



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, April 15, 2015 7:00 p.m. (6:45 p.m. CLOSED SESSION)

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. CLOSED SESSION – 6:45 p.m. - Adjournment to Closed Session to Consider:
2-A. Conference with Real Property Negotiator – Gov. Code. Sect. 54956.8)

Agency Negotiator: Vanessa M. Cooper, Executive Director or designee
Property:

APN: 074-0906-033

- Negotiating Parties: Housing Authority of the City of Alameda, Union Pacific Railroad
Under Negotiation: Price and Terms



- 3. Announcement of Action Taken in Closed Session, if any.
- 4. Adjournment of Closed Session
- 5. RECONVENE SPECIAL MEETING – 7:00 P.M.
- 6. 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.
- 6-A. Approve Minutes of the Board of Commissioners Special Meeting held April 1, 2015 Acceptance is recommended.
- 6-B. Accept the Monthly Overview Report
- 6-C. Accept the Budget Variance Report
- 7. AGENDA
 - 7-A. Adopt the Resolution to Approve the Housing Authority’s Budget for Fiscal Year 2016
 - 7-B. Award a Contract to PFM Asset Management for Investment Services
 - 7-C. Adopt Resolution Authorizing the Executive Director to Execute a Cap Rate Agreement and Related Documents for the 2005 Multifamily Housing Revenue Bonds
 - 7-D. Award a Contract to Bay Cities Construction Incorporated in the Amount of \$310,200 and Authorize the Executive Director to Execute a Contract for Kitchen and Bathroom Modernization at Esperanza; Authorize a Project Budget in the Amount of \$372,240
- 8. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)
- 9. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)
- 10. EXECUTIVE DIRECTOR COMMUNICATIONS
- 11. ADJOURNMENT

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 this 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 lweisig@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

SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA HELD WEDNESDAY, APRIL 1, 2015

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

PLEDGE OF ALLEGIANCE

1. ROLL CALL

Present: Commissioners Allen, Jones, Rickard and Chair Kurrasch
Absent: Commissioner McCahan (present by telephone; not permitted to vote)

Commissioner Allen was not present at the beginning of the Meeting so the Chair proceeded to Item 3-C of the Packet until she arrived.

A quorum was achieved.

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.

Commissioner Rickard moved to approve the Consent Calendar and Commissioner Jones seconded. The motion carried unanimously. Items accepted or adopted are indicated by an asterisk.

- *2-A. Minutes of the Board of Commissioners Regular Meeting held February 18, 2015. Acceptance is recommended.
- *2-B. Accept the Monthly Overview Report
- *2-C. Accept the Budget Variance Report

3. AGENDA

- 3-A. Approve Renewal of the 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. Johnson noted that an Agreement between the City and Housing Authority has been in place for over thirty years. The City provides policing services to the Housing Authority and the Housing Authority provides Community Development staffing services to the City. This single agreement covers both services and the associated costs. The Housing Authority staff administers the City's housing programs, federal CDBG and HOME Programs and the Below Market Rate and Inclusionary Housing Programs as well as staffs the Rent Review Advisory Committee and oversees the Legally Binding Agreements at Alameda Point. With Board approval, the Agreement will be sent to City Council for approval as part of the City Council's 2-year, 2015-2017 City Budget. Ms. Cooper said that she has met with City staff and both City staff and Housing Authority staff agree that it is best to proceed with the current satisfactory arrangements. Only minor changes to the Agreement are anticipated before it is signed. She thanked our officers for their diligence on our properties. Ms. Cooper said that this is a very valuable service.

Chair Kurrasch said he agrees that this is a valuable service and knows that other Housing Authorities wish they could have this same type of service.

Commissioner Rickard moved to accept the staff recommendation on page 31 of the packet and Commissioner Allen seconded. The motion carried unanimously.

3-B. Approve a Loan of \$1,000,000 from the Housing Authority to Island City Development for the Project at 2437 Eagle Avenue

Ms. Johnson commented that over the last year the Board and ICD have granted separate approvals for this loan. Initially funds were appropriated within the AHA budget to use for the predevelopment work at Eagle Avenue. The largest single expense was the architect and engineering service fees. Subsequent to that, the Board authorized staff to take necessary steps to form a non-profit. Island City Development (ICD) was incorporated in August. All necessary forms have been filed with the State and the IRS application for tax exempt status was finally completed and submitted last month. Now that the non-profit has been formed, we will open the bank account on behalf of ICD, and with that ICD will be open for business.

Ms. Johnson said that to separate the expenses associated with development, staff is recommending that the expenses will be paid through ICD so that they will be separated from Housing Authority costs and properties. The loan funds will be the same \$1,000,000 that was previously approved and once loaned to ICD, projects cost will be charged to the non-profit. ICD will be eligible to earn developer fees and over time will be able to pay back the loan. The loan will be evidenced by a promissory note. The re-payment schedule will depend upon the timing of cash when the projects are developed and fees are earned.

Ms. Johnson said that ICD is a corporation and will become a member of an LLC similar to what we did for Park Alameda and Jack Capon Villa where we formed single asset LLC's.

Ms. Cooper said that we could expect to see an LLC for Eagle Avenue and for Del Monte if approvals are granted.



Commissioner Allen asked if the Board would get to see a copy of the Promissory Note and Ms. Johnson confirmed that counsel will draft the note and a copy can be provided to the Board.

Commissioner Rickard moved acceptance of the staff recommendation on page 50 and Commissioner Jones seconded. The motion carried unanimously.

3-C. Public Hearing to Hear Comments on Housing Authority Annual Plan for the Fiscal Year Starting July 1, 2015 and Significant Amendment

Ms. Cooper thanked staff and members of our Resident Advisory Commission for the hard work that they put into this Plan. Ms. Cooper said that it is important to establish goals for the funding that we receive from the federal government, and that it is a better strategy to state expansive rather than narrow goals. She commented that the Annual Plan process is lengthy and includes a 45-day public notice period. Tonight's meeting has been advertised as a public hearing.

Chair Kurrasch announced that the Public Hearing is now open for comments. There were no public comments so the Chair closed the Hearing. Chair Kurrasch announced that the Board would be taking action on this item at the next regular meeting.

3-D. Adopt 5-Year and Annual Plan for fiscal Years 2015-2020

Ms. Cooper described the process to prepare and submit the Annual Plan to HUD. This includes tenant meetings, newspaper advertising, and staff review. Senior management is in agreement with the goals in the Plan. The Plan established broad goals, and HUD also requires extensive reporting throughout the year. The Plan covers areas such as operations, the HCV Program, sustainability and looking at how some of our internal processes work. This Annual Plan is distinct from a strategic business plan, which will be developed separately under Board leadership over the next year.

Chair Kurrasch asked that the dates on pages 75 and 76 would be changed since the Board could be approving tonight.

One person from the audience asked for clarification goals relating to the green activities. Ms. Cooper stated that once the goals are adopted, the Agency will consider opportunities to use green materials and supplies. Ms. Cooper said that over time we would be looking to meter individual units. Mr. Roche commented on current recycling activity. Ms. Cooper said that we have begun to improve enforcement of dumping through the use of parking lot cameras. Ms. Cooper mentioned there will be tenant education again about how to store and dispose of materials and how to keep the area clean and tidy. Regarding environmentally friendly actions, we will be looking at our cleaning products and try to go green as much as possible.

A question was asked about home ownership. Ms. Cooper said that some Housing Authorities have a Section 8 Homeownership program, but in the Bay Area this cannot



work because of high property costs. The home ownership opportunities that we are able to offer is the City's below market rate program.

Commissioner Rickard moved to accept the staff recommendation on page 73 of the packet and Commissioner Jones seconded. The motion carried unanimously.

- 3-E. Approve a Short-term Internship Program to Provide Research and Analysis Support for Housing Authority Projects and Programs and Offer Professional Development Opportunities to Undergraduate and Graduate Students

Ms. Cooper said that we have a number of interesting projects in our Facilities and Development departments that are appropriate for a graduate student internship. We are proposing a short-term Internship Program that is limited to two paid positions over the course of the summer. Funds are available from budgeted positions that were unfilled for part of the year. The Interns will not be eligible for any benefits.

Commissioner Allen asked if tenant information would be shared with the Intern. Ms. Cooper said that interns will not be working in a department where they would have access to any private tenant information. Our computer system is set-up to allow staff certain areas of entry. Ms. Cooper said that everyone who is hired at the Housing Authority has to sign a confidentiality agreement and the Interns would be background checked just as everyone else. Commissioner McCahan said that he would like to include the College of Alameda as a source for hiring the interns as this would help foster the relationship that we are trying to build with the College of Alameda. Ms. Cooper said that she would be happy to add the College of Alameda to the advertising list.

Commissioner Allen moved to accept the staff recommendation on page 79 and Commissioner Rickard seconded. The motion carried unanimously.

- 3-F. Update on Housing Choice Voucher Waitlist Opening

Ms. Cooper reported that we are starting to go through the data and acknowledged the staff that produced the statistical analysis. Ms. Cooper noted that the 750 that were selected statistically matched the larger applicant pool. Although nearly 36,000 people did not get on the list, it is good to know that the system worked well and all applicants had a fair chance. Staff is working to process the top 50 of the 750 and getting ready to issue some vouchers. We want to be cautious about how many vouchers we issue because we do not want to flood the market.

- 3-G. Approve an Amendment to Contract with Techordia, LLC, Establishing a Limit of No More than Eighty Thousand Dollars (\$80,000) and Extending the End Date to June 14, 2017, and Authorize the Executive Director to Execute Amendment

Ms. Cooper noted that Techordia is the agency's Information Technology (I.T) vendor, and provides excellent service. They assist with our phones, cameras, and phone system. Techordia acts as I.T. help desk and advises us on our purchases. We are proposing an extension of their contract and increasing the contract amount. A third



party consultant reviewed the contract and recommended the extension. Techordia has not previously increased their fees. The \$80,000 does not include hardware.

Commissioner Rickard moved to accept the staff recommendation on page 84 of the packet and Commissioner Allen seconded. The motion carried unanimously.

3-H. Approve Out-of-State Travel for Staff to Attend Fundamentals of Low-Income Housing Tax Credit Management

Ms. Cooper said that it is our policy to bring out-of-state-travel to the Board. Ms. Cooper reminded the Board that she sent them an Off-Agenda Memo regarding out-of state travel for the Board members and to let her know of their selection.

Commissioner Rickard moved to accept the staff recommendation on page 87 of the packet and Commissioner Jones seconded. The motion carried unanimously.

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

Mr. Torrey said Happy Easter to all.

5. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Commissioner Rickard reported that next week is spring break.

Ms. Cooper introduced Maurice Harold, Housing Programs Supervisor.

Chair Kurrasch reported that we have a Letter of Acknowledgement of the work of Michael Derkacz from Officer Ledbetter.

Chair Kurrasch reported that the trip to Washington, DC was interesting and informative. He reported that the tenor was that things would not get any worse, which he finds to be positive. Barbara Lee's Chief of Staff met with the Chair and Ms. Cooper for a fair amount of time.

6. EXECUTIVE DIRECTOR COMMUNICATIONS

None

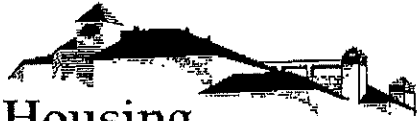
7. ADJOURNMENT

There being no further business, Chair Kurrasch adjourned the meeting at 8:23pm.

Arthur Kurrasch, Chair

Vanessa M. Cooper
Executive Director/Secretary





Housing Authority of the City of Alameda

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To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: April 15, 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.

Operations/HR

All performance evaluations are now up to date and goals have been set for each employee for the coming 12 months.

We have filled the following positions:

- Housing Assistant (2 positions)
- Housing Specialist II (Continued)
- Housing and Community Development Project Manager

Recruitment is in progress for the following positions:

- Director of HR and Operations
- Director of Finance
- Facilities Project Manager
- Housing Specialist II (Initial)
- Senior Management Analyst
- Summer Interns (2 positions)

Property Management

We signed two leases in February and ended the month with 12 vacant units. This places our vacancy totals equal to the January's ending total of 12 vacant units.

As summer approaches we will see an increase in vacancy as families relocate as they consider their children's placement in school for the fall. Also, we are in the

beginning stages of a large project related to moving a number of households that are not residing in an appropriate sized unit.

Rent collections continue to show improvement. We ended March with only one resident owing rent for March. The amount due was paid during the first week in April. Our payment enforcement is working. We have not evicted a single resident for non-payment of rent since September of 2014

The Payment Installment Program is showing very good reductions in debt owed to AHA. We ended March with only about \$9,000 in unpaid debt. Of this amount only one resident owes more than \$1,000. Only 4 of the remaining 25 residents are more than a month past due. All received warning or breach letters.

We are almost done with the mass lease signings for all properties. There are only 19 leases left to sign out of 572 units. Once the last 19 leases have been signed, all 572 units will be under the lease approved last September by the Board.

Facilities and Maintenance (Director Rod Roche)

Capital Improvements Projects – During the month of March, our contractors for both the Parrot Village Bay Friendly Drought Tolerant Landscape Project and the Anne B. Diament Windows, Sliding Glass Door & Siding Project completed all punchlist and change order work and achieved the 100% Completion Milestone. In addition, our contractor for the Esperanza Site Improvements Project made significant progress continuing with performance of site preparations and concrete work in the new playground areas, and starting its painting operations of the buildings. As of the end of March, the painting operations at Esperanza are 33% complete.

Capital Projects Update			
March 2015 Update	ABD - Windows, Sliding Glass Door, & Siding Replacement Project	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	\$ 64,816	\$ 127,352	\$ 10,355
Current Contract Amount	\$ 842,316	\$ 1,419,352	\$ 302,730
Project Cost To Date	\$ 842,316	\$ 656,064	\$ 302,730
% Complete	100%	48%	100%
Pending Change Orders	\$0	\$7,000	\$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				
March 2015 Update	FY 2014 Ave.	Jul - Feb 2015	Mar-15	FY 2015 Ave.
Total Monthly WOs	285	2047	240	254
Preventative Maintenance WOs	41	229	74	34
Vacancy Turnovers	6	44	6	6

Housing Programs (Director Leslie Gleason)

During March we continued activity on the HCVP Wait List. We began with verifying claimed preferences and income for almost 100 of the 750 applicants randomly selected for placement on the wait list to finalize the pool of applicants and their order based on preferences and also to begin issuing vouchers as quickly as possible. Notices were sent to all applicants placed on the wait list of 750 and to the "back-up group" of 750. Through an external mailhouse, notices were also sent to the remaining 35,000+ online applicants not placed on the list.

In early March, four HPD staff members attended Housing Choice Voucher Program Specialist training through the collaborative efforts of area housing authorities. On March 11th, all HPD staff members participated in online Cyber-Awareness and Security Training. We offered promotions and new employment offers to four qualified individuals to begin in April, which will bring our department back to full staffing levels.

In March, three vouchers were issued to Family Unification Program applicants and other referrals are being processed. We are working to fill project-based voucher vacancies and vacancies in AHA's senior complexes.

