

MINUTES OF THE REGULAR MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD MONDAY, JANUARY 22, 2007

[Meetings are recorded. A copy of the recording can be made available via email by sending a request to fvital@oakha.org or by calling 510-874-1517]

The Oakland Housing Authority Board of Commissioners convened its Regular Meeting at 1619 Harrison Street, Oakland, California on the above date. Chair Moses L. Mayne, Jr. called the meeting to order at 6:06 p.m.

I. Pledge of Allegiance

Commissioner Gregory Hartwig led the Pledge of Allegiance.

II. Roll Call

Commissioners present were Joe L. Brown, Gregory D. Hartwig, Alfred Lee, Robert J. Pittman, Jr., Ramon J. Terrazas and Chair Moses L. Mayne, Jr. Commissioner Jacqueline Taylor was excused.

III. Report from the Legal Counsel regarding final decisions made during Closed Session on December 13, 2006.

General Counsel Jennifer Bell reported that there had been no final decisions in the last closed session.

IV. Approval of Minutes: Special Meeting of December 13, 2006

Commissioner Lee moved to approve the above minutes. Commissioner Pittman seconded, and the Board voted. Commissioners Brown, Hartwig, Lee, Pittman and Chair Mayne voted Ayes. Commissioner Terrazas abstained.

V. Modifications to the Agenda

Chair Mayne suggested that Item VIII on the agenda "Recognition of People wishing to address the Commission" be moved up in front of the regular business items in order to accommodate the people who wished to address the Commission. The Commissioners agreed.

VIII. Recognition of people wishing to address the Commission.

The first speaker was Ms. Zoleka Bossiere, a resident of Chester Street. Ms. Bossiere talked about the cooperative grocery that the people in the community wanted instead of a 99-cent store. She discussed the food coop program in which youth, men and women who are on parole and probation are trained.

Commissioner Brown asked how many youth would be trained and where the money would come from to pay them. Ms. Bossiere said it would be between 21 to 25 trainees, and there would also be after-school jobs for teenagers. She said the ages of the youth would be 18 years old and above. It would be teenagers for the after-school job program. Ms. Bossiere did not know where the money would come from, but said Ms. Dana Harvey, another speaker, would know the answer.

Commissioner Pittman asked how much square footage would be needed. Ms. Bossiere was not sure.

The second speaker was Ms. Kenna Stormagipson, a resident of 10th Street, who represents the Lower Bottom Neighborhood Association. Ms. Stormagipson passed out a letter to the Commissioners. She asked the people in the audience who are in support of the coop store to stand up to be recognized. She said they had gotten signatures from the community in support of the food cooperative store because BRIDGE Housing Corporation did not act on their proposal. She read the letter that was addressed to the Oakland Housing Authority Board of Commissioners. The essence of the letter was that the people in the community support the building of a cooperative store rather than a 99-cent store and were asking for the support of the Housing Authority Board of Commissioners. Ms. Stormagipson showed some pictures of the place and the people of the community.

Commissioner Pittman asked for the square footage actually needed for a retail space, and if a smaller space would do for the coop. Ms. Stormagipson said the space was about 2000 square feet, not big enough for a grocery store. A larger space is 11,000 square feet, enough for a small to medium grocery store like "Farmers Joe." Commissioner Lee, referring to the pictures shown, asked whether they were selling grocery right now. Ms. Stormagipson deferred the question to Ms. Dana Harvey. She said, however, that they have been selling produce and are mobile. Sometimes they go to the Senior Center to sell their produce. They just do not have their full store right now.

The third speaker was Mr. Brian Beveridge, a resident of Henry Street. Mr. Beveridge stated he is opposed to a 99-cent store in the community.

The fourth speaker was Ms. Monica Monterosso, a resident of Haven Street. Ms.

Monterosso said that a 99-cent store is not a good investment opportunity for the youth in the community. Commissioner Brown asked whether a 99-cent store is already operating in the area. Ms. Monterosso said a locally-owned store is already operating.

