AHAP and HAP contracts or HUD regulations.

## 16-IV.D. COMPLETION OF HOUSING

The AHAP will specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The AHAP will also specify the deadline for submission by the owner of the required evidence of completion.

### Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the AHA in the form and manner required by the AHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the AHAP;
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing; and
- Certificate of Occupancy (for new construction) or Final Building Permit cards (for rehabilitation projects) from the City of Alameda.

### AHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the AHA will inspect the housing to determine if it has been completed in accordance with the AHAP, including compliance with HQS and any additional requirements imposed under the AHAP. The AHA also will determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the AHAP, the AHA will not enter into the HAP contract.

If the AHA determines the work has been completed in accordance with the AHAP and that the owner has submitted all required evidence of completion, the AHA will submit the HAP contract for execution by the owner and must then execute the HAP contract.

# PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

## 16-V.A. OVERVIEW

The AHA will enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract will be in the form required by HUD [24 CFR 983.202].

### 16-V.B. HAP CONTRACT REQUIREMENTS

**Contract Information [24 CFR 983.203]**

The HAP contract will specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any building that will exceed the 25 percent per ~~building~~ project cap, which will be set-aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

**Execution of the HAP Contract [24 CFR 983.204]**

The AHA will not enter into a HAP contract until each contract unit has been inspected and the AHA has determined that the unit complies with Housing Quality Standards (HQS). For existing housing, the HAP contract will be executed "promptly" after the AHA selects the owner proposal and inspects the housing units. "Promptly," in this case, means that the owner must be ready and willing to sign the HAP contract within two months from the date the AHA has completed HQS inspections, found the units in compliance, and has notified the owner of its selection decision.

For newly constructed or rehabilitated housing, the HAP contract will be executed after the AHA has inspected the completed units, determined that the units have been completed in accordance with the AHAP, and the owner furnishes all required evidence of completion.

For rehabilitated or newly constructed housing, the HAP contract will be executed within two months of the AHA determining that the units have been completed in accordance with the AHAP, all units meet HQS, and the owner has submitted all required evidence of completion.

**Term of HAP Contract [24 CFR 983.205]**

The AHA will enter into a HAP contract with an owner for an initial term of no less than one year and no more than 15 years.

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis within HUD parameters.

AHA may agree to enter into an extension of the HAP contract at the time of the initial HAP contract execution or anytime before the expiration of the contract if the AHA determines an extension is appropriate to continue providing affordable housing for low-income families. The maximum aggregate term for an extension of the HAP contract is 15 years. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, the AHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

***Termination by AHA [24 CFR 983.205(c)]***

The HAP contract will provide that the term of the AHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the AHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the AHA may terminate the HAP contract by notice to the owner. The termination will be implemented in accordance with HUD instructions.

***Termination by Owner [24 CFR 983.205(d)]***

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the AHA. In this case, families living in the contract units must be offered tenant-based assistance.

Section 2835 (a) (1) (E) of the Housing and Economic Recovery Act of 2008, (HERA) amends Section 8 (o) (13) (I) of the U. S. Housing Act of 1937 to make permissive a HAP Contract provision that the maximum rent on a unit shall not be less than the initial rent. With the publication of HUD's final guidance on this issue, the AHA shall limit rent reductions to the initial HAP rents.

**Remedies for HQS Violations [24 CFR 983.207(b)]**

The AHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the AHA determines that a contract does not comply with HQS, the AHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

### 16-V.C. AMENDMENTS TO THE HAP CONTRACT

**Substitution of Contract Units [24 CFR 983.~~206~~207(a)]**

The AHA will amend the HAP contract to substitute a different unit, if the unit has the same number of bedrooms in the same building, is HQS compliant, and meets all PBV requirements for a previously covered contract unit. Before any such substitution can take place, the AHA will inspect the proposed unit and determine the reasonable rent for the unit.

**Addition of Contract Units [24 CFR 983. ~~206(b)~~207(b)]**

At the AHA's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per ~~building~~ project and on the overall size of the AHA's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

The AHA will consider adding contract units to the HAP contract when the AHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.

### 16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207~~6~~(c) and 983.302(e)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

### 16-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209]

When the owner executes the HAP contract, the owner certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the AHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit.

### 16-V.F. ADDITIONAL HAP REQUIREMENTS

#### Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the AHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The AHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the RFP, AHAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

The AHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The AHA will specify any special design standards or additional requirements in the invitation for PBV proposals, the AHAP contract, and the HAP contract.

#### Vacancy Payments [24 CFR 983.352(b)]

Vacancy Payments will be paid to the owner in accordance with the terms of the HAP contract and as outlined in Sections 16-VI-F and 16-IX.B. of this Administrative Plan.

## PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

### 16-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

### 16-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

The AHA will select families for the PBV program from those who are participants in the AHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission will be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the AHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the AHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family also must meet HUD requirements related to current or past criminal activity. In addition families who will reside in "Excepted" units must meet the appropriate criteria as a "qualified" family.

The AHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

#### In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the AHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family will be placed on the AHA's waiting list. Once the family's continued eligibility is determined (the AHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family will be given an absolute selection preference and the AHA must refer these families to the project owner for an appropriately-sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

#### Tenant Referrals to PBV Units

When a vacancy exists at a PBV site, the AHA will notify the next families on the applicable waiting list. The AHA's letter to the applicants also will state that if the applicant is interested in residing in the vacant PBV unit, that the applicant will not lose her or his place on the AHA's HCV waiting list.

All applicants indicating interest in the PBV unit will be referred to the owner in the order in which they appear on the appropriate wait list. If the tenant selection criteria of the owner include screening for credit and criminal background, these procedures may be performed prior to completion of the full eligibility process. If, on the basis of the credit and/or criminal background screening process, the owner will not offer tenancy to the applicant, the AHA will not complete the voucher eligibility process and the applicant will be removed from the selected site-based project-based wait list and sent a notice to this effect.

In the event that the PBV wait lists are exhausted, the AHA shall query tenant-based assisted households known to be seeking new units (i.e. newly-issued voucher holder, current participants who have given notice or otherwise indicated interest in seeking a new unit) to determine if there is interest in a HCV family moving to a PBV unit. However, voucher holders porting into the AHA jurisdiction may not be offered a PBV unit because HCVP provisions on portability under 24 CFR Part 982 do not apply to the project-based program under 24 CFR Part 983. PBV applicants shall always have priority over HCV tenants for available PBV units. Interested HCV tenants shall be considered for PBV units on a first ready, first served basis. Any additional HCV tenant families interested in PBV units will be informed that the unit(s) have been leased and no further action will be taken on their behalf.

PBV Wait List applicants shall have priority over all HCV assisted tenants for PBV units.

### 16-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The AHA will use its PBV Program waiting lists to select tenants for PBV units.

### 16-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance will be selected from the AHA's or from the property's site-based PBV Wait List. The AHA will place families referred by the PBV owner on its site-based PBV waiting list when the waiting list is open.

Wait list referrals to the PBV owner will remain active for consideration for a PBV vacancy for a period of 120 days from the date of selection from the wait list. Referred tenants will be screened by the owner and readied for occupancy. First ready, is first referred back to the AHA for eligibility determination and leasing. Readiness is defined to mean having met all of the owner's screening criteria and accepted for tenancy.

In the event that multiple families are made ready for a PBV unit, as a tie breaker for who is assigned the unit, the family who has the highest rank from the referral list of all "ready" families will be processed by the AHA for eligibility determination and offered the available unit.

An owner may continue to work on suitability screening for up to three families from the latest referral list in anticipation of any additional vacancies that may arise during the 120-day referral period. The AHA will also continue the eligibility process for any family made ready by the owner.

If no unit is scheduled to be vacated by an existing tenant or there are no impending vacancies prior to the expiration of the 120-day period, all unassigned referrals will be returned to the project's PBV wait list.

If the AHA referrals do not provide the owner with a suitable tenant for the unit and the wait list is exhausted, the owner may refer a Section 8 eligible individual or family to the AHA's site-based PBV waiting list if it is open. The referred family must meet the AHA's Section 8 eligibility criteria.

**Income Targeting [24 CFR 983.251(c)(6)]**

At least 75 percent of the families admitted to the AHA's tenant-based and project-based voucher programs during the AHA fiscal year from the waiting list will be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

**Units with Accessibility Features [24 CFR 983.251(c)(7)]**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the AHA must first refer families who require such features to the owner.

**Preferences [24 CFR 983.251(d)]**

The AHA will use the same selection preferences that are used for the tenant-based voucher program. The AHA provides an absolute selection preference for eligible in-place families as described in Section 16-VI.B. The preferences for the PBV program may differ slightly from the HCV program. See Chapter 4-III.C.

When vacancies exist in PBV units of a specific size (i.e., number of bedrooms) or in excepted units, the AHA will select only qualified families of the correct family composition size according to the AHA's subsidy standards for those units in the correct order from the waiting list.

Preference points are aggregated to produce the total preference points for each applicant. Applicants with the same total preference points will then be sorted by the method in which they were selected to be placed on the waiting list (i.e., date and time of application or order of random selection).