In response to market conditions, the AHA increased Payment Standards to the maximum allowable levels in November 2014. A letter to current property owners soliciting additional units and reminding them of the new Payment Standards has provided a welcome opportunity to thank them for their partnership in our mission. It is also resulting in a significant increase in the number of requests for rent increases submitted and processed. In addition, the AHA Property Management Department is continuing its annual cycle of seeking rent increases for AHA units and entering into new leases with existing residents, so there is a lot of activity for our department in this area.

	March 2015	February 2015	January 2015
Annual Re-examinations Processed	139	119	114
Rent Increases Processed	93 (HCV and AHA properties)	110 (HCV plus Esperanza)	28
Interim Re-examinations Processed	109	41	31
HQS Inspections Conducted	255 First-time pass rate = 55%	154 First-time pass rate = 72%	180 First-time pass rate = 65%

Housing and Community Development (Director Victoria Johnson)

CDBG/HOME Programs –

As a CDBG entitlement jurisdiction, the City is required to prepare a Five-Year Strategic Plan and an Annual Action Plan. A new five year cycle will begin in FY 2015-2016. The FY 2015-20 Five-Year Strategic Plan (Strategic Plan) sets forth broad policy goals and the City's plan for addressing the identified priority needs, primarily through the use of CDBG and HOME funds. The priority need categories are defined by HUD. Specific objectives for the coming year are addressed in the FY 15-16 Action Plan (Action Plan) covering the period of July 1, 2015 through June 30, 2016.

On March 26, 2014, The Social Services and Human Relations Board (SSHRB) reviewed and accepted staff recommendations for the CDBG Public Services category. The Public hearing to approve the Five Year Strategic Plan and Annual Action Plan will go before Council on May 5, 2015.

Rent Review Advisory Committee (RRAC) - There were two new cases for the month of March. The committee recommended that the rent increase was reasonable first case. The second case included eight units. The committee recommended that the current rents stay in affect for one year. This decision was made in view of a substantial increase in the prior year. The case has since been resolved between the landlord and tenants.

Housing Rehabilitation Programs –

Repairs to the duplex property occupied by an owner and an income eligible tenant has been completed. The County Healthy Homes Department will now begin lead-paint work on the property. Staff is assisting a frail elderly homeowner and her disabled son to bid for major renovations to their property. We have been contacted by a local real estate office who wants to donate time and materials through a "Helping Hands" community program to perform non-construction work and make additional improvements.

Water use and leak testing kits that have been obtained from the East Bay Municipal Utilities District (EBMUD) are being made available to Section 8 landlords. In addition, low-interest loans are being marketed to landlords to help evaluate and repair or replace defective or inefficient systems at their properties. After results are returned, free low-flow shower heads, flow-reducing aerators and other water-saving devices are available to the owners for installation or as a part of a larger rehab project. There is a \$50 rebate thorough EBMUD for low-flow toilets purchased before June 30, 2015. Staff is making appointments for free evaluations for projects using our two percent interest loans for repairs and qualified general property improvements.

Inclusionary and Below Market Rate Programs – There are two upcoming re-sales of moderate-income homes. One is currently in escrow and the second will work with Hello Housing to identify a buyer. Several hundred applications have been received by Hello Housing for the first set of five inclusionary/ below-market-rate homes at the “Linear” subdivision built by TriPointe homes. An applicant lottery was held on March 26th at 2:00 p.m. at the O’Club at Alameda Point. The homes are expected to close by the end of the year.

Real Estate Development –

- Stargell Commons (32 family units): Staff will be notified in May whether the application for 9% tax credits was successful. If awarded, construction will commence by the end of 2015.
- 2437 Eagle Avenue (22 family units): Staff is working with the architect to complete and prepare the application for planned development (PD) approval. The project is expected to be considered by the Planning Board at a Public Hearing on May 27th.
- Del Monte Rental (31 senior units)– Staff has met with the architectural firm engaged by Tim Lewis Company (BAR Architecture) three times to develop the site plan and elevations of the proposed rental project. Staff is also working with tax credit counsel to finalize the Term Sheet Agreement. The current schedule anticipates that the project will be presented to the Planning Board in May and then be considered by City Council for the necessary approvals in July.

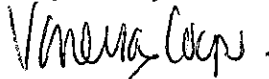
Finance (Director Alan Olds)

Please see the Budget Variance Report

RECOMMENDATION

For information only.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VMC/



Housing Authority of the City of Alameda

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To: Honorable Chair and Members
of the Board of Commissioners

From: Vanessa Cooper
Executive Director

Date: April 15, 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. On February 18, 2015, the Board of Commissioner's approved budget revision number 1. This Budget Variance Report covers preliminary unaudited financial operating results compared to budget revision number 1 for the nine month fiscal period of July 1, 2014 to March 31, 2015.

DISCUSSION

Operating income is over budget and agency wide expenses are also below budget resulting in an operating surplus of \$1,043,118 compared to budget of \$108,848. Please note cash flow from operations is a negative \$1,007,292 thru March 31, 2015. 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 over the next two years.

On February 26, 2015, AHA received its annual appropriation letter from HUD indicating HAP funding for calendar year 2015 will be \$22,924,432. This funding level combined with AHA's HUD Held reserves should be sufficient to fully fund all HAP payments in 2015. HUD also advised AHA that the administrative fees for the Housing Choice Voucher program would be 74% of what AHA is eligible to receive. This 74% pro-ration level is the same for all housing authorities nationally. Since AHA was funded at 79% in 2014, the reduction by HUD is 6.3%. AHA's total average administrative fees for the last two years have been around \$1,517,000, so a reduction of 6.3% on average fees would be \$95,571 ($\$1,517,000 \times 6.3\%$). Due to the lower leasing levels, HUD's reduction in administrative fees and increased cost associated with the opening of the wait list, it is now likely the Section 8 administrative will incur an operating loss for the current fiscal year.

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 \$0 and year to date \$22,074.

CIP's for the month totaled \$0 and year to date \$80,530.

AHA/CDBG/HCD/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 \$302,041 compared to budget at \$34,126.

EMP expenses total \$109,178. Fiscal Year CIP's totaled \$84,581.

HOUSING AUTHORITY OWNED

Operating income finished the current period under budget due to a CDBG project that has not been completed or billed yet. Operating expenses are under budget for Housing Authority Owned properties resulting in a surplus of \$69,951 compared to a budgeted loss of \$-213,954 for the fiscal year.

EMP activity for the month totaled \$0 and year to date \$162,554.

CIP's totaled \$1,342,377 for the fiscal year.

INDEPENDENCE PLAZA

Operating income for this fiscal year is over budget for this nine month fiscal period. Operating expenses continue to be in line with budget. Therefore, IP operations resulted in a surplus of \$683,009 compared to budget of \$457,317.

EMP expenses total \$89,640 and CIP \$484,508 for the fiscal year.

HOUSING CHOICE VOUCHER PROGRAM

Our lease rate is at 92.4 percent for the fiscal year and 90 percent for the HUD calendar year 2015 annual funding cycle, which just began in January. 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 RNP (Restricted Net Position) cash reserves held by AHA in the past. Currently this HUD held HAP reserve has a balance in excess of

\$2.4 million dollars. The operating (or administrative) portion of the Housing Choice Voucher program has an operating surplus of \$14,014 compared to budget of a negative \$-46,356 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 74% for the period of January to December 2015.

DEVELOPMENT

2437 Eagle Avenue

In-Progress:

Land	\$1,200,000
Predevelopment	101,430
CIP-In progress	10,500
Maintenance	4,037
Insurance	13

Stargell Commons at Alameda Landing

Predevelopment	\$10,828
Legal	900

Island City Development

Legal	\$6,625
Predevelopment	\$5,818

BUDGET ADJUSTMENTS

None at this time as all required adjustments were included in the February 18 FY 2015 approved budget revision number 1.

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 Cooper
Executive Director

VC:ajo

Attachments: 1. Budget Variance Report

Housing Authority of the City of Alameda Unaudited Budget Variance Report For the Nine Month Fiscal Period Ending March 31, 2015

Description	Year to Date Budget	Year to Date (YTD) Actual Income and Expenditures										S/B 75%				
		General Fund	AHA/CDBG/Other Managed	Parrot & Eagle Village	HA Owned	Independence Plaza	Section 8	Total Actual	YTD Variance	Budget Used	Annual Budget					
Operating Income																
HAP/Subsidy	\$ 21,305,037	\$ 149,911	\$ -	\$ 1,106,427	\$ 2,487,251	\$ 1,144,605	\$ 17,000,056	\$ 21,888,250	\$ 583,213	77%	\$ 28,406,716					
Dwelling Rent	2,460,960	-	-	370,587	1,043,913	1,068,923	-	2,483,423	22,463	76%	3,281,280					
Administrative Fees	1,174,685	-	-	-	-	-	1,189,376	1,189,376	14,691	76%	1,566,247					
Interest	26,625	3,855	-	5,260	36,915	1,390	-	47,420	20,795	134%	35,500					
Other Income	842,251	187,051	479,063	10,937	46,372	35,353	5,866	764,642	(77,609)	68%	1,123,001					
Total Operating Income	25,809,558	340,817	479,063	1,493,211	3,614,451	2,250,271	18,195,298	26,373,111	563,553	77%	34,412,744					
Operating Expenses																
Administrative:																
Salaries	1,927,083	-	322,855	173,415	479,565	179,796	667,886	1,823,517	103,566	71%	2,569,444					
Legal	55,179	-	2,072	3,882	19,141	4,773	10,143	40,011	15,168	54%	73,572					
Travel/Training	36,752	-	7,886	1,848	5,677	2,042	6,676	24,129	12,623	49%	49,002					
Publications	2,400	-	229	411	1,110	521	739	3,010	(610)	94%	3,200					
Telephone	18,578	-	44	2,132	7,318	5,017	6,028	20,539	(1,962)	83%	24,770					
Audit Fees	23,250	-	-	4,774	11,408	8,897	5,921	31,000	(7,750)	100%	31,000					
Office Supplies	49,575	-	5,586	5,180	15,070	5,934	23,973	55,743	(6,168)	84%	66,100					
Contract Costs	345,757	-	31,131	19,798	83,334	27,320	102,975	264,558	81,199	57%	461,009					
Sundry	86,175	-	15,063	6,700	15,218	7,975	45,376	90,332	(4,157)	79%	114,900					
Subtotal	2,544,748	-	384,866	218,140	637,841	242,275	869,717	2,352,839	191,909	69%	3,392,997					
Tenant Services:																
Salaries	71,390	-	-	9,243	36,208	18,681	-	64,132	7,238	67%	95,186					
Tenant Activities/Relo Cost	50,925	25,000	-	4,056	32,541	7,745	168	69,510	(18,585)	102%	67,900					
Subtotal	122,315	25,000	-	13,299	68,749	26,426	168	133,642	(11,328)	82%	163,086					
Utilities:																
Water and Sewer	387,017	-	-	75,359	177,951	90,070	1,429	344,809	42,208	67%	516,022					
Electricity	107,895	-	-	10,193	42,728	28,997	4,583	86,501	21,394	60%	143,860					
Gas	61,046	-	-	210	30,756	18,840	382	50,188	10,858	62%	81,394					
Subtotal	555,957	-	-	85,762	251,435	137,907	6,394	481,498	74,459	65%	741,276					
Maintenance:																
Salaries	808,941	-	-	150,566	412,167	190,504	-	753,237	55,704	70%	1,078,588					
Materials	159,750	-	6	29,648	78,905	44,695	3,524	156,778	2,972	74%	213,000					
Contract Costs	910,695	-	-	144,610	485,656	168,909	19,723	818,898	91,797	67%	1,214,260					
Subtotal	1,879,386	-	6	324,824	976,728	404,108	23,247	1,728,913	150,473	69%	2,505,848					
General:																
Police Services	157,500	-	-	27,405	93,135	26,828	10,132	157,500	0	75%	210,000					
Insurance	76,347	-	-	16,344	43,199	23,679	4,308	87,530	(11,183)	86%	101,796					
Employee Benefits	986,322	-	94,191	125,094	347,395	142,927	267,262	976,869	9,453	74%	1,315,096					
Collection Losses	22,950	-	-	13,582	21,482	1,213	-	36,277	(13,327)	119%	30,600					

Housing Authority of the City of Alameda Unaudited Budget Variance Report

For the Nine Month Fiscal Period Ending March 31, 2015

Description	Year to Date (YTD) Actual Income and Expenditures										S/B 75%	
	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	1,243,119	-	94,191	182,425	505,211	194,647	281,702	1,258,176	(15,057)	76%	1,657,492	
Total Operating Exp.	6,345,524	25,000	479,063	824,450	2,439,964	1,005,363	1,181,228	5,955,068	390,456	70%	8,460,699	
Mortgage/HAP Payments:												
HAP Payments	16,829,736	149,911	-	-	-	-	17,000,056	17,149,967	(320,231)	76%	22,439,648	
Mortgage Interest	819,990	-	-	52,855	553,857	218,108	-	824,820	(4,830)	75%	1,093,320	
Interest-City Loan	-	-	-	-	-	-	-	-	0		0	
Subtotal	17,649,726	149,911	-	52,855	553,857	218,108	17,000,056	17,974,787	(325,061)	76%	23,532,968	
Other Expenses:												
Extraordinary Maint.	552,383	22,074	-	109,178	162,554	89,640	-	383,446	168,937	52%	736,510	
CDBG/Other Programs	22,500	-	-	-	-	-	-	-	22,500	0%	30,000	
Pre-Development Costs	152,867	94,975	-	-	-	-	-	94,975	57,892		203,823	
Subtotal	727,750	117,049	-	109,178	162,554	89,640	-	478,421	249,329	49%	970,333	
Total Expenses	24,723,000	291,960	479,063	986,483	3,156,375	1,313,111	18,181,284	24,408,276	314,724	74%	32,964,000	
Operating Income before Depr.	1,086,558	48,857	-	506,728	458,076	937,160	14,014	1,964,835	878,277		1,448,744	
Depreciation	977,711	74,754	-	204,687	388,125	254,151	-	921,717	55,994	71%	1,303,614	
Operating Income after Depr.	108,848	(25,897)	-	302,041	69,951	683,009	14,014	1,043,118	934,271		145,130	

Housing Authority of the City of Alameda Unaudited Budget Variance Report For the Nine Month Fiscal Period Ending March 31, 2015