The fifth speaker was Mr. Tony Thurmond, a resident of Richmond, California. He is the Executive Director of the Oakland based non-profit organization called "Beyond Emancipation." Mr. Thurmond is also a member of the Richmond City Council. Mr. Thurmond supports the idea of a cooperative grocery store as opposed to a 99-cent store. He asked the Commission for an opportunity to listen to the people in the community who are willing to work with the Authority to bring additional services, particularly a grocery store.

The sixth speaker was Ms. Dana Harvey. Ms. Harvey thanked the people of the community in West Oakland who came in support of the Mandela food coop project. She indicated that they have been working for quite some time. She asked the Commissioners for any questions they may have.

Commissioner Pittman, said that realizing that the 2000 square feet of space was not big enough for the community, had they asked for any other spaces. Ms. Harvey said that the space is 2,272 square feet, not 2,000. She emphasized that they do not want to walk away from an opportunity of turning that smaller space into something beneficial. Ms. Harvey noted that they were preparing a response to BRIDGE. She said they would use the smaller space as a training site and also as an incubator for worker-owners to move them into larger stores.

Mr. Pittman asked whether there were complications, any misunderstandings, or miscommunications between the people of the community and BRIDGE. Ms. Harvey indicated that BRIDGE has never been excluded from any of their negotiations. She noted that they had formal exclusive negotiations with BRIDGE in February, March and April 2006. Ms. Harvey then directed the Commissioners to the letter handed out to them and discussed the letter.

Commissioner Hartwig indicated that he would need a brief history of the relationship between the people in the community of West Oakland and BRIDGE. He would like to know what they have been doing in the last three years and the number of people in the cooperative store. Ms. Harvey said that they have been working over the last two years to develop a viable cooperative store. She discussed the plan of the community and noted that they hired a retail consultant to help them with the business planning and understanding of a grocery retail business. Ms. Harvey also noted the presentation they made to the Housing Authority in April 2004. At that time, they discussed their plan for a cooperative store. Ms. Harvey said that after their presentation, they received letters of interest from businesses to fill the entire site.

She continued and said that after the presentation they received a letter back stating that the partnership was not interested in selling the space because of some complications. Ms. Harvey said they came to the Board twice and found they need to be submitting their letter of interest to BRIDGE because the Authority did not have any control of the site. She discussed their negotiations with BRIDGE in November 2004 when they submitted to BRIDGE their first letter of intent. Ms. Harvey said they did not feel there was a clear intention of partnership from the Authority and BRIDGE to help them get the space.

The discussion continued. Commissioner Lee asked questions related to the current retail operation; the total grocery receipts for 2006; the legality of breaking our contract and then make our own decision; and if we have the authority to sell the property under HUD rules. Ms. Harvey said they have been operating a worker-owner training program for almost a year now and have graduated two classes of worker-owners. She also described the operation of the market booths on Wednesdays in West Oakland and North Oakland. Ms. Harvey estimated the total receipts are about \$1,500 a month for twelve months.

Ms. Bell indicated that we have a 30-year lease with the LLC which owns the retail space in the West Block, and we do not have the ability to break the lease. It would be a breach of contract. Mr. Lee also asked about the partnership with Rainbow. Ms. Harvey responded, noting that Rainbow was not the store that the community needed.

Commissioner Pittman asked if we would be breaking our lease if a meeting were called between the three parties and if an agreement could be made amenable to all sides. Ms. Bell said we would be raising issues that are problematic and could involve us in potential litigation. Chair Mayne noted his support to the people in West Oakland.

VI. Old Business

A. Approval and ratification of purchase of property at 841, 845, and 849 70th Avenue.

Mr. Gresley noted that this has been approved by the Board in a previous Closed Session. However, it was the advice of General Counsel Bell that this matter should come back in open session. He noted that Mr. Phil Neville, Deputy Executive Director for Real Estate Development, is present for any questions the Board might have.

Commissioner Lee moved approval of the resolution. Commissioner Pittman seconded and the Board voted unanimous approval.

VII. New Business

A. Consideration of recommendation for the award of contracts for legal services for evictions.

Mr. Gresley said that we have a contract with local attorneys to provide legal services for our eviction process, normally referred to as unlawful detainer. He said we have just completed a selection process for procurement of legal services. He called upon Ms. Sharon H. Cossey, Deputy Executive Director for Property Operations, to outline the proposal.