At the time of initial application, the applicant certifies as to whether or not it is eligible for a preference, and the AHA will place the applicant on the waiting list according to the preference claimed. Before the family receives assistance, however, the AHA must verify the family's eligibility for the preference based on current circumstances. If upon verification the AHA determines that the family does not qualify for the preference claimed, the family does not receive the preference. In this situation, the AHA will notify the applicant in writing that they do not qualify for the preference and will be returned to the waiting list with an update to the applicant record.

If the AHA has ~~buildings~~ projects with more than 25 percent of the units receiving project-based assistance because those ~~buildings~~ projects include "excepted units" (units specifically made available for elderly or disabled families, or families receiving supportive services), the AHA will give preference to such families when referring families to these units [24 CFR 983.261(b)].

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## 16-VI.E. OFFER OF PBV ASSISTANCE



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**Refusal of Offer [24 CFR 983.251(e)(3)]**

The AHA is prohibited from taking, and will not take, any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the AHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

**Disapproval by Landlord [24 CFR 983.251(e)(2)]**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

**Acceptance of Offer [24 CFR 983.252]**

***Family Briefing***

When a family accepts an offer for PBV assistance, the AHA will give the family an oral briefing. The briefing will include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the AHA will provide a briefing packet that explains how the AHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

***Persons with Disabilities***

If an applicant family's head or spouse is disabled, the AHA will assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the AHA will have a mechanism for referring a family that includes a member with mobility impairment to an appropriate accessible PBV unit.

***Persons with Limited English Proficiency***

The AHA will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

**16-VI.F. OWNER SELECTION OF TENANTS**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)].

**Leasing [24 CFR 983.253(a)]**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the AHA from the AHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the AHA's subsidy standards.

**Filling Vacancies [24 CFR 983.254(a)]**

The owner must promptly notify the AHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the AHA will make every reasonable effort to refer promptly a sufficient number of families for the owner to fill such vacancies. The AHA and the owner will make reasonable efforts to minimize the likelihood and length of any vacancy.

The owner must notify the AHA in writing (mail, fax, or e-mail) within seven calendar days of learning about any vacancy or expected vacancy.

The AHA will make every reasonable effort to refer families to the owner within 14 calendar days of receiving such notice from the owner.

Vacancy Payments will be paid to the owner in accordance with terms of the HAP contract and as outlined in this section and in Section 16-IX.B. of this Administrative Plan.

**Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]**

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the AHA will give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

The AHA will provide the notice to the owner within 14 calendar days of the 120th day of the vacancy. Unless the owner can give adequate reason for the AHA not to reduce the number of contract units within 14 calendar days of the date of the AHA's notice, the amendment to the HAP contract will be effective the 1st day of the month following the date of the AHA's notice.

**16-VI.G. TENANT SCREENING [24 CFR 983.255]**

**AHA Responsibility**

The AHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. The AHA will not conduct screening to determine a PBV applicant family's suitability for tenancy unless the applicant is to move into an AHA-owned or managed unit. The AHA may deny applicants based on such screening.

The AHA will inform owners of their responsibility to screen prospective tenants. Upon request, owners may request and the AHA will provide specific information about the family being considered for tenancy. The AHA will provide the following information:

- The family's current address as provided by the Applicant; and
- The name and address, if known, of the owner/landlord of the family's current and prior places of residence.

The AHA will respond only to specific questions asked by owners and only when the AHA has documentation to confirm the accuracy of the information being provided. The AHA will provide applicant families a description of its policy on providing information to owners and give the same types of information to all owners. Refer to "Screening for Suitability as a Tenant" in Chapter 3 or "9-I.A. Tenant Screening" in Chapter 9 for the information that may be released.

**Owner Responsibility**

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families, the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and

- Compliance with other essential conditions of tenancy.

The owner must notify AHA in writing within 14 calendar days when rejecting an applicant and give the grounds for such rejection.

## PART VII: OCCUPANCY

### 16-VII.A. OVERVIEW

After an applicant has been selected from the waiting list, determined eligible by the AHA, referred to an owner and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.

### 16-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

**Form of Lease [24 CFR 983.256(b)]**

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as an AHA model lease.

The AHA will not review the owner's lease for compliance with state or local law.

**Lease Requirements [24 CFR 983.256(c)]**

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

**Tenancy Addendum [24 CFR 983.256(d)]**

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the AHA (the names of family members and any AHA-approved live-in aide);

- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

**Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]**

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause," or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the AHA will provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract.

**Changes in the Lease [24 CFR 983.256(e)]**

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the AHA a copy of all changes.