Description	Year to Date Budget	Year to Date (YTD) Actual Income and Expenditures							S/B 75%		
		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.		(25,897)	-	302,041	69,951	683,009	14,014	1,043,118			
<u>Cash Adjustments</u>											
Addback Depreciation		74,754	-	204,687	388,125	254,151	-	921,717			
Subtract Mtg Prin Paymts		-	-	(108,780)	(123,914)	(333,903)	-	(566,597)			
Subtract Replacement Res		-	-	(24,150)	(24,400)	(42,784)	-	(91,334)			
Total Adjustments		74,754	-	71,757	239,811	(122,536)	-	263,786			
Adjusted Net Cash		48,857	-	373,798	309,762	560,473	14,014	1,306,904			
<u>Reserve Transfers, Loans, Prior Period Adj</u>											
Operating Reserve Transfers		600,000	-	-	(600,000)	-	-	-			
Payoff US Bank Loans		-	-	-	(322,200)	-	-	(322,200)			
Replacement Reserves-Voluntary		-	-	-	-	-	-	-			
Equipment Reserves-Voluntary		-	-	-	-	-	-	-			
Total Reserve Transfers		600,000	-	-	(922,200)	-	-	(322,200)			
<u>Capital Assets</u>											
Capital Asset Additions		(80,530)	-	(84,581)	(1,342,377)	(484,508)	-	(1,991,996)			
Net Capital Assets		(80,530)	-	(84,581)	(1,342,377)	(484,508)	-	(1,991,996)			
Net GAAP to Cash Adj's		568,327	-	289,217	(1,954,815)	75,965	14,014	(1,007,292)			

Unaudited Budget Variance Report
General Fund
For the Nine Months Ending March 31, 2015

Account Description	Annual Budget	Monthly Budget	Monthly Actuals	Monthly Variance	Y-T-D Budget	Y-T-D Actuals	YTD Variance	S/B 75% USED
OPERATING INCOME:								
HAP	230,280	19,190	15,666	(3,524)	172,710	149,911	(22,799)	65%
Interest	2,000	167	0	(167)	1,500	3,855	2,355	193%
Other Income	147,309	12,276	50,860	38,584	110,482	187,051	76,569	127%
Management Fee	0	0	0	0	0	0	0	
Total Operating Income	379,589	31,632	66,526	34,894	284,692	340,817	56,125	90%
OPERATING EXPENSES:								
Administrative:								
Salaries	0	0	0	0	0	0	0	0%
Legal	0	0	0	0	0	0	0	0%
Travel/Training	0	0	0	0	0	0	0	0%
Publications	0	0	0	0	0	0	0	0%
Telephone	0	0	0	0	0	0	0	0%
Audit Fees	0	0	0	0	0	0	0	0%
Office Supplies	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:								
Tenant Activities	25,000	2,083	0	(2,083)	18,750	25,000	6,250	0%
	0	0	0	0	0	0	0	0%
Total	25,000	2,083	0	(2,083)	18,750	25,000	6,250	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	
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	
General:								
Police Services	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	25,000	2,083	0	(2,083)	18,750	25,000	6,250	0%
Mortgage/HAP Payments:								
Hap Payments	230,280	19,190	15,666	3,524	172,710	149,911	22,799	65%
Mortgage Interest								
Total	230,280	19,190	15,666	3,524	172,710	149,911	22,799	65%
Other Expenses:								
Extraordinary Maintenance	33,000	2,750	(625)	3,375	24,750	22,074	2,676	
Pre-development Costs	203,823	16,985	5,887	11,098	152,867	94,975	57,892	0%
Total	236,823	19,735	5,262	14,473	177,617	117,049	60,568	0%
Total Expenses	492,103	41,009	20,928	15,914	369,077	291,960	89,617	59%
Operating Income before Dep	(112,514)	(9,376)	45,598	54,974	(84,386)	48,857	133,243	-43%
Depreciation (paper expense)	50,564	4,214	8,306	(4,092)	37,923	74,754	(36,831)	148%
Operating Income after Depr	(163,078)	(13,590)	37,292	50,882	(122,309)	(25,897)	96,412	16%

Unaudited Budget Variance Report
AHA/CDBG/Other Managed Programs
For the Nine Months Ending March 31, 2015

Account Description	Annual Budget	Monthly Budget	Monthly Actuals	Monthly Variance	Y-T-D Budget	Y-T-D Actuals	YTD Variance	S/B 75% USED
OPERATING INCOME:								
HAP	0	0	0	0	0	0	0	#DIV/0!
Interest	0	0	0	0	0	0	0	#DIV/0!
Other Income	665,732	55,478	56,024	546	499,299	479,063	(20,236)	72%
Management Fee	0	0	0	0	0	0	0	
Total Operating Income	665,732	55,478	56,024	546	499,299	479,063	(20,236)	72%
OPERATING EXPENSES:								
Administrative:								
Salaries	424,927	35,411	33,573	(1,838)	318,695	322,855	(4,160)	0%
Legal	0	0	0	0	0	2,072	(2,072)	0%
Travel/Training	0	0	2,890	2,890	0	7,886	(7,886)	0%
Publications	0	0	0	0	0	229	(229)	0%
Telephone	0	0	0	0	0	44	(44)	0%
Audit Fees	0	0	0	0	0	0	0	0%
Office Supplies	0	0	4,420	4,420	0	5,586	(5,586)	0%
Contract Costs	78,709	6,559	4,329	(2,230)	59,032	31,131	27,901	0%
Sundry	0	0	35	(35)	0	15,063	(15,063)	0%
Total	503,636	41,970	45,247	3,207	377,727	384,866	(7,139)	0%
Tenant Services:								
Tenant Activities	0	0	0	0	0	0	0	0%
Work Experience	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	
Materials	0	0	0	0	0	6	6	0%
Contract Costs	0	0	0	0	0	0	0	0%
Total	0	0	0	0	0	6	6	
General:								
Police Services	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	132,096	11,008	10,777	231	99,072	94,191	4,881	0%
Collection Losses	0	0	0	0	0	0	0	0%
Transfers out	0	0	0	0	0	0	0	0%
Total	132,096	11,008	10,777	231	99,072	94,191	4,881	0%
Total Operating Expenses	635,732	52,978	56,024	3,438	476,799	479,063	(2,252)	0%
Mortgage/HAP Payments:								
Hap Payments	0	0	0	0	0	0	0	#DIV/0!
Mortgage Interest	0	0	0	0	0	0	0	#DIV/0!
Total	0	0	0	0	0	0	0	
Other Expenses:								
Extraordinary Maintenance	0	0	0	0	0	0	0	
CDBG/Other Programs	30,000	2,500	0	2,500	22,500	0	22,500	
Pre-development Costs	0	0	0	0	0	0	0	0%
Total	30,000	2,500	0	2,500	22,500	0	22,500	0%
Total Expenses	665,732	55,478	56,024	5,938	499,299	479,063	20,248	72%
Operating Income before Dep	0	0	0	0	0	0	0	#DIV/0!
Depreciation (paper expense)	0	0	0	0	0	0	0	#DIV/0!
Operating Income after Depr	0	0	0	0	0	0	0	#DIV/0!

Unaudited Budget Variance Report
Parrot Village and Eagle Village
For the Nine Fiscal Months Ending March 31, 2015

Account Description	Annual Budget	Monthly Budget	Monthly Actuals	Monthly Variance	Y-T-D Budget	Y-T-D Actuals	YTD Variance	75% USED
OPERATING INCOME:								
HAP	1,467,600	122,300	125,332	3,032	1,100,700	1,106,427	5,727	75%
Dwelling Rents	494,520	41,210	40,507	(703)	370,890	370,587	(303)	75%
NonDwelling Rents	0	0	0	0	0	0	0	
Interest	7,000	583	0	(583)	5,250	5,260	10	75%
Other Income	15,240	1,270	1,398	128	11,430	10,937	(493)	72%
Total Income	1,984,360	165,363	167,237	1,874	1,488,270	1,493,211	4,941	75%
OPERATING EXPENSES:								
Administrative:								
Salaries	246,755	20,563	16,368	4,195	185,066	173,415	11,651	70%
Legal	9,840	820	352	468	7,380	3,882	3,498	39%
Travel/Training	5,830	486	346	140	4,373	1,848	2,525	32%
Publications	400	33	0	33	300	411	(111)	103%
Telephone	2,850	238	233	5	2,138	2,132	6	75%
Audit Fees	3,565	297	0	297	2,674	4,774	(2,100)	134%
Office Supplies	7,600	633	176	457	5,700	5,180	520	68%
Contract Costs	38,459	3,205	2,283	922	28,844	19,798	9,046	51%
Sundry	15,300	1,275	1,044	231	11,475	6,700	4,775	44%
Total	330,599	27,550	20,802	6,748	247,949	218,140	29,809	66%
Tenant Services:								
Salaries	23,404	1,950	1,491	459	17,553	9,243	8,310	39%
Tenant Activities	4,800	400	0	400	3,600	4,056	(456)	85%
Total	28,204	2,350	1,491	859	21,153	13,299	7,854	47%
Utilities:								
Water and Sewer	108,900	7,683	10,369	(2,686)	81,675	75,359	6,316	69%
Electricity	16,540	1,378	660	718	12,405	10,193	2,212	62%
Gas	6,463	539	15	524	4,847	210	4,637	3%
Total	131,903	9,600	11,044	(1,444)	98,927	85,762	13,165	65%
Maintenance:								
Salaries	218,222	18,185	16,825	1,360	163,667	150,566	13,101	69%
Materials	49,700	4,142	3,193	949	37,275	29,648	7,627	60%
Contract Costs	250,220	20,852	16,964	3,888	187,665	144,610	43,055	58%
Total	518,142	43,179	36,982	6,197	388,607	324,824	63,783	63%
General:								
Police Services	49,770	4,148	3,115	1,033	37,328	27,405	9,923	55%
Insurance	22,569	1,881	1,835	46	16,927	16,344	583	72%
Employee Benefits	174,112	14,509	13,164	1,345	130,584	125,094	5,490	72%
Claims Account			0	0		0	0	
Collection Losses	13,600	1,133	0	1,133	10,200	13,582	(3,382)	100%
Total	260,051	21,671	18,114	3,557	195,038	182,425	12,613	70%
Total Operating Expenses	1,268,899	104,350	88,433	15,917	951,674	824,450	127,224	65%
Mortgage Interest								
Mortgage Interest	106,932	8,911	5,318	3,593	80,199	52,855	27,344	49%
Total	106,932	8,911	5,318	3,593	80,199	52,855	27,344	49%
Other Expenses:								
Extraordinary Maintenance	286,500	23,875	0	23,875	214,875	109,178	105,697	
Total	286,500	23,875	0	23,875	214,875	109,178	105,697	
Total Operating Expenses	1,662,331	137,136	93,751	43,385	1,246,748	986,483	260,265	59%
Operating Income before Dep	322,029	28,227	73,486	45,259	241,522	506,728	265,206	157%
Depreciation (paper expense)	276,528	23,044	22,743	301	207,396	204,687	2,709	
Operating Income after Depr	45,501	3,792	50,743	54,535	34,126	302,041	267,915	

Unaudited Internal Budget Variance Report
Housing Authority-Owned Properties
For the Nine Month Fiscal Period Ending March 31, 2015

Account Description	Annual Budget	Monthly Budget	Monthly Actuals	Monthly Variance	YTD Budget	Y-T-D Actuals	YTD Variance	75% USED
OPERATING INCOME:								
HAP	3,312,960	276,080	277,227	1,147	2,484,720	2,487,251	2,531	75%
Dwelling Rents	1,375,560	114,630	120,411	5,781	1,031,670	1,043,913	12,243	76%
Interest	25,500	2,125	1,046	(1,079)	19,125	36,915	17,790	145%
Other Income	168,320	14,027	2,513	(11,514)	126,240	46,372	(79,868)	28%
Total Income	4,882,340	406,862	401,197	(5,665)	3,661,755	3,614,451	(47,304)	74%
OPERATING EXPENSES:								
Administrative:								
Salaries	669,335	55,778	45,679	10,099	502,001	479,565	22,436	72%
Legal	35,328	2,944	1,581	1,363	26,496	19,141	7,355	54%
Travel/Training	13,674	1,140	1,281	(142)	10,256	5,677	4,579	42%
Publications	1,100	92	0	92	825	1,110	(285)	101%
Telephone	8,600	717	911	(194)	6,450	7,318	(868)	85%
Audit Fees	10,757	896	0	896	8,068	11,408	(3,340)	106%
Office Supplies	22,900	1,908	532	1,376	17,175	15,070	2,105	66%
Contract Costs	138,093	11,508	11,810	(302)	103,570	83,334	20,236	60%
Sundry	35,800	2,983	3,107	(124)	26,850	15,218	11,632	43%
Total	935,587	77,966	64,901	13,065	701,690	637,841	63,849	68%
Tenant Services:								
Salaries	48,642	4,054	3,498	556	36,482	36,208	274	74%
Tenant Activities	30,000	2,500	160	2,340	22,500	32,541	(10,041)	108%
Total	78,642	6,554	3,658	2,896	58,982	68,749	(9,768)	87%
Utilities:								
Water and Sewer	270,775	21,265	9,227	12,038	203,081	177,951	25,130	66%
Electricity	70,880	5,907	4,593	1,314	53,160	42,728	10,432	60%
Gas	49,806	4,151	4,492	(342)	37,355	30,756	6,599	62%
Total	391,461	31,322	18,312	13,010	293,596	251,435	42,161	64%
Maintenance:								
Salaries	612,811	51,068	45,461	5,607	459,608	412,167	47,441	67%
Materials	113,400	9,450	8,821	629	85,050	78,905	6,145	70%
Contract Costs	681,010	56,751	48,638	8,113	510,758	485,656	25,102	71%
Total	1,407,221	117,268	102,920	14,348	1,055,416	976,728	78,688	69%
General:								
Police Services	106,680	8,890	10,430	(1,540)	80,010	93,135	(13,125)	87%
Insurance	46,012	3,834	4,853	(1,019)	34,509	43,199	(8,690)	94%
Employee Benefits	474,438	39,537	35,691	3,846	355,829	347,395	8,434	73%
Claim Costs	0	0	0	0	0	0	0	
Collection Loss	17,000	1,417	(537)	1,954	12,750	21,482	(8,732)	
Total	644,130	53,678	50,437	3,241	483,098	505,211	(22,114)	78%
Total Operating Expenses	3,457,041	286,787	240,228	46,559	2,592,781	2,439,964	152,817	71%
Mortgage/HAP Payments:								
Mortgage Interest	735,743	61,312	67,586	(6,274)	551,807	553,857	(2,050)	75%
Interest to City Loan	0	0	0	0	0	0	0	
Total	735,743	61,312	67,586	(6,274)	551,807	553,857	(2,050)	75%
Other Expenses:								
Extraordinary Maintenance	341,240	28,437	0	28,437	255,930	162,554	93,376	48%
Total	341,240	28,437	0	28,437	255,930	162,554	93,376	
Total Expenses	4,534,024	376,535	307,814	68,721	3,400,518	3,156,375	244,143	70%
Operating Income before Dep	348,316	30,326	93,383	63,057	261,237	458,076	196,839	132%
Depreciation (paper expense)	633,588	52,799	43,125	9,674	475,191	388,125	87,066	
Operating Income after Depr	(285,272)	(23,773)	50,258	74,031	(213,954)	69,951	283,905	

Unaudited Internal Budget Variance Report
Independence Plaza
For the Nine Fiscal Months Ending March 31, 2015