Ms. Cossey said that on November 15, 2006, we provided a workshop on unlawful detainer process and at that time our request for proposals (RFP) was prepared to be released. She discussed the RFP process and recommended that five of the seven firms that submitted proposals be awarded contracts for the next two years. Each two-year contract is proposed to be for an amount not to exceed \$80,000 per firm. The five firms recommended for approval are: Edrington, Schirmer and Murphy; Beckman and Marquez LLP; Law Office of Charles Ramsey; Law Offices of Arnold W. Evje II and Cindy Lee, dba: Eviction Assistance; and Law Office of Judondi Bolden. Ms. Cossey explained the legal services that each firm provides. She introduced the representatives of each firm who were present at the meeting.

Discussion followed. Commissioner Lee questioned the distribution of work to the firms; the status of the development process of the RFPs; and the availability of the procedures for the Board's review. Ms. Cossey answered the questions in the order they were asked. The distribution should be on a rotating basis, depending on who is available, and based on their expertise. Staff will make the decision. We have a draft of legal procedures guide that we are submitting to some of our staff for review, and some of the law firms will help us in the review process.

Commissioner Lee questioned whether we share information concerning our selection of law firms with our Section 8 landlords since we refer Section 8 clients to Legal Aid. Ms. Bell indicated that it is not the Authority's job to evict the tenants for improper behavior, for non-payment of rents, and for non-compliance with the leases. She also said that the Section 8 landlords have the right to select attorneys they want. Mr. Gresley commented that we do not want to be in a position of endorsing certain businesses to Section 8 landlords. He indicated that it is different when we refer tenants to Legal Aid because tenants typically look for free resources, and Legal Aid is set up to provide that service.

Mr. Joseph Villarreal, Deputy Executive Director for Program Administration, discussed the referral process and also the owners' briefing workshops.

Commissioner Hartwig moved approval of the recommendation for the award of contracts for legal services for evictions. Commissioner Lee seconded and the Board voted. Commissioners Brown, Hartwig, Lee, Terrazas and Chair Mayne voted yes. Commissioner Pittman opposed.

B. Consideration of recommendation for the award of Project-Based Vouchers to Bridge Housing Corporation for the Central Station development.

Mr. Gresley said that under our MTW plan and prior decisions made by this Commission, we have indicated the Authority supports project basing of Section 8. He said BRIDGE Housing Corporation has proposed to incorporate twenty project-based vouchers among 99 apartments in a complex of 150 units in West Oakland. He called upon Mr. Joseph Villarreal for a brief summary.

Mr. Villarreal credited the work of Mr. Doug Lee of his staff for this project. He introduced Mr. Ben Metcalf and Mr. Tom Earley from BRIDGE. Mr. Villarreal provided background information of the Central Station development in which BRIDGE will be constructing 99 apartments for working families earning between thirty and fifty percent of the area median income.

Commissioner Pittman thanked staff for the ten percent of the units that would be designed for people with mobility and hearing/visual impairments.

Commissioner Lee moved approval of the recommendation. Commissioner Pittman seconded and the Board voted unanimous approval.

Chair Mayne called on Mr. Ben Metcalf, Project Manager of BRIDGE, who had turned in a card indicating he would like to speak on the project. Mr. Metcalf thanked staff and the Board for their support of the project. He provided a brief report on the development.

C. Consideration of recommendation for the amendment of a contract for Section 8 Housing Quality Standards (HQS) Inspections.

Mr. Gresley provided background information. He noted that our usage of the contractor, Sterling Claim Services, increased dramatically beginning in November 2006 and continuing through mid-January 2007. The increase was due to unanticipated long-term absences and one vacant position among inspectors. Mr. Gresley said that we need authority from the Commission to increase the procurement not only to cover November and December 2006, but

also January 2007 and beyond. He made a correction on the second page of the resolution on the paragraph starting with "THAT." The paragraph should read, "THAT, the Executive Director, on behalf of the Authority, is hereby authorized to increase a contract to Sterling Claim Services for the provision of inspection services to the Leased Housing Department by \$151,335 to a total of \$196,000."