The owner must notify the AHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the AHA and in accordance with the terms of the lease relating to its amendment. The AHA will redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

**Owner Termination of Tenancy [24 CFR 983.257]**

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

***Non-Compliance with Supportive Services Requirement [24 CFR 983.257(c)]***

If a family is living in a project-based unit that is excepted from the 25 percent per building cap on project-basing because of participation in a supportive services program (e.g., Family Self-Sufficiency), and the family fails to complete its supportive services requirement without good cause, such failure is grounds for lease termination by the owner.

***Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]***

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by AHA policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

**Security Deposits [24 CFR 983.258]**

The owner may collect a security deposit from the tenant. The security deposit must not exceed the following:

<u>Unfurnished Unit</u>: Two months contract rent (this includes any amount labeled as last month's rent)

Furnished Unit: Three months contract rent (this includes any amount labeled as last month's rent)

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The AHA has no liability or responsibility for payment of any amount owed by the family to the owner.

**16-VII.C. MOVES**

**Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]**

If the AHA determines that a family is occupying a unit that is too small or too big, based on the AHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the AHA will notify the family and the owner within 14 calendar days of the AHA's determination of the family's need to move. The AHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

The AHA will make two offers of available assistance to the family. If the family does not accept either offer, the AHA will terminate the housing assistance payments for the wrong-sized or accessible unit with a 30-day notice.

If the AHA offers the family a tenant-based voucher, the AHA will terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by the AHA).

When the AHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 calendar days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the AHA will terminate the housing assistance payments at the expiration of this 30-day period.

The AHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

If the AHA terminates the housing assistance for the unit, the AHA has, at its discretion, the option to remove the unit, substitute another like unit, or allow the current unit to remain on the contract with no assistance payments.

**Family Right to Move [24 CFR 983.260]**

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the AHA. If the family wishes to move with continued tenant-based assistance, the family must contact the AHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the AHA will offer the family the opportunity for continued tenant-based assistance, in the form of a Housing Choice Voucher. If a voucher is not immediately available upon termination of the family's lease in the PBV unit, the AHA will give the family priority to receive the next available voucher. The Director of Housing Programs shall maintain a list of interested PBV participants who want to move with continued tenant-based HCV assistance. Placement and ranking on the list will be on a first come, first served basis. The AHA shall give preference on this list to Violence Against Women's Act (VAWA)-eligible households.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the Housing Choice Voucher assistance.

**Family Break-Up**

In the event of a family break-up by divorce or legal separation, the family shall decide who remains in the assisted unit and report the change in household composition in writing to the AHA. No further subsidy shall be provided to the departing spouse. The assistance generally remains with the family members who remain in the assisted unit.

If family members are forced to leave the unit because of actual or threatened physical violence against family members by a spouse or other members of the household, the AHA may terminate the HAP contract for the original assisted unit and transfer the assistance to the family members forced to leave. The actual or threatened physical violence must be documented

The documentation must include one of the following elements:

> A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking, or
>
> A police or court record documenting the actual or threatened abuse, or
>
> A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

(Notice policies related to terminating assistance for participants who may be victims of domestic violence, dating violence, or stalking are contained in Section 12-II.E. of the Section 8 Administrative Plan).

The family must notify the AHA, in writing, within 14 days of an action causing a family break-up and request a determination of the assignment of the assistance. The AHA may schedule a meeting with the family members to discuss the assignment.

In the event that the AHA must determine which of the family members will continue to receive the Section 8 PBV assistance or retain placement on the waiting list(s) for PBV assistance, the AHA determination will be made based on the following priorities:

In the absence of a judicial decision, or an agreement among the original family members, the AHA will determine which family retains their placement on the waiting list or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

For excepted units, the qualifying family member will be entitled to the continuation of the rental assistance. The qualifying member is defined as the household member who does not interrupt their supportive services obligations. Any excepted unit in which the elderly or disabled household member is no longer in residence, the remaining household members will not be entitled to remain in the excepted unit.

**16-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261 as amended by HERA]**

The AHA will not pay housing assistance under a PBV HAP contract for more than 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- In a single-family building;
- Specifically made available for elderly or disabled families; or
- Specifically made available for families receiving supportive services as defined by the AHA. At least one member must be receiving at least one qualifying supportive service.

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the AHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

A family (or remaining members of a family) residing in an excepted unit that no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception (e.g., the family does not successfully complete supportive services requirements, or due to a change in family composition the family is no longer elderly or disabled), must vacate the unit, and the AHA will cease paying housing assistance payments on behalf of the non-qualifying family.

If the family is moving to a non-excepted PBV unit, the family will have 60 days in which to complete the move. If the family will move with a Housing Choice Voucher, as is likely to be the case with a non-elderly or non-disabled surviving spouse, then the term of the voucher will apply. The AHA may grant extensions if the family can demonstrate good cause as outlined in Chapter 5, Section II-E of this Administrative Plan.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract. It is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The AHA will terminate housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements.