Account Description	Annual Budget	Monthly Budget	Monthly Actuals	Monthly Variance	Y-T-D Budget	Y-T-D Actuals	YTD Variance	S/B 75% USED
OPERATING INCOME:								
Dwelling Rents	1,411,200	117,600	122,746	5,146	1,058,400	1,068,923	10,523	76%
Deficit Adjustment (City)	1,186,508	98,876	127,178	28,302	889,881	1,144,605	254,724	96%
Interest	1,000	83	0	(83)	750	1,390	640	139%
Other Income	120,820	10,068	1,613	(8,455)	90,615	35,353	(55,262)	29%
Total Income	2,719,528	226,627	251,537	24,910	2,039,646	2,250,271	210,625	83%
OPERATING EXPENSES:								
Administrative:								
Salaries	263,021	21,918	18,398	3,520	197,266	179,796	17,470	68%
Legal	17,374	1,448	371	1,077	13,031	4,773	8,258	27%
Travel/Training	8,798	733	343	390	6,599	2,042	4,557	23%
Publications	400	33	0	33	300	521	(221)	130%
Telephone	3,000	250	625	(375)	2,250	5,017	(2,767)	167%
Audit Fees	3,813	318	0	318	2,860	8,897	(6,037)	233%
Office Supplies	8,000	667	190	477	6,000	5,934	66	74%
Contract Costs	53,417	4,451	2,696	1,755	40,063	27,320	12,743	51%
Sundry	25,500	2,125	1,093	1,032	19,125	7,975	11,150	31%
Total	383,323	31,944	23,716	8,228	287,492	242,275	45,217	63%
Tenant Services:								
Salaries	23,140	1,928	1,800	128	17,355	18,681	(1,326)	81%
Tenant Activities	8,000	667	40	627	6,000	7,745	(1,745)	
Total	31,140	2,595	1,840	755	23,355	26,426	(3,071)	85%
Utilities:								
Water and Sewer	135,990	11,333	10,187	1,146	101,993	90,070	11,923	66%
Electricity	47,960	3,997	3,863	134	35,970	28,997	6,973	60%
Gas	24,629	2,052	2,762	(710)	18,472	18,840	(368)	76%
Total	208,579	17,382	16,812	570	156,434	137,907	18,527	66%
Maintenance:								
Salaries	247,555	20,630	22,854	(2,224)	185,666	190,504	(4,838)	77%
Materials	45,500	3,792	3,375	417	34,125	44,695	(10,570)	98%
Contract Costs	267,280	22,273	17,061	5,212	200,460	168,909	31,551	63%
Total	560,335	46,695	43,290	3,405	420,251	404,108	16,143	72%
General:								
Police Services	37,590	3,133	3,028	105	28,193	26,828	1,365	71%
Insurance	29,152	2,429	2,673	(244)	21,864	23,679	(1,815)	81%
Employee Benefits	190,274	15,856	15,181	675	142,706	142,927	(222)	75%
Collection Losses	0	0	0	0	0	1,213	(1,213)	
Total	257,016	21,418	20,882	536	192,762	194,647	(1,885)	76%
Total Operating Expenses	1,440,393	120,033	106,540	13,493	1,080,295	1,005,363	74,932	70%
Mortgage Interest								
Mortgage Interest	250,645	20,887	22,525	(1,638)	187,984	218,108	(30,124)	87%
Total	250,645	20,887	22,525	(1,638)	187,984	218,108	(30,124)	87%
Other Expenses:								
Extraordinary Maintenance	75,770	6,314	0	6,314	56,828	89,640	(32,813)	
Total	75,770	6,314	0	6,314	56,828	89,640	(32,813)	
Total Expenses	1,766,808	147,234	129,065	18,169	1,325,106	1,313,111	11,995	
Operating Income before Dep	952,720	79,393	122,472	43,079	714,540	937,160	222,620	98%
Depreciation (paper expense)	342,964	28,580	28,239	341	257,223	254,151	3,072	
Operating Income after Depr	609,756	50,813	94,233	43,420	457,317	683,009	225,692	

Unaudited Budget Variance Report
Section 8 Voucher Program
For the Nine Months Ending March 31, 2015

Account Description	Annual Budget	Monthly Budget	Monthly Actuals	Monthly Variance	YTD Budget	Y-T-D Actuals	YTD Variance	S/B 75% USED
OPERATING INCOME:								
HAP	22,209,368	1,850,781	1,904,133	53,352	16,657,026	17,000,056	343,030	77%
Dwelling Rents	0	0	0	0	0	0	0	0%
Administrative Fees	1,566,247	130,521	118,863	(11,658)	1,174,685	1,189,376	14,691	76%
Interest	0	0	819	819	0	0	0	0%
Other Income	5,580	465	315	(150)	4,185	5,866	1,681	105%
Total Income	23,781,195	1,981,766	2,024,130	42,364	17,835,896	18,195,298	359,402	77%
OPERATING EXPENSES:								
Administrative:								
Salaries	965,406	80,451	70,829	9,622	724,055	667,886	56,169	69%
Legal	11,030	919	1,278	(359)	8,273	10,143	(1,871)	92%
Travel/Training	20,700	1,725	709	1,016	15,525	6,676	8,849	32%
Publications	1,300	108	0	108	975	739	236	57%
Telephone	10,320	860	1,075	(215)	7,740	6,028	1,712	58%
Audit Fees	12,865	1,072	0	1,072	9,649	5,921	3,728	46%
Office Supplies	27,600	2,300	1,380	920	20,700	23,973	(3,273)	87%
Contract Costs	152,332	12,694	27,082	(14,388)	114,249	102,975	11,274	68%
Sundry	38,300	3,192	16,003	(12,811)	28,725	45,376	(16,651)	118%
Total	1,239,853	103,321	118,356	(15,035)	929,890	869,717	60,173	70%
Tenant Services:								
Salaries	0	0	0	0	0	0	0	
Tenant Activities	100	8	0	8	75	168	(93)	0%
Total	100	8	0	8	75	168	(93)	0%
Utilities:								
Water and Sewer	357	30	317	(287)	268	1,429	(1,161)	400%
Electricity	8,480	707	562	145	6,360	4,583	1,777	54%
Gas	496	41	56	(15)	372	382	(10)	77%
Total	9,333	778	935	(157)	7,000	6,394	606	69%
Maintenance:								
Salaries	0	0	0	0	0	0	0	
Materials	4,400	367	613	(246)	3,300	3,524	(224)	0%
Contract Costs	15,750	1,313	1,509	(197)	11,813	19,723	(7,911)	0%
Total	20,150	1,679	2,122	(443)	15,113	23,247	(8,135)	115%
General:								
Police Services	15,960	1,330	928	402	11,970	10,132	1,838	63%
Insurance	4,063	339	500	(161)	3,047	4,308	(1,261)	106%
Employee Benefits	344,176	28,681	31,446	(2,765)	258,132	267,262	(9,130)	78%
Claim Costs	0	0	0	0	0	0	0	0%
Total	364,199	30,350	32,874	(2,524)	273,149	281,702	(8,553)	77%
Total Operating Expenses	1,633,635	136,136	154,287	(18,151)	1,225,226	1,181,228	43,998	72%
HAP Payments:								
HAP	22,209,368	1,850,781	1,904,133	(53,352)	16,657,026	17,000,056	(343,030)	77%
Total	22,209,368	1,850,781	1,904,133	(53,352)	16,657,026	17,000,056	(343,030)	77%
Other Expenses:								
Extraordinary Maintenance	0	0	0	0	0	0	0	0%
Total	0	0	0	0	0	0	0	0%
Total Expenses	23,843,003	1,986,917	2,058,420	(71,503)	17,882,252	18,181,284	(299,032)	76%
Operating Income before Dep	(61,808)	(5,151)	(34,290)	(39,441)	(46,356)	14,014	60,370	
Depreciation (paper expense)	0	0	0	0	0	0	0	
Operating Income after Depr	(61,808)	(5,151)	(34,290)	(39,441)	(46,356)	14,014	60,370	

Housing Authority of the City of Alameda
Budget Variance Schedule of Significant Cash Items
For the Reporting Period Ending March 31, 2015

Description	Amount
Operating Income before Depreciation	\$ 1,964,835
Less:	
Principal portion of mortgage payments	(566,597)
Pay off US Bank Loans	(322,200)
Replacement Reserves-Mortgage Required	(91,334)
Capital Improvements	(1,991,996)
Sub-total	(2,972,127)
Net Cash (for these limited, but significant items)	\$ (1,007,292)



Housing Authority of the City of Alameda

701 Atlantic Avenue - Alameda, California 94501-2181 - Tel: (510) 747-4300 - Fax: (510)522-7848 - TDD: (510) 522-8467

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: April 15, 2015

RE: Adopt the Resolution to Approve the Housing Authority's Budget for
For Fiscal Year 2016

BACKGROUND

The Housing Authority adopts its annual budget at the first meeting in April each year. The Housing Authority has also adopted the practice of preparing a two year budget. This budget update for FY 2016 revises the original budget approved on April 16, 2014 for the Fiscal Year starting July 1, 2015 and ending June 30, 2016.

DISCUSSION

The Housing Authority's budget for general and housing program activities is consolidated into six funds. Exhibit A is the proposed budget for the fiscal year, July 1, 2015 to June 30, 2016 (FY 2016). The comparison pages show the proposed budget for the fiscal year 2016 next to the current fiscal year's approved budget and the originally approved 2016 budget.

The proposed FY 2016 budget shows total expenditures of \$33,547,752, an increase of 2.7% from the current fiscal year.

OPERATING INCOME

Operating income is derived from a variety of revenue sources, including:

Housing Assistance Subsidy for the Section 8 Program; including both Housing Assistance payments (HAP) which is paid to landlords and the administrative fee which is used by the Authority to cover the cost of operating the programs.

Rental income from tenants in AHA owned properties.

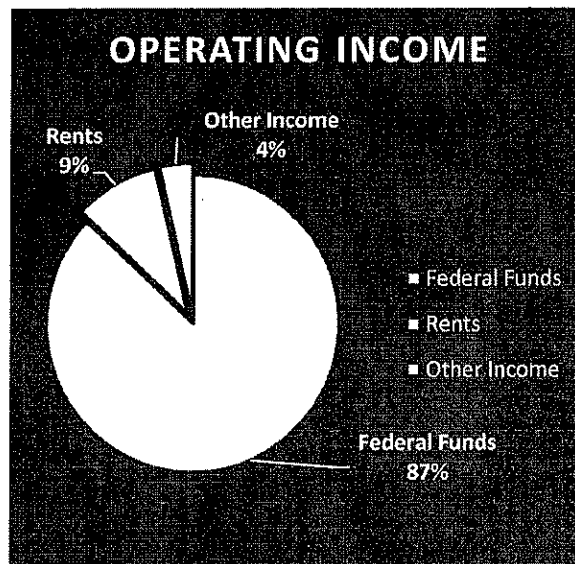
Interest Income.

Other income, including a contribution from the tax increment funding for Independence Plaza; reimbursement billing from the City of Alameda for managing the CDBG, HOME and affordable housing grants, land trust rents for Regent Street and Santa Clara Avenue

properties; and miscellaneous income from late fees, maintenance charges and laundry commissions.

The chart to the right demonstrates that the Housing Authority's major funding source (87%) is the federal government. Around 9% comes from rents and 4% from interest and other miscellaneous income (e.g., City reimbursement, laundry and maintenance charges).

The Authority anticipates receiving \$22,506,848 funding for Housing Assistance Payments (HAP) from the U.S. Department of Housing and Urban Development (HUD). This income is equally offset by payments to Alameda's property owners.



An Administrative Fee income of \$1,433,931, at 74% of AHA's eligibility, is expected from HUD to administer the Housing Choice Voucher program. This is a decrease from the \$1,566,247 expected to be earned for FY 2015. This anticipated decrease is due to HUD action in reducing its pro-ration of the administrative fee from 79% last year to 74% for the proposed fiscal year. Also, leasing of Housing Choice Vouchers is budgeted to continue with lower leasing than in the past by 150 units per month as the Bay area and Alameda rental market continues to be very competitive, squeezing out the less fortunate as landlords can get higher rents from non-Section 8 tenants. Gross Potential Rental income is expected to rise modestly for this coming year at \$3,398,808. Please note that this is the first year AHA has started reporting Gross Potential Rent and Vacancy Loss so there is no comparative numbers in prior budgets. Showing Gross Potential rent is an industry standard and allows staff and the Board to monitor economic vacancy more closely.

Interest income is expected to increase as AHA has more funds available for investment. Other miscellaneous income sources are expected to decrease due to CDBG and prior year gains on property sales not anticipated in the proposed budget year. In the past few years the Housing Authority has been fortunate to receive grants from CDBG, but no grants are planned this year due to the shrinking availability of federal funding.

**OPERATING EXPENDITURES:
EXPENDITURES:**

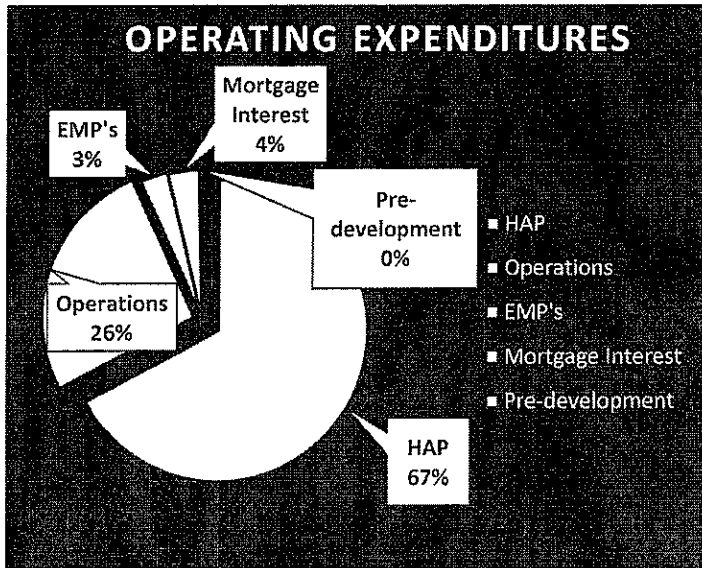
The majority of expenditures (67%) are for HAP payments to property owners participating in the Housing Choice Voucher program. HAP payments subsidize the rents paid by tenants to landlords. This public/private partnership works to house over 1,644 families and seniors in Alameda and pumps more than \$22.7 million into the local economy annually. The chart provides an overview of expenditures anticipated for FY 2016.

OPERATING BUDGET:

Operating expenses are broken down into five broad categories. These include:

1. Administrative Expenses:

Salaries, legal expenses and sundry are included in this category. The schedule



of Authorized Positions is shown on Page 6 of the proposed budget. Changes made to this schedule include the addition of one project manager to be paid from City reimbursement funds on July 1, 2015 and one Senior Management Analyst. The Board approved this in February 2015. It is also proposed to upgrade one HS-1 to a HS-11 to reflect the broader range of responsibilities. The other change is the addition of a

part time resident assistant manager added at .50 FTE to manage the Parrot Village site. Salaries and benefits constitute 44% of total operating expenses.

The budget includes an anticipated COLA of up to 3% beginning July 1, 2015. The final amount will be calculated in August of this year according to the Bay Consumer Price Index and will be applied retroactively to July 1, 2015.