Discussion ensued. Commissioner Terrazas' question related to a cost comparison and to the possibility of outsourcing the inspections to a vendor. Mr. Gresley noted that we are currently prohibited from doing this by our contract with Local 790. He said it is hard to make a direct cost comparison between the work they do and the work our staff does. Mr. Villarreal provided a description of the work performed by the contract inspectors and the work of our inspectors. Chair Mayne asked if the unions have been informed of this. He wants to make sure we are not in breach of the contract. Mr. Villarreal said they have been informed.

Commissioner Lee asked if the contract inspectors are using the HUD guidelines and how much do they charge. Mr. Villarreal indicated they were following HUD guidelines and provided the charges of the contract inspectors.

Commissioner Pittman moved approval of the recommendation. Commissioner Brown seconded and the Board voted unanimously.

D. Consideration of Resolution of Necessity authorizing the commencement of eminent domain proceedings to condemn real property located generally at 827 70th Avenue, Oakland.

Mr. Gresley called upon Mr. Neville for detailed information. Mr. Neville called on Mr. Steve Hoppe, Project Manager for Real Estate Development, to point out on the map the transitional block. Mr. Hoppe pointed to the four lots, noting the purchase of three of them had just been ratified. Mr. Neville noted that Ms. Emma Norflis owns the property that is the subject of the proposed Resolution of Necessity. Mr. Neville said that staff seeks to have five affirmative votes of the Board on eminent domain, and the Commissioners are required to make a finding. Mr. Neville discussed the four required findings. He recommended that the Board conduct a hearing on this and adopt the resolution of necessity, making the above-mentioned findings and that the Authority move on with the eminent domain process.

Commissioner Pittman indicated that the action is necessary and moved approval. General Counsel Bell suggested to make sure that no one is here to speak on the resolution of necessity. Chair Mayne said there is no speaker card on the subject and there is no person in the audience who would like to speak on

the matter. Chair Mayne asked for a second. Commissioner Terrazas seconded. Commissioner Lee asked for discussion.

Commissioner Lee asked to know the current appraised value of the property, the representation of the owner, if there was a final offer to the owner, the cost of eminent domain, relocation expenses, and the possibility of discussing the range at this meeting or in Closed Session. Mr. Hoppe said that the property was appraised in November 2006, and the appraised value was \$420,000, which amount was being offered to the owner. Mr. Hoppe said the owner was not being represented by anybody, but he had had conversations with the son and the daughter of the owner. Mr. Neville said Mr. Hoppe noted it in the attached letter of November 20, 2006, and read the paragraph which describes the relocation benefits. Ms. Bell said any discussion of greater detail on the subject should be held in closed session. With regard to the relocation, it is personal and specific and difficult without knowing the information. She said that in terms of the resolution of necessity, it is the legal first step to be able to proceed with the eminent domain.

The Board voted unanimous approval.

Mr. Gresley asked if the Board could give him the privilege to introduce a new employee, and the Board consented. Mr. Gresley introduced Ms. Bronwyn Hogan, newly-hired Senior Communications Manager in the Executive Office. The Commissioners gave Ms. Hogan a warm welcome.

E. Consideration of recommendation for the award of architects contracts for the rehabilitation of a scattered site at 2530 – 9th Avenue, Oakland.

Mr. Gresley gave background information of the property at 2530 9th Avenue, Oakland. He indicated that there is significant amount of damage of the property, particularly in the back building. There is evidence of dry rot, termite infestation, significant amount of structural work, and required re-roofing. He said that thirteen firms submitted proposals in response to the Authority's RFP. Staff determined Gutierrez Associates Architects to be the most advantageous to the Authority for the rehabilitation of the property. Mr. Gresley recommended that the Board authorize staff to enter into a contract with Gutierrez Associates Architects in the amount of \$141,750 for the design of the rehabilitation of the property at 2530 9th Avenue, Oakland.

Following discussion of ADA requirements, the scope of work, and the request for qualification, Chair Mayne asked for a motion. Commissioner Terrazas moved approval of the recommendation. Commissioner Pittman seconded and the Board voted. Commissioners Brown, Hartwig, Pittman, Terrazas and Chair

Mayne voted yes. Commissioner Lee opposed.