## PART VIII: DETERMINING RENT TO OWNER

### 16-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

### 16-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the AHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

The amount determined by the AHA to limit the rent to owner can be different than the payment standards used for tenant-based vouchers under the HCV program.

#### Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units wherein the tax credit rent may exceed the applicable Payment Standard, the rent limits are determined differently than for other PBV units. In general, the rent to owner must not exceed the lowest of the tax credit rent minus any utility allowance; the reasonable rent; or the rent requested by the owner.

The AHA will follow the rules and regulations promulgated by HUD and in effect at the time the HAP contract is executed.

#### Definitions

A **qualified census tract** is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

**Tax credit rent** is the rent charged for comparable units of the same unit size (i.e., number of bedrooms) in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

**Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]**

When determining the initial rent to owner, the AHA will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, the AHA will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. The AHA will not use an earlier FMR for initial rent determination or for redeterminations.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

For eligible units where the owner is participating in the Low Income Housing Tax Credit Program (LIHTC) and utilizing a utility allowance that has been created with the California Utility Allowance Calculator (CUAC), PBV assisted units may utilize the CUAC utility allowance applicable to that property.

**Redetermination of Rent [24 CFR 983.302]**

The AHA will redetermine the rent to owner upon the owner's request or when there is a 5 percent or greater decrease in the published FMR.

***Rent Increase***

If an owner wishes to request an increase in the rent to owner from the AHA, it must be requested 60 days prior to the annual anniversary of the HAP contract and include the requested amount of rent being proposed (see Section 16-V.D.). The AHA will only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

The AHA will not approve any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner will not receive any retroactive increase of rent for any period of noncompliance.

***Rent Decrease***

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner will be decreased regardless of whether the owner requested a rent adjustment.

Section 2835 (a) (1) (E) of the Housing and Economic Recovery Act of 2008, (HERA) amends Section 8 (o) (13) (I) of the U. S. Housing Act of 1937 to make permissive a HAP Contract provision that the maximum rent on a unit shall not be less than the initial rent. With the publication of HUD's final guidance on this issue, the AHA shall limit rent reductions to the initial HAP rents.

***Notice of Rent Change***

The rent to owner is redetermined by written notice by the AHA to the owner specifying the amount of the redetermined rent. The AHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

The AHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

**AHA-owned Units [24 CFR 983.301(g)]**

For AHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The AHA will use the rent to owner established by the independent entity.

**16-VIII.C. REASONABLE RENT [24 CFR 983.303]**

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit will not exceed the reasonable rent for the unit as determined by the AHA.

**When Rent Reasonable Determinations are Required**

The AHA will redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 5 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The AHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to add or substitute a different contract unit in the same building; or
- There is any other change that may substantially affect the reasonable rent.

**How to Determine Reasonable Rent**

The reasonable rent of a unit receiving PBV assistance will be determined by comparison to rent for other comparable unassisted units. When making this determination, the AHA will consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

***Comparability Analysis***

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that are receiving project-based assistance. The analysis will show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and will be retained by the AHA. The comparability analysis may be performed by AHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses will not have any direct or indirect interest in the property.

**AHA-owned Units**

For AHA-owned units, the amount of the reasonable rent will be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity will provide a copy of the determination of reasonable rent for AHA-owned units to the AHA and to the HUD field office where the project is located.

**Owner Certification of Reasonable Rent**

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the AHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

### 16-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 16-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 16-II.D).

#### Other Subsidy [24 CFR 983.304]

At its discretion, the AHA may reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants, or other subsidized financing.

For units receiving assistance under the HOME program, rents will not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner will not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

#### Combining Subsidy

Rent to owner will not exceed any limitation required to comply with HUD subsidy layering requirements.

#### Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner also may be subject to rent control or other limits under local, state, or federal law. [Note: Alameda does not have rent control.]

## PART IX: PAYMENTS TO OWNER

### 16-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the AHA will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments will be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment will be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the AHA agree on a later date.

Except for vacancy payments, the AHA will not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the AHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments and under the following conditions:

- Vacancy payments to the owner will be paid for up to two calendar months (based on a 30-day month) in an amount equal to the AHA's HAP for the family that last occupied that unit.
- The owner is not eligible to receive any vacancy payments beyond the second calendar month after the unit becomes vacant.
- The owner is not eligible to receive any vacancy payments if the unit does not meet Housing Quality Standards as a result of the owner's negligence and/or if the owner is receiving payments in lieu of rent/HAP from any other source (e.g., insurance company). If the owner is receiving payments in lieu of rent/HAP from any other source that does not include any of the sixty-day period permitted for vacancy payments and all other conditions for vacancy payments have been met, the owner shall be entitled to vacancy payments for the portion of the sixty-day period not covered by the third party payments.
- The owner will receive vacancy payments only if the vacancy is not the owner's fault and the owner has taken every feasible action to minimize the likelihood and length of the vacancy.