Legal expenses for operations are expected to remain constant. The sundry line item includes office supplies, equipment (e.g., personal computers, printers, scanning equipment, etc.), travel, training, audit fees, telephone expenses, publications and administrative contract costs. Sundry is increasing this year mainly due to special items proposed this year for: 70th Anniversary \$20,000, Wait List for Project Based Vouchers \$30,000, a Section 8 consultant update \$5,000 and a Comprehensive Capital Needs Assessment \$50,000.

Travel and training includes attendance at the National Association of Housing and Redevelopment Officials (NAHRO) conferences and other specific housing training. The following indicates the out-of-state training locations and the number of persons to attend:

National NAHRO Conference
Austin, Texas

One commissioner
and one staff

NAHRO Legislative Conference Two staff, one commissioner
Washington, DC

Fall Regional PSWRC NAHRO Conf. One commissioner
and two staff

The PSWRC conference also has not been determined and may or may not be out of state.

2. Tenant Services:

The salaries for resident managers, assistant resident managers, and resident custodians are included in this line item. Tenant Activities include a \$20,000 scholarship fund for children and youth who live in Housing Authority complexes or whose families are on the Section 8 Program for membership in the Alameda Boys and Girls Club. The Housing Authority also intends to contract with a third party for assistance to seniors at Independence Plaza and Anne B. Diament. A service coordinator is anticipated to assist families in need of family services at the Housing Authority's managed housing properties. In addition, a small amount is included for Town Hall meetings. Funding for additional tenant services is increasing from \$67,900 in FY 2015 to over \$100,000 in FY 2016. This increase is needed because property management is experiencing an increasing number of social issues - aging in place, mental health issues, etc.

3. Utilities

The amounts budgeted for utilities is based on actual utility expenditures in the current fiscal year and anticipated changes. Water and sewer are expected to rise as rates increases continue through the proposed fiscal year.

4. Maintenance:

Maintenance expenditures include salaries for maintenance employees, maintenance materials and maintenance contract costs. Maintenance salaries are increasing due to an anticipated COLA. There are no new positions expected in maintenance at this time. The projected cost of maintenance materials is based on current usage and vendor price increases. Maintenance contract costs include unit turnover cost, garbage collection, landscaping, floor covering, plumbing and painting. During the next fiscal year staff has budgeted for a third party review of the cost and quality review of the maintenance operations. This is included under General below.

5. General:

This line item includes the cost of community policing, auto, property and liability insurance, employee benefits and collection losses from tenant rents in managed housing. The cost for community policing is expected to stay generally the same at \$210,000. The cost of property and liability insurance is expected to go up marginally. Collection losses are expected to stay the about the same. Employee benefits are expected to increase as the cost of health insurance is anticipated to

rise. Benefits are assumed in this budget to increase 6.9%. However the final actual increases will be determined in August, 2015.

The four remaining budget categories are entitled Mortgage/HAP/Reserves, Capital Improvements and EMP's, Successor Housing Agency and other expenses.

Mortgage / HAP:

This category includes mortgage interest for managed housing properties owned by the Housing Authority and reserves for replacement of equipment and buildings, which includes boilers, hot water heaters, elevators and roofs, etc. The Authority's mortgage interest cost is expected to increase for FY 2016 due to the Esperanza and Independence Plaza loans will have twelve months as opposed to the initial year which started a month after the beginning of the last fiscal year. Though the current market on interest rates is between four and six percent, the variable rate mortgage for EV/PV has been slightly over one percent.

The Section 8 HAP expense (\$23,439,648 in FY 2015 and \$22,737,128 in FY 2016), which is the Housing Authority's largest single expense item, is generally offset dollar for dollar by HAP subsidy received from HUD. In the last few years, the Housing Authority has used its Net Restricted Assets (NRA) reserves to balance HAP subsidy and HAP expenses. In the last year, HUD has moved cash reserves in AHA's NRA back to Washington where HUD is now holding most of the former NRA reserve. At the time this budget report was prepared, AHA had over \$2.6 million dollars in its HUD Held HAP Reserves. These HUD Held HAP reserves can be used anytime AHA's budget authority from HUD is insufficient to meet AHA's HAP needs, as long as AHA does not exceed its baseline number of units in any calendar year. AHA's baseline number of units is 22,140 (or 1,845 per month). The baseline of 1,845 units can be exceeded in a calendar month and for more than one calendar month, but cannot exceed 22,140 units in a year. Currently there are sufficient HAP funds to fully lease all available Housing Choice Voucher (HCV) holders in calendar 2015. HUD funds the HCV program on a calendar year basis so calendar year 2016 funding is subject to HUD's annual appropriations process.

It is important to note that the operating budget for the Section 8 Program is registering a loss of -\$354,612 (25%) for FY2016. While this is not new, it is important that in the next 12-36 months, AHA will review options for reducing operating costs in this area so that the Authority can weather any future reductions in administrative fees. The Authority has yet to implement a number of cost reduction suggestions made by HUD, such as biannual inspections, use of handheld technology and increasing the threshold for an interim re-exam when a participant's income increases. Staff will review these during the course of the next budget year.

IMPORTANT BUDGET NOTE

It is also proposed to offset the FY 2016 HCV loss of up to \$354,000 from AHA Owned property operating reserves by an internal transfer from the Owned Properties operating reserve accounts to the HCV program up to the actual HCV administrative loss or \$372,000, whichever is greater. This transfer will be made in the last week of June 2016 based on internal AHA accounting estimates.

Other Expenses:

This budget category includes EMP's, Predevelopment Costs and Depreciation. EMP's and CIP's are shown on the attached schedules separately, but this budget proposes adoption of the EMP and CIP line items allowing for fungibility within each fund. For instance, if a savings is realized in one project or budget expense line item, that savings could be used to cover an overage in another project or expense item in the same fund. This fungibility does not allow the elimination or addition of projects within any fund without prior approval of the Board of Commissioners.

EMP's are separated in the proposed budget from Capital Improvements Projects (CIP's). EMP's are extraordinary maintenance projects that are less than \$10,000 or are for painting or landscaping which does not permanently improve the Housing Authority's managed housing properties. CIP's are capital improvement projects that exceed \$10,000 and improve the value of the property or extend the useful life of the property. CIP's are not considered to be an expense item per generally accepted accounting principles (GAAP) and are therefore shown in the Cash Adjustments section below the standard operating section.

Predevelopment Costs are expenses associated with a development project prior to the formal approval process of a development, which is usually in reference to a multifamily affordable rental property. Predevelopment Costs are often for architects and engineer fees, executive management salaries and benefits, legal expenses, surveys, planning cost and environmental expenses. Predevelopment Costs are expected to stay level in FY 2016 as AHA works on several development projects in the pipeline.

Depreciation is an accounting method to recognize the cost of wear and tear of buildings and equipment over time. The Housing Authority uses the straight-line method of depreciation and depreciates buildings over a 40 year period, building improvements over a 15 year life and furniture and equipment from five to ten years. Depreciation expense is increasing slightly in FY 2016 due to recent capital improvements at all AHA properties. Depreciation is not a cash expense but a paper expense to financially recognize the deterioration of assets.

It is anticipated an investment services contract will be approved and since there is no history the budget approach is that investment services will be more than offset by investment returns in FY 2016.

EMP's and CAPITAL IMPROVEMENT
PROJECTS (CIP's)

FY 2015/2016 EMPs and CIPs

The Facilities Department proposes a budget of \$5,129,482 for Fiscal Year for Extraordinary Maintenance Projects (EMPs) and Capital Improvement Projects (CIPs) for our Owned and Managed Complexes and Units. The Facilities Department carefully developed the budget with an effort to maximize and benefit the Authority's housing stock.

Capital Improvement Projects (CIPs)

Housing Authority General Fund CIPs

CIP's for the General Fund are GF-C1-16 for \$16,000 is for Laser Fiche Forms which is a software tool which will enhance AHA document management and improve productivity. GF-C2-16 for \$25,000 is for redesign and improvements to AHA's website. GF-C3-16 for \$60,000 was previously approved in the original two year budget and is tentatively carried over to FY 2016 for the purchase of two maintenance vans to replace two existing 12 year old vans. GF-C4-16 for \$30,000 is a new addition to the FY 2016 budget for ADA automatic doors at the AHA Administrative Offices, Independence Plaza, ABD and China Clipper. GF-C5-16 was an EMP in the originally FY 2016 budget, but new estimates indicate the project will cost \$15,000 to replace the flat roof with a vinyl type, and since it now exceeds \$10,000 it must be classified as a CIP project.

Eagle Village and Parrot Village CIPs

CIP's for Eagle Village and Parrot Village are PV-C2-15, RR breaker panels in all units, is a carryover project approved in FY 2015 but will not be completed by the end of FY 2015 for \$30,000. PV-C2-15 also includes an additional \$9,000 based on recent cost estimates to complete the project. PV-C3-15 for \$25,000 is another carryover project approved in FY 2015, but the work will not be completed until FY 2016. EV-C1-16 for \$294,000 is a new project addition to remodel 42 unit bathrooms at \$7,000 per unit. EV-C2-16 for \$378,000 is for kitchen cabinets in 42 units at \$9,000 per unit.

Housing Authority – Owned CIPs

CIP's for AHA Owned properties are ABD-C1-13 for \$250,000. This is a carryover project from FY 2013 to convert units at ABD to Section 504 compliance. Since there are additional units to be converted the budget for this project has been increased from \$90,000 to \$250,000. ABD-C1-16 for \$100,000 to replace existing toilets with ADA toilets (\$60,000) plus the parking lot (\$20,000) and reseal the parking lot (\$20,000). This project was originally budgeted for \$164,000, but revised estimates now reduce the overall project cost to \$100,000. ABD-C2-16 for \$325,000, replace showers and tub enclosures are currently estimated at \$5,000 per unit for all 65 units. The original approved FY 2016 budget anticipated cost to be \$250,000. CC-C1-15, replace angle stops in unit bathrooms, kitchens, etc. has not changed for \$12,000. CC-C1-16, replace unit entry doors, for

\$48,000 was originally approved for \$39,000 but updated estimates are for \$48,000 for 12 exit and entry doors at \$4,000 per. CC-C2-16, replace and add pull stations for fire alarms for \$35,000 was part of the original FY 2016 budget and there are no changes. RV-C1-16 for repair exterior of all buildings and refinish decks for \$168,000 was originally budgeted for \$45,000. Updated cost estimates are for \$12,000 per building for 14 buildings. The last eight projects have no change from the originally approved FY 2016 budget and they are CC-C3-16, replace cabinetry and cabinets in all units to include kitchens and baths for \$500,000, ESP-C1-16 for \$453,900 to replace water heaters, bath fans, breaker panels and refrigerators, ESP-C2-16 for \$187,500 Landscaping, LW-C1-16 for \$62,250 to replace finished flooring, cabinetry, repaint, water closets and resurface tubs, PG-C1-16 to improve all unit flooring, central heat, galv-piping, cabinets/stops and refrigerators for \$193,400. RV-C2-16 is for replacing exterior lighting with LED type, galv piping, breaker panels, wiring and refrigerators for \$88,000. RV-C3-16 replace cabinetry and counters at Rosefield Village for \$168,000 and SH-C1-16 to replace kitchen and bath cabinets and countertops in three units for \$26,400. The next three projects are carryover projects with no change from the originally approved FY 2015 budget. They are ESP-C3-15, kitchen and bath cabinets (remaining 33 units) for \$495,000, RV-C2-14, replace cabinetry and counters at 742 Eagle for \$15,000 and RV-C1-15, replace and repair concrete walkways for \$10,000.

Independence Plaza – CIPs

Two major projects are being removed from Independence Plaza IP-C2-16 for \$789,000, replace electric board heaters and flooring and IP-C3-16 for \$2,004,118, replace kitchen, bath cabinets and counters in 20 units because there is insufficient tax increment funding to pay for these capital improvements. Also, IP-C1-15 to replace common area flooring in remaining building for \$96,000 was moved up in a previously budget revision and completed in FY 2016. The remaining FY 2016 approved CIP IP-C1-16 for replacement of exterior lighting with LED type at \$55,000 has no change. Three FY 2015 projects may not be completed by the end of FY 2015 so they are being carried over to FY 2016, and they are: IP-C2-15 to replace fire alarm panels and a/c condensing unit for \$28,500, IP-C3-15 to replace gutters for \$75,000 and IP-C4-15 to replace angel stops in kitchens, baths, etc. for \$100,000.

Extraordinary Maintenance Projects (EMPs)

Housing Authority General Fund EMPs

GF-E1-15 for ADA Transitional Improvements at \$5,000 is proposed to be carried over to FY 2016. GF-E2-15 for a color consultant is proposed to be eliminated for \$5,000. GF-E1-16 for RR wooden adjacent to maintenance yard for \$7,500 was approved with the original FY 2016 budget and has no change. GF-E2-16 for replace flat roof with vinyl type was original approved for \$7,500 is now \$15,000 due additional scope and required deck work. Since this project has exceeded \$10,000 it has been moved to CIP GF-C3-16 for \$15,000.

Eagle Village and Parrot Village EMPs

There are no changes to the EMP's already approved for FY 2016. These approved projects are: PV-E1-16 to repair, reseal and re-stripe parking lots and basketball courts for \$57,000; PV-E2-16 to repaint exterior of all building for \$72,000 and EV-E1-16 to repaint exterior of all buildings and fences for \$46,000.

Housing Authority – Owned EMPs

CC-E1-15 is a carryover project originally budgeted for \$3,500 and is now being proposed at \$10,400 for 26 units at \$400 per unit. The remaining owned EMP projects have not changed from the original budget. These projects are: CC-E1-16 for drought tolerant landscaping at \$8,500, CC-E2-16 to provide emergency communication in elevator for \$5,000, ESP-E1-15 to clean out heater vents for \$40,000, ESP-E1-16 to replace gate valves for \$5,500 and ESP-E2-16 landscaping for \$442,500, has been reduced from \$562,500 based on recent estimates for the project.

Independence Plaza EMPs

IP-E2-16 has no change from the originally approved FY 2016 budget for repainting metal fencing, reseal/stripe parking lots, common area smoke detectors and backup lighting for \$161,132.

Successor Housing Agency

The Successor Housing Agency's budget for FY 2016 is as follows:

Salary and Benefits	\$ 25,000
Pre-development expenses-Eagle Avenue	775,000
Stargell Commons-RCD Loan	1,000,000
Pre-development	700,000

Total Successor Agency Budget	\$ 2,500,000

The above Successor Housing Agency salaries and benefits of \$25,000 is for the administrative functions required of the Successor Housing Agency. Pre-development expenses were originally approved by the Board of Commissioners on August 20, 2014 for \$1,000,000 and the \$775,000 above is proposed to be carried forward to FY 2016 to complete the Pre-development phase. On April 16, 2014, the Board of Commissioners approved a \$2 million dollar loan to RCD to be disbursed over a three year time period. The FY 2016 loan for \$1,000,000 is in anticipation of advancing the first \$1,000,000 of the originally approved \$2 million dollar loan. In FY 2016, the Board of Commissioners will be given a detailed staff report on the Pre-development cost for the DelMonte project currently proposed at \$700,000. Currently the Successor Housing Agency has over \$4,386,000 in cash and investment reserves to pay for these proposed Successor Housing Agency budget items.