F. Consideration of recommendation to purchase budgeting, forecasting, and consolidating financial reporting software.

Mr. Gresley noted that we have to update our ability to translate our budgeting process into a management tool. He called on Mr. Stephen Knight, Director of Finance, for background information on the software. Before Mr. Knight provided background information, the Commissioners asked questions related to the software functionality, compatibility and costs categories; and the number of housing authorities that have used the software.

Mr. Knight first introduced Mr. Michael Talbott, Senior Board MIT Subject Matter expert from Neubrain LLC. Mr. Knight said that the contract with Neubrain LLC was for \$90,840 for the purchase of the software, installation and training of Board Management Intelligence Toolkit financial management software. He said the software is to be used by the Finance Department for the development of budgets, financial forecasting, reporting, and financial planning. The software will also be available to department heads and other individuals within the Authority. Mr. Knight described the features that the software provides.

Mr. Knight discussed the RFP issued on August 28, 2006. Five proposals were submitted on the due date of September 25, 2006. The five firms were rated by an evaluation panel, and Neubrain LLC had the highest rating. Mr. Knight made a correction to describe the source of funding. He said the cost should be covered by the Section 8 Local Fund, not by Local Fund Reserves. He recommended that the Board grant the Executive Director the authority to enter into a contract with Neubrain LLC for the purchase of the Board Management Intelligence Toolkit financial management software.

Discussion ensued. Commissioner Pittman asked for the names of the staff who participated on the evaluation panel. Mr. Knight listed the following names: Stephen Knight and Dennis Brumfield of Finance; Kathleen Keller and Monica Thompson of MIS; and Debbie Wellnitz of CCGS.

Chair Mayne asked for the housing authorities who have been using the software. Mr. Talbott said they do not have any custom-built software for housing authorities, but they have built software for the U.S. Air Force, Air Force National Guard, and the National Guard. Commissioner Terrazas asked if off-the-shelf software is available; if there is no other software that can accomplish this task of providing this functionality; and if Neubrain builds the software. Mr. Talbot said there is no software for housing authorities'

budgeting; and the software itself is the tool kit that helps them develop the application, and the application runs on that software.

Commissioner Hartwig asked what types of things can be done by the new tool kit that basic Excel could not do. Mr. Knight described the features that we could do on the tool kit that we could not do on Excel. Commissioner Lee asked whether other housing authorities like San Francisco Housing Authority, Contra Costa Housing Authority, and Alameda County Housing Authority use this toolkit to do their budgeting. Mr. Knight did not know, but said we need this tool kit in order to be able to comply with Project-Based budgeting and management mandated by HUD. With Excel, we would not be able to comply and explained the reasons.

Commissioner Lee asked the number of installed sites with software Neubrain has, the language, and about training sessions. Mr. Talbott provided answers to the questions. Mr. Knight added that the tool kit will be used primarily by Finance, but it is also a management tool which affects some departments.

Commissioner Terrazas moved approval of the resolution. Commissioner Brown seconded and the Board voted. Commissioners Brown, Hartwig, Lee, Terrazas and Chair Mayne voted yes. Commissioner Pittman abstained.

G. Approval of Commission travel to attend National Association of Housing and Redevelopment Officials (NAHRO) Legislative Conference and Northern California/Nevada Chapter meetings.

Mr. Gresley said that the National Association of Housing and Redevelopment Officials (NAHRO) is having its Legislative Conference on March 18 – 21 in Washington, D.C. It begins on Sunday evening and concludes on Wednesday at noon. It is our policy that the Commission must approve commissioner travel. Mr. Gresley asked who the Commission would be sending to the conference. He indicated that in the case of Chair Mayne, because he is on a committee, he would need to leave on Friday for the committee meeting on Saturday. He also recommended that Commissioner Hartwig, if available, be authorized to leave on Friday to attend the Commissioners' Fundamental to be held on Saturday and Sunday.