Also refer to Section 16-V.F. "Filling Vacancies."

### 16-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. Vacancy payments also will be paid to the owner in accordance with the terms of the HAP contract and under the following conditions:

- Vacancy payments to the owner will be paid for up to two calendar months (based on a 30-day month) in an amount equal to the AHA's HAP for the family that last occupied that unit.
- The owner is not eligible to receive any vacancy payments beyond the second calendar month after the unit becomes vacant.
- The owner is not eligible to receive any vacancy payments if the unit does not meet Housing Quality Standards and/or if the owner is receiving payments in lieu of rent/HAP from any other source (e.g., insurance company).
- The owner will receive vacancy payments only if the vacancy is not the owner's fault and the owner has taken every feasible action to minimize the likelihood and length of the vacancy.

Also refer to Section 16-V.F. "Filling Vacancies."

### 16-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the AHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the AHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the AHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the AHA. The owner must immediately return any excess payment to the tenant.

If the family's income causes the HAP payment to decrease to zero, the AHA has, at its discretion, the option to remove the unit, substitute another like unit, or allow the current unit to remain on the contract with no assistance payments.

**Tenant and AHA Responsibilities**

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the AHA.

Likewise, the AHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The AHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The AHA will not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

**Utility Reimbursements**

If the amount of the utility allowance exceeds the total tenant payment, the AHA will pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

### 16-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

**Meals and Supportive Services**

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges will not be included in the rent to owner, nor will the value of meals and supportive services be included in the calculation of the reasonable rent. Non-payment of such charges, however, is grounds for termination of the lease by the owner in an assisted living development.

**Other Charges by Owner**

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

RE: Adopt Amendment to Substitute New IRS Language Within the Flexible Spending Account (FSA) Adoption Agreement Effective December 1, 2014

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## BACKGROUND

Flexible Spending Accounts (FSA) is a current employee benefit that allows employees to pay for healthcare costs and realize substantial tax savings. Through payroll deduction, employees purchase "qualified benefits" that may not be included in their gross income. The tax advantaged money set aside in FSAs can be used to pay for qualified medical expenses, dependent care, and transportation costs. The current plan has been approved by the Board of Commissioners and the City of Alameda.

AHA elected to offer employees the maximum $500 option beginning with the 2013 plan year.

Previously, the language in the FSA Plan adoption denoted the 'intention' to adopt once the formal wording became available from the IRS. IRS Notice 2013-71 announced the wording in the third week of December 2014 and a plan amendment is required.

## DISCUSSION

The following custom temporary language was in the addendum provided December 2013:

ADDENDUM TO THE ADOPTION AGREEMENT

"This plan intends to adopt an amendment prior to December 31, 2014, to enable unused balances of up to $500 to be carried over to the next plan year as described in IRS Notice 2013-71. The carryover amendment will apply to unused balances remaining at the end of the 2013 plan year."

The custom temporary language is being replaced with the following permanent language ~

FORFEITURES

Plan Year/Termination

Except as provided below, any amounts remaining in your account at the end of the Plan Year will be forfeited after all claims are paid. In addition, any balance remaining in your account on the date you terminate employment with the Company will be forfeited after all claims are paid.

Any balance remaining in your Health Care Reimbursement Account at the end of any Plan Year up to $500 will be carried forward and used to fund such benefits in any subsequent Plan Year. This carryover amount will not affect your ability to contribute the maximum amount ($2,500) in the subsequent Plan Year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The FSA is a voluntary benefit and all contributions to the plan are made by AHA employees. The annual cost to administrate the plan is $600. The AHA pays the minimum administrative fee of $50 per month.

RECOMMENDATION

Adopt the resolution substituting the IRS language in the Adoption Agreement effective December 1, 2014.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

Attachments:
- Resolution
- Formal Record of Action

**HOUSING AUTHORITY OF CITY OF ALAMEDA**
**FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of Housing Authority of City of Alameda (the "Company").

With respect to the amendment of the Housing Authority of City of Alameda Cafeteria Plan (the "Plan"), the following resolutions are hereby adopted:

> **RESOLVED**: That the Plan be amended in the form attached hereto, which amendment is hereby adopted and approved;
>
> **RESOLVED FURTHER**: That the appropriate officers of the Company be, and they hereby are, authorized and directed to execute said amendment on behalf of the Company;
>
> **RESOLVED FURTHER**: That the officers of the Company be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports documents or other information as may be required under applicable law.