Cash Adjustments:

This section is intended to adjust the operating budget prepared on a GAAP basis to actual cash outflows. First, depreciation is added back to the operating income since it is a paper transaction that does not involve cash. Then, since the principal portion of mortgage payments are not recorded in the operating budget as an expense (because principal payments are not an expense, but a reduction in debt) they are therefore a reduction to the GAAP based operating income. Replacement reserves and equipment reserve deposits are also not an operating expense so they are subtracted from operating income as well. Then as mentioned above, CIP's are not an expense item so they are also a reduction to the operating income. The Net Cash Adjustments line on the budget shows the cash surplus or if in brackets a loss for each major fund for the fiscal year. In FY 2016, the budgeted cash loss is \$3,982,372, which is an increase over the current approved budget of \$3,872,010. The major reason for the increased loss in cash reserves is the substantial expansion in capital improvement projects over the next few years. These cash losses will be paid from significant accumulated cash surpluses generated from prior year's operating surplus.

Fund Transfers:

The general fund is not an operating fund and therefore does not generate its own cash flow. The one way to get cash into the general fund is to make transfers from other funds with available excess cash reserves. No transfers are anticipated at this time.

GASB-68

As a local government agency, AHA has to maintain its books by standards set by the Government Accounting Standards Board (GASB). Each year the GASB sets guidelines for accounting practices and sets them by number. In FY 2016, AHA will have to operate by GASB rule 68, which is commonly known as GASB-68. This new rule, GASB-68, requires all government agencies (States, Counties, Cities and Special Purpose Local Governments) to report pension liabilities which have historically been reported on a pay as you go basis by all government entities. Since AHA is a member of the CalPERS retirement system, AHA will be required to report each year on any unfunded pension liability. Only an actuary can make a certifiable determination of what AHA's pension liability is for FY 2016. At the time of this staff report, it is not possible to estimate the dollar value of the GASB-68 pension liability. AHA plans to obtain a GASB-68 qualified report from CalPERS as soon as possible and incorporate the GASB-68 liability into AHA's financial statements. At the time of this staff report, the liability only needs to be booked and there is no cash outflow required. While booking this liability is likely to be a prior period adjustment, it may have a significant impact on the FY 2016 financial results.

Vacation Pay Out

It is proposed to offer AHA staff the opportunity to sell back their accumulated vacation time in FY 2016. When proposed, this new benefit will be presented with a detailed staff report at a later date. This added benefit will not add expenses to the operating budget since AHA is required by GASB to record AHA's compensated absence liability each year. Early pay out of accrued staff vacation time will reduce staff expenses by reducing the inflation impact of vacation liabilities over time and will reduce the administrative costs in managing large vacation balances. The only negative attribute is that this program may slightly reduce available cash resources, which at present is of minimal financial concern given AHA's substantial cash reserves.

FISCAL IMPACT

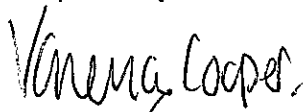
The operating budget for FY 2016 reflects an operating surplus of \$8,753 for FY 2016. Substantial CIP projects will result in negative cash flow for fiscal year 2016 of \$3,982,372. These negative cash flows will need to be paid from accumulated operating reserves. AHA unrestricted operating reserves at June 30, 2014 were \$28,853,896. In addition, current 2015 fiscal year financial results are forecasted for another addition to cash reserves at the end of FY 2015.

RECOMMENDATION

The Executive Director and staff recommend the Board of Commissioners adopt the resolution to approve the proposed FY 2016 budget, including the Extraordinary Maintenance Projects and Capital Improvement Project line items for fiscal year FY 2016.

Approve the transfer of up to \$354,000 from AHA's Owned properties reserves to the Housing Choice Voucher (HCV) program to off-set any HCV administrative operating loss up to \$354,000 which may potentially occur in the HCV program during fiscal June 30, 2016.

Respectfully submitted,



Vanessa Cooper
Executive Director

VC:AO

Attachments

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

APPROVING AND ADOPTING
HOUSING AUTHORITY'S BUDGET
FOR FISCAL YEAR 2016

WHEREAS, the Executive Director has submitted a proposed budget to the Board of Commissioners of the Housing Authority of the City of Alameda; and

WHEREAS, the Housing Authority has sufficient operating reserves to meet the working capital needs of its properties; and

WHEREAS, the proposed budget includes expenditures that are necessary for the efficient and economical operation of the housing for the purpose of serving low-income residents; and

WHEREAS, the proposed budget indicates a source of funds adequate to cover all proposed expenditures; and

WHEREAS, the Housing Authority will comply with all state and federal wage rate requirements and requirements for access to records and audits.

NOW, THEREFORE. BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the City of Alameda hereby adopts the Housing Authority's Budget for Fiscal Year 2016.

ATTEST:

Arthur Kurrasch, Chair

Vanessa M. Cooper, Secretary



**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

Proposed Budget

For Fiscal Year 2015-2016

Proposed Budget

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Description of Budget Funds

General Fund	This fund is for operations not otherwise chargeable to other funds, including expenses related to legal services and housing development services. It also includes income and expenses related to management of the Housing Assistance Payments contracts for the Shelter Plus Care Program.
CDBG/Other Managed Programs	This fund is for the administrative expenses associated with the management of the CDBG, HOME and other affordable housing funds granted to the City of Alameda.
Parrot Village and Eagle Village	This fund is for the operations of Parrot Village and Eagle Village, owned by the Housing Authority, where the majority of residents have Housing Choice Vouchers. This fund is maintained separately for the benefit of the mortgage holder.
Housing Authority-Owned	This fund includes apartment complexes owned by the Housing Authority where the residents are Housing Choice Voucher holders or where the units are under Section 8 Project-based Voucher Housing Assistance Payments contract, including Anne B. Diamant Plaza, Esperanza, Rosefeld Village, Parrot Gardens, Lincoln/Willow complex, Stanford House, China Clipper Plaza, where some residents do not have Vouchers, and land ownership of the Regent Street and Santa Clara properties.
Independence Plaza	This fund is for the operations of Independence Plaza. This fund receives tax increment funds under the Affordable Housing Agreement between the Authority and the City of Alameda Successor Agency, which makes 125 of the 186 units available for very-low and low-income seniors.
Housing Choice Voucher Program	This fund is for the operations of the Housing Choice Voucher (Section 8), where the units are owned by landlords other than the Housing Authority. It also includes the operations of the Moderate Rehabilitation Program.

Budget Line Items	General Fund			AHA/CDBG/other Managed Program		
	Approved 2015	Approved 2016	Proposed 2016	Approved 2015	Approved 2016	Proposed 2016
OPERATING INCOME:						
HAP/Operating Subsidy	230,280	234,886	230,280	0	0	0
Gross Potential Subsidy Rent	0	0	0	0	0	0
Gross Potential Tenant Rent	0	0	0	0	0	0
Less: Vancancy Loss	0	0	0	0	0	0
Net Rents	0	0	0	0	0	0
Administrative Fees	0	0	0	0	0	0
Interest	2,000	2,040	7,000	0	0	0
Other Income	147,309	8,176	18,200	665,732	622,244	815,440
TOTAL INCOME	379,589	245,102	255,480	665,732	622,244	815,440
OPERATING EXPENSES:						
ADMINISTRATIVE:						
Total Admin. Salaries	0	0	0	424,927	407,356	539,400
Legal	0	0	0	0	0	0
General Administrative Expenses	0	0	0	78,709	80,283	80,000
TOTAL	0	0	0	503,636	487,639	619,400
TENANT SERVICES						
Salaries	0	0	0	0	0	0
Tenant Activities	25,000	0	0	0	0	0
TOTAL	25,000	0	0	0	0	0
UTILITIES:						
Water & Sewer	0	0	0	0	0	0
Electricity	0	0	0	0	0	0
Gas	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
MAINTENANCE:						
Salaries	0	0	0	0	0	0
Materials	0	0	0	0	0	0
Contract Costs	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0
GENERAL:						
Police Services	0	0	0	0	0	0
Insurance	0	0	0	0	0	0
Employee Benefits	0	0	0	132,096	134,738	196,040
Collection Losses	0	0	0	0	0	0
TOTAL	0	0	0	132,096	134,738	196,040
TOTAL OPER. EXPENSES	25,000	0	0	635,732	622,377	815,440
MORTGAGE/HAP						
HAP	230,280	234,886	230,280	0	0	0
Mortgage Interest	0	0	0	0	0	0
TOTAL	230,280	234,886	230,280	0	0	0
OTHER EXPENSES:						
Extraordinary Maint.	33,000	25,000	12,500	0	0	0
CDBG/Other Programs	0	0	0	30,000	0	0
Pre-development	203,823	111,767	126,700	0	0	0
TOTAL	236,823	136,767	139,200	30,000	0	0
TOTAL EXPENSES	492,103	371,653	369,480	665,732	622,377	815,440
Operating Income before Depr.	(112,514)	(126,551)	(114,000)	0	(133)	(0)
Depreciation (paper expense)	50,534	51,575	107,525	0	0	0
Operating Income after Depr.	(163,048)	(178,126)	(221,525)	0	(133)	(0)
GAAP to Cash Adjustments						
Operating Income after Depr	(163,048)	(178,126)	(221,525)	0	(133)	(0)
Cash Adjustments						
Addback Depreciation	50,534	51,575	107,525	0	0	0
Subtract Mortgage Prin Paymts	0	0	0	0	0	0
Subtract Replacement Reserve	(10,000)	(10,000)	(10,000)	0	0	0
Subtract Equipment Reserve	0	0	0	0	0	0
HAP (Paid from Prior ACC's)	0	0	0	0	0	0
Total Adjustments	40,534	41,575	97,525	0	0	0
Adjusted Net Cash/Operations	(122,514)	(136,551)	(124,000)	0	(133)	(0)
Reserve Transfers and Loans						
Operating Reserve transfers	600,000	600,000	0	0	0	0
Payoff US Bank Loans	0	0	0	0	0	0
S8 NRA Reserves moved to HUD	0	0	0	0	0	0
Replacement Reserve	0	0	0	0	0	0
Total Non-Operating	600,000	600,000	0	0	0	0
Capital Improvements						
Capital Improvement Projects	(102,000)	(60,000)	(146,000)	0	0	0
New Development	0	0	0	0	0	0
CDBG Funds for CIP's	0	0	0	0	0	0
Net Cash - Capital Improvements	(102,000)	(60,000)	(146,000)	0	0	0
Net Cash Adjustments	375,486	403,449	(270,000)	0	(133)	(0)

Budget Line Items	Parrot & Eagle			HA Owned		
	Approved 2015	Approved 2016	Proposed 2016	Approved 2015	Approved 2016	Proposed 2016
OPERATING INCOME:						
HAP/Operating Subsidy	1,467,600	1,364,760	0	3,312,960	3,268,410	0
Gross Potential Subsidy Rent	0	0	1,559,880	0	0	3,432,708
Gross Potential Tenant Rent	0	0	495,540	0	0	1,409,316
Less: Vancancy Loss	0	0	(60,900)	0	0	(104,064)
Net Rents	494,520	486,540	1,994,520	1,375,560	1,427,208	4,737,960
Administrative Fees	0	0	0	0	0	0
Interest	7,000	7,140	12,000	25,500	26,010	50,000
Other Income	15,240	12,240	15,240	168,320	(22,518)	84,600
TOTAL INCOME	1,984,360	1,870,680	2,021,760	4,882,340	4,699,110	4,872,560
OPERATING EXPENSES:						
ADMINISTRATIVE:						
Total Admin. Salaries	246,755	261,888	261,732	669,335	592,540	468,897
Legal	9,840	10,037	9,840	35,328	36,035	36,756
General Administrative Expenses	74,004	71,862	81,206	230,924	213,690	259,391
TOTAL	330,599	343,787	352,778	935,587	842,265	765,044
TENANT SERVICES						
Salaries	23,404	5,604	23,483	48,642	44,679	48,656
Tenant Activities	4,800	4,896	14,000	30,000	30,600	59,400
TOTAL	28,204	10,500	37,483	78,642	75,279	108,056
UTILITIES:						
Water & Sewer	108,900	111,078	108,900	270,775	276,191	281,715
Electricity	16,540	16,871	16,540	70,880	72,298	73,744
Gas	6,463	5,572	6,463	49,806	45,702	46,616
TOTAL	131,903	133,521	131,903	391,461	394,191	402,075
MAINTENANCE:						
Salaries	218,222	219,050	210,799	612,811	535,307	546,941
Materials	49,700	50,694	49,700	113,400	115,668	117,981
Contract Costs	250,220	286,610	233,120	681,010	809,860	630,610
TOTAL	518,142	556,354	493,619	1,407,221	1,460,835	1,295,532
GENERAL:						
Police Services	49,770	49,770	49,770	106,680	106,680	106,680
Insurance	22,569	25,230	23,246	46,012	64,586	47,392
Employee Benefits	174,112	160,930	180,272	474,438	387,827	386,881
Collection Losses	13,600	13,872	13,600	17,000	17,340	17,687
TOTAL	260,051	249,802	266,888	644,130	576,433	558,640
TOTAL OPER. EXPENSES	1,268,899	1,293,964	1,282,671	3,457,041	3,349,003	3,129,347
MORTGAGE/HAP						
HAP	0	0	0	0	0	0
Mortgage Interest	106,932	139,565	70,500	735,743	72,180	789,850
TOTAL	106,932	139,565	70,500	735,743	72,180	789,850
OTHER EXPENSES:						
Extraordinary Maint.	286,500	175,000	175,000	341,240	621,500	511,900
CDBG/Other Programs	0	0	0	0	0	0
Pre-development	0	0	0	0	0	0
TOTAL	286,500	175,000	175,000	341,240	621,500	511,900
TOTAL EXPENSES	1,662,331	1,608,529	1,528,171	4,534,024	4,042,683	4,431,097
Operating Income before Depr.	322,029	262,151	493,589	348,316	656,429	441,463
Depreciation (paper expense)	276,528	271,859	276,528	633,588	507,894	578,269
Operating Income after Depr.	45,501	(9,708)	217,061	(285,272)	148,535	(136,806)
GAAP to Cash Adjustments						
Operating Income after Depr	45,501	(9,708)	217,061	(285,272)	148,535	(136,806)
Cash Adjustments						
Addback Depreciation	276,528	271,859	276,528	633,588	507,894	578,269
Subtract Mortgage Prin Paymts	(130,051)	(146,100)	(154,865)	(40,353)	(184,078)	(197,895)
Subtract Replacement Reserve	(32,200)	(32,200)	(32,200)	(42,500)	(33,550)	(36,600)
Subtract Equipment Reserve	(3,200)	(3,200)	(3,200)	(3,600)	(3,600)	(3,600)
HAP (Paid from Prior ACC's)	0	0	0	0	0	0
Total Adjustments	111,077	90,359	86,263	547,135	286,666	340,174
Adjusted Net Cash/Operations	156,578	80,651	303,324	261,863	435,201	203,368
Reserve Transfers and Loans						
Operating Reserve transfers	0	0	0	(600,000)	(600,000)	(354,000)
Payoff US Bank Loans	0	0	0	0	(322,200)	0
S8 NRA Reserves moved to HUD	0	0	0	0	0	0
Replacement Reserve	0	0	0	0	0	0
Total Non-Operating	0	0	0	(600,000)	(922,200)	(354,000)
Capital Improvements						
Capital Improvement Projects	(243,000)	0	(727,000)	(4,104,000)	(2,302,450)	(3,137,450)
New Development	0	0	0	0	0	0
CDBG Funds for CIP's	0	0	0	0	0	0
Net Cash - Capital Improvements	(243,000)	0	(727,000)	(4,104,000)	(2,302,450)	(3,137,450)
Net Cash Adjustments	(86,422)	80,651	(423,676)	(4,442,137)	(2,789,449)	(3,288,082)