Mr. Gresley added that there is a chapter meeting coming up in Monterey, California on February 4 – 6, 2007, and said that Chair Mayne, as a member of the Commissioners' committee, is expected to participate in the Chapter and Regional committee meetings. He indicated that his attendance needs to be authorized. Chair Mayne recommended that the Commissioners, in light of the budget, only attend the chapter, the region or the National level, but not try to

attend all. Commissioner Hartwig indicated that he is interested in attending the meeting; however, right now, it is not an ideal time for him to go because of business concerns. Commissioners Brown and Lee indicated their interest in going to the legislative conference in Washington, D.C. on March 18 – 21, 2007.

The commissioners who are going to attend the NAHRO Legislative Conference in Washington, D.C. on March 18 – 21 are Commissioners Brown, Lee, Pittman and Mayne.

Chair Mayne asked the Commissioners who are interested in the Chapter meeting in Monterey on February 4 – 6, 2007. The Commissioners who are interested in going are Commissioners Brown, Pittman and Mayne.

Mr. Gresley indicated that since the Chair has brought up budget, he would mention the letter from HUD indicating Section 8 funding that we will receive for this year is \$128 million, down from \$145 million.

Commissioner Pittman indicated his interest this year in going to the Chapter and the State conventions because of the commissioners' committee. He was also interested in going to the Legislative and the National conferences. Mr. Gresley clarified that there are three national meetings; and there are two regional meetings. Commissioner Pittman noted that he would only want to attend one meeting of each. Mr. Gresley urged the Commissioners to attend the national meetings and let the local ones go. Chair Mayne explained the reasons why he is required to attend the meetings.

H. Consideration of formation of a Commission Budget Committee.

Mr. Gresley indicated that we would be developing a much more complex plan of our spending for the next year because of the requirement for property-based budgets and our 20 properties (AMPS), which include 5 HOPE VI sites, and provided background information on our past budget. Chair Mayne said we would like to form a budget committee and asked the Commissioners who are available. Chair Mayne appointed Commissioner Hartwig to chair the committee and Commissioners Lee and Brown to be members.

IX. Written Communications

There were none.

X. Executive Director's report regarding matters of special interest to the Commission occurring since the last meeting of the Commission.

Mr. Gresley thanked the three Deputy Executive Directors for working together during his absence earlier in the month. Ms. Sharon H. Cossey was in charge of preparing the board packet. Mr. Gresley also had a schedule of the upcoming board meetings passed out to the commissioners. He noted that there may not be a workshop meeting on March 14th, but would likely hold two budget meetings instead.

Mr. Gresley also had an invitation passed out to the Commissioners. He would like the Commissioners, if available, to attend the Employee Recognition reception on Thursday, February 1st from 3:00 to 4:30 pm in the Commissioners Room. He said it is important for staff to see the support of the Commissioners.

Chair Mayne said that sometime after April, we were looking at going back to one meeting a month because the information that we are covering is not as complex as it had been for a while. It would save staff and the Board some time. Mr. Gresley hoped that the Board would be prepared to respond to some ad-hoc requests for some special meetings that may be needed. Commissioner Pittman asked about the date of the Development/Scattered Site meeting. Mr. Gresley said that it is scheduled for Valentine's Day, February 14th, and that is also the date CAHI meets.

Commissioner Lee asked to devote more time to the scattered sites. Mr. Gresley said we would need to take a look at the scattered sites. He said that many of the sites do not have the same kinds of problems, and the ones that are coming to the Board's attention are the ones that are in bad shape. Commissioner Lee addressed the site at 950 40th Street and said it has a broken gate, potential dry rot, graffiti, and garbage. Mr. Gresley said we will follow up on that site.

Chair Mayne would like Mr. Henry Flowers, representing the Oak Grove senior residents, who submitted a speaker card late, to have an opportunity to speak. There was a consensus by the Commissioners.

Mr. Flowers noted that the term as officers of the Oak Grove Resident Council would end on June 30th. He thanked staff for the gifts like the uniforms and chairs that have been given to the residents at Oak Grove. Mr. Flowers asked for a donation for the cookbooks he brought and showed to the Commissioners.

XI. Reports of Commission Committees.

There were none.

XII. Announcements by Commissioners.

There were none.

XIII. Adjournment

The regular meeting was adjourned at 9:04 pm.

Chair

Secretary