Dated this _______ day of _______________, 2014.

_________________________________

_________________________________

_________________________________

## HOUSING AUTHORITY OF CITY OF ALAMEDA CAFETERIA PLAN

## AMENDMENT

**WHEREAS,** Housing Authority of City of Alameda (the "Company") maintains the Housing Authority of City of Alameda Cafeteria Plan (the "Plan") for the benefit of certain of its employees; and

**WHEREAS,** Pursuant to Section 8.01 of the Plan, the Company desires to amend the Plan;

**NOW, THEREFORE,** the Plan is hereby amended by substituting the following in the Adoption Agreement, effective as of December 1, 2014:

**D. PLAN OPERATIONS**

**Claims**

**4a.** **Carryover.** Indicate whether the Plan will carryover unused Health Care Reimbursement Account balances at the end of the Plan Year as permitted in IRS Notice 2013-71.
**i.** [ X ] Yes - balances up to $500 may be carried over (may not exceed $500)
**ii.** [ ] No
**NOTE**: If carryover is selected (**D.4a** is not "No"), the Plan may not provide for a grace period for the Health Care Reimbursement Account (**D.3a.i** may not be selected and **D.3a.ii** must be restricted to accounts other than the Health Care Reimbursement Account). In addition, the Plan may not provide for a grace period in the year to which the carryover amount is applied.

**4b.** Effective date of the carryover option: **January 1, 2013**.

**4c.** Describe any limitations on the carryover provision: ________
**NOTE**: The same carryover limit must apply to all Participants. Unused amounts may not be cashed out or converted to any other taxable or nontaxable benefit.
**NOTE**: In addition to any limitations on carryover described above, the Plan Administrator may prescribe procedures for the carryover including, but not limited to, establishing a minimum amount for carryover and requiring a contribution to use the rollover in the following year provided that any such procedure is non-discriminatory.

**IN WITNESS WHEREOF,** the Company has caused this Amendment to be executed this _____ day of _______________, 2014.

HOUSING AUTHORITY OF CITY OF ALAMEDA:

Signature:______________________________

Print Name: ______________________________

Title/Position:_________________

V3.00-3.00

## HOUSING AUTHORITY OF CITY OF ALAMEDA CAFETERIA PLAN

## SUMMARY OF MATERIAL MODIFICATIONS

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the Housing Authority of City of Alameda Cafeteria Plan. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

**FORFEITURES**

Plan Year/Termination

Except as provided below, any amounts remaining in your account at the end of the Plan Year will be forfeited after all claims are paid. In addition, any balance remaining in your account on the date you terminate employment with the Company will be forfeited after all claims are paid.

Any balance remaining in your Health Care Reimbursement Account at the end of any Plan Year up to $500 will be carried forward and used to fund such benefits in any subsequent Plan Year. This carryover amount will not affect your ability to contribute the maximum amount ($2,500) in the subsequent Plan Year.

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

RE: AB 1234 Mandatory Ethics Training Requirements

Assembly Bill 1234 requires certain elected and appointed officials as well as members of local legislative bodies to receive a minimum of two hours of ethics training every two years. The training must cover both ethics laws and ethics principles. The requirement applies to those who either receive compensation for their service to the Housing Authority or who are reimbursed for their expenses. Local legislative body members who do not complete the ethics training may not receive compensation or reimbursement. In the case of the Board of Commissioners this means you will not receive any reimbursement for travel expenses unless you complete ethics training.

As a member of the Board of Commissioners, you are required to receive ethics training. The Institute for Local Government has identified a number of options available for you to meet the requirements of this training. One of these is an online course at www.ca-ilg.org/ab1234compliance.

**After completion of the training please print out your certificate and return to Denise Connors at the Housing Authority office at 701 Atlantic Avenue, Alameda, CA 94501.** The Housing Authority will be responsible for submitting the tests to the Institute for Local Government along with the processing fee. If you wish to participate in a different training or if you have a request for a reasonable accommodation for access to the ethics training, please contact us with that information so that arrangements can be made.

Once you have completed your training, and proof of participation has been provided to the Housing Authority, the certification record will be retained as a public record for a minimum of five years.

If you have any questions regarding this notice, please do not hesitate to contact me at (510) 747-4320.

Sincerely,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

VMC:dc

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

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: January 21, 2015

Re: Adopt the Resolution to Amend the Revised Housing Authority's Personnel Policies

BACKGROUND

The Housing Authority became an autonomous agency in 2012 and adopted new personnel policies that replaced the City's Employee Handbook and the ACEA and MCEA Memorandums of Understanding. In drafting the 2012 Personnel Policies staff sought guidance from a variety of sources and perspectives. Sample personnel policies from the Housing Authority Risk Retention Pool (HARRP) provided a good starting place. Attorneys skilled in human resources and covered California and federal laws prepared these policies. Various changes have triggered legal or policy changes since then and have been approved by the Board.