Budget Line Items	Independence			Section-8		
	Approved 2015	Approved 2016	Proposed 2016	Approved 2015	Approved 2016	Proposed 2016
OPERATING INCOME:						
HAP/Operating Subsidy	1,186,508	1,462,524	0	22,209,368	23,617,847	22,506,848
Gross Potential Subsidy Rent	0	0	1,500,633	0	0	0
Gross Potential Tenant Rent	0	0	1,493,952	0	0	0
Less: Vacancy Loss	0	0	(67,992)	0	0	0
Net Rents	1,411,200	1,407,600	2,926,593	0	0	0
Administrative Fees	0	0	0	1,566,247	1,613,130	1,433,931
Interest	1,000	1,471	2,000	0	0	0
Other Income	120,820	20,147	21,600	5,580	7,670	5,580
TOTAL INCOME	2,719,528	2,891,742	2,950,193	23,781,195	25,238,647	23,946,359
OPERATING EXPENSES:						
ADMINISTRATIVE:						
Total Admin. Salaries	263,021	368,923	305,019	965,406	968,255	1,102,525
Legal	17,374	17,721	18,075	11,030	11,251	11,030
General Administrative Expenses	102,928	109,915	115,522	263,417	211,331	228,082
TOTAL	383,323	496,559	438,616	1,239,853	1,190,837	1,341,636
TENANT SERVICES						
Salaries	23,140	23,710	23,764	0	0	0
Tenant Activities	8,000	8,160	26,600	100	102	100
TOTAL	31,140	31,870	50,364	100	102	100
UTILITIES:						
Water & Sewer	135,990	138,710	141,484	357	364	371
Electricity	47,960	48,919	49,897	8,480	8,650	8,823
Gas	24,629	21,042	21,463	496	506	516
TOTAL	208,579	208,671	212,844	9,333	9,520	9,710
MAINTENANCE:						
Salaries	247,555	350,634	356,730	0	0	0
Materials	45,500	46,410	47,338	4,400	4,488	4,578
Contract Costs	267,280	315,160	263,780	15,750	16,065	17,250
TOTAL	560,335	712,204	667,848	20,150	20,553	21,828
GENERAL:						
Police Services	37,590	37,590	37,590	15,960	15,960	15,960
Insurance	29,152	52,513	30,027	4,063	4,192	4,185
Employee Benefits	190,274	245,845	249,144	344,176	320,262	400,703
Collection Losses	0	0	0	0	0	0
TOTAL	257,016	335,948	316,760	364,199	340,414	420,848
TOTAL OPER. EXPENSES	1,440,393	1,785,252	1,686,431	1,633,635	1,561,426	1,794,122
MORTGAGE/HAP						
HAP	0	0	0	22,209,368	23,617,847	22,506,848
Mortgage Interest	250,645	388,167	255,030	0	0	0
TOTAL	250,645	388,167	255,030	22,209,368	23,617,847	22,506,848
OTHER EXPENSES:						
Extraordinary Maint.	75,770	222,572	161,132	0	0	0
CDBG/Other Programs	0	0	0	0	0	0
Pre-development	0	0	0	0	0	0
TOTAL	75,770	222,572	161,132	0	0	0
TOTAL EXPENSES	1,766,808	2,395,991	2,102,593	23,843,003	25,179,273	24,300,970
Operating Income before Depr.	952,720	495,751	847,600	(61,808)	59,374	(354,612)
Depreciation (paper expense)	342,964	321,104	342,964	0	0	0
Operating Income after Depr.	609,756	174,647	504,636	(61,808)	59,374	(354,612)
GAAP to Cash Adjustments						
Operating Income after Depr	609,756	174,647	504,636	(61,808)	59,374	(354,612)
Cash Adjustments						
Addback Depreciation	342,964	321,104	342,964	0	0	0
Subtract Mortgage Prin Paymts	(261,545)	(461,695)	(522,725)	0	0	0
Subtract Replacement Reserve	(44,604)	(58,830)	(64,176)	0	0	0
Subtract Equipment Reserve	(2,200)	(2,200)	(2,200)	(2,000)	(2,000)	0
HAP (Paid from Prior ACC's)	0	0	0	0	0	0
Total Adjustments	34,615	(201,621)	(246,137)	(2,000)	(2,000)	0
Adjusted Net Cash/Operations	644,371	(26,974)	258,499	(63,808)	57,374	(354,612)
Reserve Transfers and Loans						
Operating Reserve transfers	0	0	0	0	0	354,000
Payoff US Bank Loans	0	0	0	0	0	0
S8 NRA Reserves moved to HUD	0	0	0	0	0	0
Replacement Reserve	0	0	0	0	0	0
Total Non-Operating	0	0	0	0	0	354,000
Capital Improvements						
Capital Improvement Projects	(299,500)	(2,944,118)	(258,500)	0	0	0
New Development	0	0	0	0	0	0
CDBG Funds for CIP's	0	0	0	0	0	0
Net Cash - Capital Improvements	(299,500)	(2,944,118)	(258,500)	0	0	0
Net Cash Adjustments	344,871	(2,971,091)	(0)	(63,808)	57,374	(612)

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Budget Line Items	Total-All Programs		
	Approved 2015	Approved 2016	Proposed 2016
OPERATING INCOME:			
HAP/Operating Subsidy	28,406,716	29,948,427	22,737,128
Gross Potential Subsidy Rent	0	0	6,493,221
Gross Potential Tenant Rent	0	0	3,398,808
Less: Vacancy Loss	0	0	(232,956)
Net Rents	3,281,280	3,321,348	9,659,073
Administrative Fees	1,566,247	1,613,130	1,433,931
Interest	35,500	36,661	71,000
Other Income	1,123,001	647,959	960,660
TOTAL INCOME	34,412,744	35,567,525	34,861,792
OPERATING EXPENSES:			
ADMINISTRATIVE:			
Total Admin. Salaries	2,569,444	2,598,962	2,677,573
Legal	73,572	75,044	75,701
General Administrative Expenses	749,982	687,081	764,200
TOTAL	3,392,998	3,361,087	3,517,474
TENANT SERVICES			
Salaries	95,186	73,993	95,902
Tenant Activities	67,900	43,758	100,100
TOTAL	163,086	117,751	196,002
UTILITIES:			
Water & Sewer	516,022	526,343	532,470
Electricity	143,860	146,738	149,004
Gas	81,394	72,822	75,058
TOTAL	741,276	745,903	756,532
MAINTENANCE:			
Salaries	1,078,588	1,104,991	1,114,470
Materials	213,000	217,260	219,597
Contract Costs	1,214,260	1,427,695	1,144,760
TOTAL	2,505,848	2,749,946	2,478,827
GENERAL:			
Police Services	210,000	210,000	210,000
Insurance	101,796	146,521	104,850
Employee Benefits	1,315,096	1,249,602	1,413,040
Collection Losses	30,600	31,212	31,287
TOTAL	1,657,492	1,637,335	1,759,177
TOTAL OPER. EXPENSES	8,460,700	8,612,022	8,708,012
MORTGAGE/HAP			
HAP	22,439,648	23,852,733	22,737,128
Mortgage Interest	1,093,320	599,912	1,115,380
TOTAL	23,532,968	24,452,645	23,852,508
OTHER EXPENSES:			
Extraordinary Maint.	736,510	1,044,072	860,532
CDBG/Other Programs	30,000	0	0
Pre-development	203,823	111,767	126,700
TOTAL	970,333	1,155,839	987,232
TOTAL EXPENSES	32,964,001	34,220,506	33,547,752
Operating Income before Depr.	1,448,743	1,347,019	1,314,039
Depreciation (paper expense)	1,303,614	1,152,432	1,305,286
Operating Income after Depr.	145,129	194,587	8,753
GAAP to Cash Adjustments			
Operating Income after Depr	145,129	194,587	8,753
Cash Adjustments			
Addback Depreciation	1,303,614	1,152,432	1,305,286
Subtract Mortgage Prin Paymts	(431,949)	(791,873)	(875,485)
Subtract Replacement Reserve	(129,304)	(134,580)	(142,976)
Subtract Equipment Reserve	(11,000)	(11,000)	(9,000)
HAP (Paid from Prior ACC's)	0	0	0
Total Adjustments	731,361	214,979	277,825
Adjusted Net Cash/Operations	876,490	409,566	286,578
Reserve Transfers and Loans			
Operating Reserve transfers	0	0	0
Payoff US Bank Loans	0	(322,200)	0
S8 NRA Reserves moved to HUD	0	0	0
Replacement Reserve	0	0	0
Total Non-Operating	0	(322,200)	0
Capital Improvements			
Capital Improvement Projects	(4,748,500)	(5,306,568)	(4,268,950)
New Development	0	0	0
CDBG Funds for CIP's	0	0	0
Net Cash - Capital Improvements	(4,748,500)	(5,306,568)	(4,268,950)
Net Cash Adjustments	(3,872,010)	(5,219,202)	(3,982,372)

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**Proposed Schedule of CIP Projects
FY 2016**

Project No	Project Description	Approved CIP FY 2016	Approved CIP FY 2016	Proposed CIP FY 2016
HOUSING AUTHORITY GENERAL FUND				
Existing Approved General Fund				
GF-C4-12	Office Furniture (carry forward) new work area & existing Sec-8)	75,000		
GF-C1-13	Maintenance Truck	27,000		
GF-C1-16	Laser Fiche Forms			16,000
GF-C2-16	Website Upgrade			25,000
GF-C3-16	Purchase two new maintenance vans-(tentative carryover)		60,000	60,000
GF-C4-16	ADA Automatic Door Openers (Office/IP/ABD/CC)			30,000
GF-C5-16	Replace flat roof with vinyl type			15,000
			0	
PROPOSED TOTALS		102,000	60,000	146,000
EAGLE VILLAGE AND PARROT VILLAGE				
Existing Approved Eagle Village and Parrot Village				
PV-C2-15	R/R breaker panels in all units	21,000	0	30,000
PV-C3-15	Replace angle stops in kitchens, bathroom, etc.	25,000	0	25,000
PV-C4-15	Drought tolerant irrigation	70,000	0	0
PV-C5-15	ADA bathroom (reasonable accommodation)	49,000	0	0
EV-C1-15	Resurface & stripe 2 parking lots	78,000	0	0
EV-C1-16	Bathroom Remodels-42 units @ \$7,000 per unit			294,000
EV-C2-16	Kitchen Cabinets-42 units @ \$9,000 per unit			378,000
PROPOSED TOTALS		243,000	0	727,000
HOUSING AUTHORITY OWNED				
Existing Approved Housing Authority Owned				
ABD-C1-13	Convert units to Section 504	90,000	90,000	250,000
ABD-C1-15	Siding, window & sliding glass door replacement	1,300,000	0	0
ABD-C2-15	Architectural Service for ABD siding, window and sliding glass door replacement	35,000	0	0
ABD-C1-16	Replace water closets in apartments, plus parking lot		164,000	100,000
ABD-C2-16	Replace shower/tub enclosures		250,000	325,000
CC-C1-15	Replace angle stops in unit bathrooms, kitchen, etc	12,000	0	12,000
CC-C5-15	Replace wall furnaces and refrigerators	43,500	0	
CC-C1-16	Replace unit entry doors		39,000	48,000
CC-C2-16	Replace & add pull stations for fire alarm		35,000	35,000
CC-C3-16	Replace cabinetry & cabinets in all units (kitchen & bath)		500,000	500,000
ESP-C1-15	R/R sewer laterals	35,000	0	
ESP-C2-15	Site improvement (\$160k moved to EMP per GAAP requirement)	2,000,000	0	
ESP-C3-15	Kitchen & bath cabinets (remaining 33 units)	495,000	0	495,000
ESP-C6-14	Architectural service for the exterior modernization & infrastructure improvement	50,000	0	
ESP-C1-16	Replace water heaters, bath fans, breaker panels and refrigerators		453,900	453,900
ESP-C2-16	Landscaping (\$750,000; this portion is for irrigation...see EMP)		187,500	187,500
LW-C1-16	Replace finished flooring, cabinetry, repaint, water closets, resurface tubs		62,250	62,250
PG-C1-16	Improve all units flooring, central heating, galv-piping, cabinets/stops, refrigerators		193,400	193,400
RV-C1-16	Repair exterior of all buildings & refinish decks		45,000	168,000
RV-C2-16	Replace exterior lighting with LED type, gav piping, breaker panels, wiring, refrigerators		88,000	88,000
RV-C3-16	Replace cabinetry and counters at Rosefield Village		168,000	168,000
RV-C2-14	Replace cabinetry & counters at 742 Eagle	15,000		15,000
RV-C3-14	Replace Single Glazed Windows			
RV-C1-15	Replace and repair concrete walkways	10,000		10,000
SH-C1-15	Replace flat roof with foam cool roof type	18,500		
SH-C1-16	Replace kitchen & bath cabinets & countertops in 3 units		26,400	26,400
PG-C2-14	Replace Single Glazed Windows			
PROPOSED TOTALS		4,104,000	2,302,450	3,137,450
INDEPENDENCE PLAZA				
Existing Approved Independence Plaza				
IP-C1-14	Replace metal doors at stairways			
IP-C1-15	Replace common area floor in remaining buildings	96,000	96,000	0
IP-C2-15	Replace fire alarm panel & A/C condensing unit	28,500	0	28,500
IP-C3-15	Replace gutters	75,000	0	75,000
IP-C4-15	Replace angel stops in kitchens, bath, etc	100,000	0	100,000
IP-C1-16	Replace exterior lighting with LED type		55,000	55,000
IP-C2-16	Replace electric wall board heaters and flooring		789,000	0
IP-C3-16	Replace kitchen, bath cabinets and counters in 20 units		2,004,118	0
PROPOSED TOTALS		299,500	2,944,118	258,500
PROPOSED GRAND TOTALS		4,748,500	5,306,568	4,268,950

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**PROPOSED SCHEDULE OF EMP PROJECTS
FY 2016**

