

MINUTES OF THE SPECIAL MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD WEDNESDAY, FEBRUARY 8, 2006

The Oakland Housing Authority Board of Commissioners convened a Special Meeting /Work Session at 1619 Harrison Street, Oakland, California on the above date. Chair Moses L. Mayne, Jr. called the meeting to order at 6:13 p.m.

I. Roll Call

Commissioners present were Joe L. Brown, Jacqueline M. Taylor, Ramon J. Terrazas and Chair Moses L. Mayne, Jr. Commissioners Alfred Lee and Robert J. Pittman, Jr. were excused.

II. Report from the Legal Counsel regarding final decisions made during Closed Session at the last special meeting on January 11, 2006.

Ms. Jennifer Bell, Legal Counsel, reported that there were no final decisions made during the last Closed Session on January 11, 2006.

III. Modifications to the Agenda

There were none.

IV. New Business

A. Actions related to the Revitalization of Tassafaronga Village.

1. Recommendation for Partnership with East Bay Habitat for Humanity.

Mr. Jon Gresley, Executive Director said the staff is moving forward with plans for Tassafaronga to better their position in competing with HOPE VI application this year. He noted that they have an application before the City of Oakland for financial support for Tassafaronga. He indicated the two action items for Tassafaronga for approval by the Board and called upon Mr. Phil Neville, Director of Development, for the description and discussion of the two items.

Mr. Neville informed the Board that some tasks have been achieved in the last six months. The parcel of land adjacent to the site, known as the

pasta factory site was acquired, and Phases I and II environmental assessments were completed. The Authority applied for \$200,000 in Brownfield Cleanup grant funds with the U.S. Environmental Protection Agency, and also applied for a \$3 million housing development loan from the City of Oakland Community and Economic Development Agency (CEDA). Mr. Neville pointed out that the prospective partner, East Bay Habitat for Humanity (Habitat) applied for about \$1.8 million of the same funds. Mr. Neville added that the Authority received \$75,000 from the State of California Department of Toxic Substances Control, completed the geo-technical survey, hired an architect and engineering team, and submitted a design review pre-application to the City of Oakland.

Mr. Neville said staff had about six meetings with the residents last year. He reminded the Commissioners that the Board was briefed last year on the proposed HOPE VI Revitalization Plan and that the Authority is partnering with Habitat. He said the City would like to see an official seal of approval for Habitat from the Authority's Board in the form of a resolution. Mr. Neville recommended to the Board the authorization of a transfer of about .875 acre from the Tassafaronga site to Habitat for \$1.00. In exchange, Habitat will agree to build 22 affordable homeownership units for families making 40-100% of Area Median Income, and that Habitat would agree to contribute \$1.1 million from their own sources. Habitat would also agree to secure the remaining funds estimated at about \$4.8 million. Mr. Neville noted that during the briefing to the Board in May 2005, it was specifically discussed that Habitat had worked with the City of Oakland's funds frequently and had dealt with the issues of prevailing wages for contractors when hiring professionals like electricians and plumbers.

Discussion followed. Commissioner Taylor asked if there are any architectural plans. Mr. Neville said staff did not plan on the architectural presentation in this meeting, but showed the latest materials to the Board. Mr. Gresley said that staff was in the master planning phase and not down to the level of having drawings of buildings. Mr. Neville said staff filed a pre-application more than a week ago. Mr. Neville acknowledged the presence of Ms. Laurie Rolfe and Mr. Jim Bergdoll from Habitat. Mr. Gresley commented that, unlike Chestnut Court, Linden Court, Mandela, and Coliseum, where the Authority was not as involved with the process of the design and development, the Authority will be the developer for this site and will be much more involved in the planning.

Commissioner Terrazas asked that once the .875 acre of land is transferred to Habitat, would Habitat become the sole owner of the property and then transfer titles to those individuals who purchased the homes on the land. Mr. Gresley said yes. Commissioner Terrazas asked who would get the money when those homes are sold. Mr. Neville asked Mr. Jim Bergdoll from Habitat for an explanation. Mr. Bergdoll said Habitat is the lender and offers a no-interest loan. The homeowners pay Habitat back for the costs of the houses over a 30-year period. He said Habitat has been raising money from private sources, and over time, Habitat uses that money on a variety of projects in the community. Commissioner Terrazas asked if the site is in the pasta factory site. Mr. Gresley said the Authority owns that land, and contributing that land would help to write down the price so that the people can afford to buy it. He emphasized that this is the same as what the Authority did at Chestnut Court. Mr. Gresley asked Mr. Neville for clarification the number of homes that will meet accessibility requirements. Mr. Neville said that two of the 22 units will be accessible.

Chair Mayne noted that on the prevailing wages, it is only for subcontractors, and he would like to amend the language to include “contractors.” Mr. Neville asked Mr. Bergdoll to clarify the subject. Mr. Bergdoll said Habitat get volunteers, hire plumbers, electricians and other skilled workers Habitat needs. Mr. Bergdoll assured the Board that Habitat would see to it that the requirements of the prevailing wages are met. Chair Mayne noted that while it was not addressed on the resolution, would staff be committed to include it? Mr. Neville said yes. Mr. Gresley said the Commission could add wording on prevailing wages to the resolution. Ms. Bell said that it could be assured that the requirement would be there, based on the discussion. Mr. Bergdoll noted that Habitat would be happy to include the prevailing wages.