DISCUSSION

Section VI.H.3. Paid Sick Leave
Last month, the board approved eliminate this section that approves use of sick time for family sickness. This month an amendment is proposed to expand the definition of family members in this section. This is due to a change in the California Paid Family Leave (PFL) approved by the legislature in 2013.

Our practice has been to allow the employee's accrued paid sick leave to be taken for sickness, or medical and dental appointments of an employee's spouse, parent, child, and registered domestic partner and their child regardless of residence, or a dependent living in the employee's household.

Beginning July 1, 2014, California workers may be eligible to receive PFL benefits when taking take time off of work to care for a seriously ill parent-in-law, grandparent, grandchild, or sibling. The policy change would allow use of paid sick time in such instances.

With the Board of Commissioners adoption of the resolution to approve the revised personnel policies, the revised personnel policy document will be effective January 1,

2015. However where legally necessary the expanded family definition will be honored retroactive to the date of the legal change - July 1, 2014.

RECOMMENDATION

Adopt the Resolution to amend the Housing Authority's revised Personnel Policy retroactively effective January 1, 2015.

Respectfully submitted,

Vanessa Cooper

Vanessa M. Cooper
Executive Director

VC:VMC

Exhibit:
Extract from revised personnel policy
Resolution

3. Floating Holidays. Between January 1 and December 31, eligible employees may request to take up to three and one-half floating holidays (in addition to Housing Authority-recognized holidays) at times to which the employee and his/her supervisor agree. See below for exceptions for probationary employees.

4. Holidays and Probationary Employees. During the original probationary period, employees are entitled to use one floating holiday at hire, one additional floating holiday after six months, and one and one-half additional floating holidays will be awarded upon completion of 12 months of service.

H. Paid Sick Leave

1. Accrual. Paid sick leave shall be accrued by full-time and probationary full-time employees at the rate of 7.5 hours (8 hours for maintenance workers) per month worked. Part-time employees will accrue sick leave on a pro-rata basis, based on actual hours worked. Accrual of paid sick leave will continue to employees who are on a paid leave status.

   When a Housing Authority-paid holiday occurs while an employee is absent from work on authorized paid sick leave, the holiday will not be deducted from the employee's accumulated paid sick leave.

2. Use. Paid sick leave will be allowed only in case of necessity and actual illness or injury, and for medical and dental appointments of an employee. Paid sick leave is a benefit provided to protect employees in the case of illness or medical emergency. <u>The employee's accrued paid sick leave may be taken for sickness, or medical and dental appointments of an employee's spouse, parent, child, and registered domestic partner and their child regardless of residence, or a dependent living in the employee's household. Accrued paid sick time may also be used when taking take time off of work to care for a seriously ill parent-in-law, grandparent, grandchild, or sibling.</u>

3. Notification. An employee unable to report to work because of an illness or injury must notify his/her supervisor no later than one half-hour before or after the scheduled start of the workday, if possible. The supervisor must be contacted on each additional day of absence, except in cases where the employee is on an approved leave of absence. Employees who are absent for more than three days due to their own illness or injury are required to provide a doctor's statement certifying that the employee may safely return to work. The Housing Authority may require a doctor's note to substantiate the need for a medical absence of any duration.

4. Coordination of Benefits. If there is an extended absence, the employee also must apply for any other available compensation and benefits for which she/he may be eligible. The paid sick leave benefit is coordinated with any payments that the employee is eligible to receive, e.g., State Disability Insurance (SDI), workers' compensation, or other such paid benefit, such that

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

# *Resolution No.*______

AMEND PERSONNEL POLICY

**WHEREAS**, the Housing Authority Board of Commissioners adopted the AHA Personnel Policies April 12, 2012; and

**WHEREAS**, the Housing Authority Risk Retention Pool (HARRP) provided a model for the personnel policies; and

**WHEREAS**, Liebert Cassidy Whitmore completed a thorough review of the AHA Personnel Policies and certified legal compliance at both the state and federal levels on November 4, 2014; and

**NOW THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Housing Authority of the City of Alameda hereby approves the amendment of the Personnel Policy included in the Agenda Packet effective January 1, 2015 Implementation of expanded definition of family will be retroactive to July 1, 2014 as defined by law.

ATTEST:

______________________________
Arthur Kurrasch, Chair
Board of Commissioners

______________________________
Vanessa M. Cooper
Secretary

Adopted: ______________________