Project No	Project Description	Approved EMP FY 2015	Approved EMP FY 2016	Proposed EMP FY 2016
HOUSING AUTHORITY GENERAL FUND				
Existing Approved General Fund				
GF-E5-14	Repaint exterior of administrative office	23,000	0	0
GF-E1-15	ADA Transitional Improvements	5,000	5,000	5,000
GF-E2-15	Color Consultant	5,000	5,000	0
GF-E1-16	R/R wooden wall adjacent to maintenance yard		7,500	7,500
GF-E2-16	Replace flat roof with vinyl type (moved to CIP GF-C5-16)		7,500	0
PROPOSED TOTALS		33,000	25,000	12,500
EAGLE VILLAGE AND PARROT VILLAGE				
Existing Approved Eagle Village and Parrot Village				
PV-E1-15	Drought tolerant landscaping	280,000	280,000	
EV-E1-15	Install sink clean outs	6,500	6,500	
PV-E1-16	Repair, reseal & re-stripe parking lots & basketball courts			57,000
PV-E2-16	Repaint exterior of buildings			72,000
EV-E1-16	Repaint exterior of buildings and fences			46,000
PROPOSED TOTALS		286,500	286,500	175,000
HOUSING AUTHORITY OWNED				
Existing Approved Housing Authority Owned				
CC-E1-15	Replace fuse electrical panel at the garage	3,500	0	10,400
CC-E2-15	Paint all apartments, exterior of buildings, decks, pool pumps, wall furnaces, refrigerators	100,000	0	
CC-E3-15	Provide audible signals at floor levels changes-ADA	2,500	0	
CC-E1-16	Drought tolerant landscaping		8,500	8,500
CC-E2-16	Provide emergency communication in elevator		5,000	5,000
ESP-E1-15	Clean out heater vents	20,000	40,000	40,000
ESP-E2-15	Replace refrigerators in all units	42,000	0	
ESP-E3-15	Site Improvement - Painting & Landscaping (moved from CIP to EMP per GAAP requirements)		0	
ESP-E1-16	Replace gate valves		5,500	5,500
ESP-E2-16	Landscaping		562,500	442,500
SH-E1-15	Refinish bathtubs in all units	1,760	0	
SH-E2-15	Replace toilets in all units	1,980	0	
RV-E1-15	Install sink clean outs	6,500	0	
PG-E1-15	Install sink clean outs	3,000	0	
PROPOSED TOTALS		181,240	621,500	511,900
INDEPENDENCE PLAZA				
Existing Approved Independence Plaza				
IP-E1-15	Change the Medco key system	10,000	10,000	0
IP-E2-15	Repaint all hallways & common areas in all remaining buildings	61,440	65,770	0
IP-E2-16	Repaint metal fencing, reseal/stripe parking lots, common smoke detectors, backup lighting			161,132
PROPOSED TOTALS		71,440	75,770	161,132
PROPOSED GRAND TOTALS		572,180	1,008,770	860,532

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Housing Authority of the City of Alameda
Schedule of Authorized Positions
July 1, 2015

Department/Position Title	Approved FTE 2015	Proposed FTE 2016
Administration		
Executive Director	1.00	1.00
Director of Operations and HR	1.00	1.00
Executive Assistant	1.00	1.00
Senior Management Analyst	1.00	1.00
Management Analyst	1.00	1.00
Housing Specialist I	1.00	1.00
Sub-total	6.00	6.00
Managed Housing Department		
Senior Property Manager	1.00	1.00
Housing Specialist I	1.00	1.00
Sub-total	2.00	2.00
Finance Department		
Director of Finance	1.00	1.00
Accounting Officer	1.00	1.00
Senior Accounting Technician	1.00	1.00
Accounting Technician	1.00	1.00
Sub-total	4.00	4.00
Housing Programs Department		
Director of Housing Programs	1.00	1.00
Housing Programs Supervisor	1.00	1.00
Housing Specialist III	1.00	1.00
Housing Specialist I & II	7.00	7.00
Housing Programs Coordinator-FSS	1.00	1.00
Housing Inspector/Housing Specialist I	1.00	1.00
Housing Assistant	5.00	5.00
Sub-total	17.00	17.00
Facilities and Maintenance Department		
Director of Facilities	1.00	1.00
Facilities Project Manager	1.00	1.00
Facilities Project Specialist	1.00	1.00
Lead Maintenance Technician	1.00	1.00
Maintenance Technician II	4.00	4.00
Maintenance Technician I	3.00	3.00
Maintenance Specialist	1.00	1.00
Custodian	1.00	1.00
Resident Manager (See note)	3.25	3.25
Assistant Resident Manager (See note)	1.10	1.40
Resident Custodian (See note)	0.75	0.75
Sub-total	18.10	18.40
Housing and Community Development Department		
Director of Housing and Community Development	1.00	1.00
Housing & Community Development Program Manager	2.00	2.00
Project Manager	0.00	1.00
Program Assistant	1.00	1.00
Sub-total	4.00	5.00
Total	51.10	52.40

Note: resident employees are contracted employees and are required to reside on-site at assigned Housing Authority complexes. Each resident employee has an individual employment contract.



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 Cooper
Executive Director

Date: April 15, 2015

Re: Award a Contract to PFM Asset Management for Investment Services

BACKGROUND

On November 7, 2014, AHA issued an RFP for Investment Services. The RFP criteria for scoring was:

	Points
Understanding of the Scope of Assignment	20
Experience and Qualifications of Firm and Individuals Assigned	20
Recommended Approach to Management of AHA's Portfolio	15
Familiarity with State Investment and Report requirements	15
Performance History	15
Fees	15

Maximum Points	100

A panel of three AHA Department Directors were appointed to evaluate the proposals.

DISCUSSION

AHA received six responses to its Investment Services RFP. The average scoring by all three panel participants were as follows;

	<u>Average Panel Score</u>
PFM Asset Management	96
Chandler Asset Management	95
US Bank	82
Cutler Investment Counsel	70
Atlantic Capital Investment Managers	65
Garcia Hamilton & Associates	59

Recently AHA management met with the two top RFP firms PFM Asset Management and Chandler Asset Management. Both firms presented excellent overviews of their services and potential investment portfolio for AHA's cash reserves. Based on the RFP scoring and panel interviews it was determined PFM Asset Management was the best responder for AHA investment advisory services.

Honorable Chair and
Members of the Board of Commissioners

April 15, 2015
Page 2 of 2

AHA's investment policy requires the agency to diversify its investments and with the recent accumulation of over \$32,000,000 in cash investments with LAIF it is prudent to hire an investment management firm to diversify AHA's investments and improve on investment returns.

PFM Asset Management's pricing for services would be .10% for the 1st \$25 million invested and .08% over \$25 million with a minimum fee of \$15,000. No fees will be charged for assets continued to be held in LAIF.

FINANCIAL IMPACT

It is anticipated that any fees paid out for Investment Services will be more than offset by improved investment performance.

RECOMMENDATION

Approve the contract for Investment Services with PFM Asset Management.

Respectfully submitted,



Vanessa Cooper
Executive Director

VC/AO



Housing Authority of the City of Alameda

701. Atlantic Avenue, Alameda, CA 94501 ~ Phone: (510) 747-4300 ~ Fax: (510) 522-7848 ~ TDD: (510) 522-8467 ~ Web: www.alamedahsg.org

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Date: April 15, 2015

Re: Adopt Resolution Authorizing the Executive Director to Execute a Cap
Rate Agreement and Related Documents for the 2005 Multifamily Housing
Revenue Bonds

BACKGROUND

In May 2005 the Alameda Public Financing Authority issued a \$6,800,000 Multifamily Housing Revenue Bond on behalf of the Housing Authority for the purpose of refinancing outstanding loans at the Eagle Village and Parrot Village properties. The 2005 bonds are a thirty-year variable rate loan with credit enhancement provided through Fannie Mae. A credit enhancement is similar to a third party guarantee, and credit enhancement is commonly provided for tax-exempt bonds.

In order to provide the credit enhancement, Fannie Mae required an interest rate cap that would place a limit on any future interest rate adjustments. The rate cap is also called a rate "hedge". In 2005 the Housing Authority purchased a 6% rate cap from Bank of America. This means the variable rate can never exceed 6%, regardless of market fluctuations. The original rate cap period was ten years, and this cap will expire in May 2015.

The loan documents require that a rate cap remain in place for the life of the loan, and that any rate cap must have a period of no less than five years. Therefore a new rate cap must now be purchased.

DISCUSSION

Since 2005, the rules that govern rate caps and other financial instruments have changed. In 2005, the Housing Authority was able to purchase the rate cap directly from a bank. The Dodd-Frank Wall Street Reform and Consumer Protection Act now mandates that any public entity that seeks to purchase a rate cap (hedge) must engage the services of an Independent Registered Municipal Advisor (IRMA) who functions as a broker in order to complete the rate cap transaction. The IRMA will then receive bids from certain entities that have been approved by the Securities Exchange Commission.

Staff contacted several IRMA firms and selected Cardea Partners, Inc. a derivative and debt advisory service firm located in Walnut Creek. The firm charges a fee of 6% of the rate cap cost, or a minimum of \$5,000. The rate cap is estimated to cost \$20,000 or less.

Cardea Partners will prepare the bid documents for the new rate cap, and will work directly with Fannie Mae counsel to review and finalize all transaction documents. Housing Authority general counsel will also review the transaction documents and will provide an opinion letter.

Staff expects that the new rate cap will also have a 6% strike rate, and will be for a term of 5 to 7 years. Staff will monitor the transaction to make sure the new rate cap is in place by May 15, 2015.

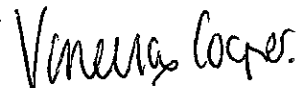
FINANCIAL IMPACT

The original bond principal amount (\$6.8 million) has been paid down to \$5.7 million. All of the original loan terms will remain unchanged. The rate cap transaction including the total cost of broker services, legal fees, and the cap itself is expected to be less than \$30,000. PNC is holding an escrow account for this purpose, and the rate cap expense will be paid from the escrow account. Due to the low interest rate environment, the cost of the cap is less than the originally projected cost, and PNC is expected to downward adjust the amount of the monthly escrow deposit.

RECOMMENDATION

Staff recommends Board adoption of the attached Resolution authorizing the Executive Director to execute a Rate Cap Agreement, Incumbency Certificate and any related documents.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VMC/vj

Attachment: Resolution Authorizing the Rate Cap Transaction

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A RATE CAP AGREEMENT AND INCUMBENCY CERTIFICATE AND ANY REQUIRED ANCILLARY DOUMENTS IN ASSOCIATION WITH THE PURCHASE OF A RENEWAL RATE CAP FOR THE 2005 MULTIFAMILY HOUSING REVENUE BONDS FOR EAGLE VILLAGE AND PARROT VILLAGE APARTMENTS

WHEREAS, on May 1, 2005, the Alameda Public Financing Authority, on behalf of the Housing Authority of the City of Alameda, issued Multifamily Housing Revenue Refunding Bonds in the amount of \$6,800,000 for the benefit of the Eagle Village and Parrot Village Apartments; and

WHEREAS, when the bonds were issued, credit enhancement was provided by Fannie Mae; and

WHEREAS, when the bonds were issued, the loan was serviced by ARCS Commercial Mortgage (Lender); and

WHEREAS, on May 1, 2005 the Housing Authority (Borrower), Lender and Fannie Mae entered into a Reimbursement Agreement that governs the bond repayment terms; and

WHEREAS, on May 1, 2005 the Borrower, Lender and Fannie Mae also entered into a Hedge Reserve Escrow Account Security Agreement (Security Agreement) that stipulates the requirements for an interest rate cap; and

WHEREAS, the Reimbursement and Security Agreements Agreement state that the Borrower is required to acquire and maintain an interest rate cap ("Hedge") at all times while the bond is outstanding; and

WHEREAS, a ten-year interest rate cap purchased in May 2005 will expire on May 15, 2015; and

WHEREAS the Reimbursement Agreement further states that the term of any subsequently purchased interest rate cap must be no less than five years and that the effective date of the new cap must be no later than the day following the last day of the expiring Hedge; and

WHEREAS, the bonds are now serviced by PNC Real Estate (Successor to ARCS Commercial Mortgage) which has notified the Borrower that the unpaid loan principal balance is \$5,800,000; and

WHEREAS, the Housing Authority has followed the correct procedure as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act to secure the services of an Independent Registered Municipal Advisor (IRMA) in order to complete the rate cap transaction;

WHEREAS, the IRMA will obtain competitive bids and provide same to the Housing Authority Executive Director

NOW, THEREFORE. BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the City of Alameda hereby authorizes the Executive Director to purchase a rate cap, to execute a Rate Cap Agreement and Incumbency Certificate and to execute any other documents required for the purchase transaction.

ATTEST:

Arthur Kurrasch, Chair

Vanessa M. Cooper, Secretary



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: April 15, 2015

Re: Award a Contract to Bay Cities Construction Incorporated in the Amount of \$310,200 and Authorize the Executive Director to Execute a Contract for Kitchen and Bathroom Modernization at Esperanza; Authorize a Project Budget in the Amount of \$372,240

BACKGROUND

The Fiscal Year's 2015 Capital Improvement and Extraordinary Maintenance Project (CIP-EMP) budget contains the final phase of kitchen and bathroom renovations at the multi-family apartment complex known as Esperanza. This scope of work includes replacement of existing kitchen and bathroom cabinets, countertops, fixtures, and associated work required for the remaining thirty-three (33) units at Esperanza.

DISCUSSION

On February 20, 2015, the Housing Authority issued an Invitation for Bids (IFB) for kitchen and bathroom renovations at Esperanza. A public notice was placed in the Alameda Journal and on the Housing Authority's website.

A pre-bid conference was held on March 5, 2015 which provided interested contractors the opportunity to inspect the site. Seventeen (17) contracting firms attended this pre-bid conference.

On March 23, 2015, six (6) bids were received and publicly opened; the bid results are as follows:

CONTRACTOR	LOCATION	BASE BID
Bay Cities Construction, Inc.	Oakland, CA	\$310,200
Bayview Construction	Burlingame, CA	\$313,000
Evra Construction	Brisbane, CA	\$335,000
A&E Emar	Albany, CA	\$349,000
B Bros. Construction	San Leandro, CA	\$386,570
B Side, Inc.	Oakland, CA	\$429,000

The Housing Authority has worked with Bay Cities Construction Incorporated on a previous kitchen and bathroom renovations projects and checked its references with no negative findings. They will provide the Housing Authority with all necessary insurance documentation and proof of a City of Alameda Business license. Bonding requirements will be met prior to commencement of work.

FINANCIAL IMPACT

The Fiscal Year 2015 budget provides \$495,000 for kitchen and bathroom cabinets for the remaining thirty-three (33) units at Esperanza. A twenty percent contingency (\$62,040) is recommended for potential Change Orders which may increase the contract to a not to exceed amount of \$372,240.

RECOMMENDATION

Authorize a construction project budget in the amount of \$372,240, award the contract to Bay Cities Construction Incorporated in the amount of \$310,200, and authorize the Executive Director to execute the contract. (Contract on File at the Housing Authority)

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VMC/RR