Commissioner Taylor asked if staff is submitting to HUD the demolition and disposition plan, as well as the relocation plan. Ms. Bridget Galka, HOPE VI Program Manager, said that the demolition and disposition plan includes the relocation plan. Mr. Gresley added that the Authority is on a dual track. He said staff is proceeding both as if we would receive a HOPE VI grant, but also as if not. Staff has not ruled out the possibility of doing this without HOPE VI. Another reason is that by the time the HOPE VI application is submitted to HUD, the Authority may identify a more advantageous way of approaching the project. Mr. Gresley said staffs are in discussions with their development consultant, Rod Solomon, to explore financing other than HOPE VI. He said that staff is trying to position the Authority to move whichever way is more

advantageous. Commissioner Taylor asked for the turnaround time for submitting the demolition and disposition application to HUD. Mr. Neville said probably sixty days. Commissioner Taylor asked what the turnaround time would be for notifying the residents of their relocation once the approvals are received. Mr. Neville said staff would start relocating the residents, at the earliest, in seven months. Commissioner Taylor asked if this includes vouchers. Mr. Neville said he expected that vouchers would be used on the HOPE VI model.

Chair Mayne would like to add a clause for the prevailing wages in the resolution. Commissioner Brown moved to approve the resolution with the inclusion of language on prevailing wages. Commissioner Taylor seconded and the Board voted unanimous approval.

2. Consideration and approval of recommendation for submission of a Demolition and Disposition application to the U.S. Department of Housing and Urban Development.

Commissioner Taylor moved approval of the resolution. Commissioner Terrazas seconded and the Board voted unanimous approval. A brief discussion followed.

B. Briefing and discussion of proposed request for proposals (RFP) for an energy audit of Authority properties and potential financial benefits.

Mr. Gresley said that staff has undertaken an energy performance contract years ago and made a number of energy improvements in the Authority's properties. He noted that OHA was the first housing authority in the country to seek a waiver that would allow it to approach this differently than the regulations normally permitted. Mr. Gresley said that the Authority's Finance Department has been working toward an alternative policy for a feasibility study of energy improvements, in lieu of an audit. He said that while staff was preparing for a feasibility study, HUD changed the rules and extended the payback period from twelve to twenty years. The payback period opens the possibility of doing some other things. Mr. Gresley said that as an MTW housing authority, OHA would enjoy 100% of the savings. He said Mr. Stephen Knight, Director of Finance, and his staff are preparing an RFP for utility audit services. Commissioner Terrazas asked if the Authority would be paying for any energy enhancements. Mr. Gresley said the Authority had hired a firm to do the energy audit and subsequently to contract for all the improvements. The firm financed the work and guaranteed the savings. If the savings are not experienced, the firm has to reimburse the Authority. The reward for the firm's risk is they are guaranteed 50% of the savings. Mr. Gresley said the proposal is to contract for the energy

audit and not for the financing. He said the Authority would be looking for its own financing to enjoy a 100% savings. Once the areas for savings are known, staff would bring the item back to the Board.

Commissioner Terrazas asked if there are foundations or government entities that would finance or give grants to the Authority. Mr. Gresley said that sometimes PG&E would will help. He reiterated that the Authority would do the energy audit first and then do the feasibility analysis for financing the improvements. Mr. Knight said that in some of the improvements that took place, the Authority was able to get credits back from PG&E and the East Bay Municipal Utility District.

C. Briefing and discussion of proposed Section 8 Moderate Rehabilitation Reforms Under MTW.

Mr. Gresley said staff is bringing this item to the Board before taking it to the Resident Advisory Board (RAB) and before taking public comments. He said that while the Moderate Rehabilitation Program (Mod Rehab) is not funded as a part of MTW, there appears to be an opportunity to adopt changes in the way the Authority administers Mod Rehab that would be beneficial to the Authority.

Mr. Gresley asked Mr. Joseph Villarreal, Director of Leased Housing, for an explanation of the proposal.

Mr. Villarreal discussed the two proposed issues: (1) to allow the use of site-based wait lists and, (2) to utilize income verifications completed by property owners/managers. He said the two proposals would save the Authority some staff time and would have a positive impact for clients. It would be much clearer for the clients to know that they are applying for individual property and not the Section 8 voucher program.

Mr. Villarreal provided a handout to the Commissioners, and he discussed the proposal to have the Authority rely on owner's and manager's income verifications. He pointed out that many owners and managers already complete a separate income verification similar to OHA's. This means that many current Section 8 Mod. Rehab participants are having the incomes examined multiple times each year.

V. Recognition of people wishing to address the Commission.

Mr. Randall Worsley Whitney of Pacific Thomas Corporation addressed the Commission. Mr. Whitney noted that in an earlier communication with Mr. Gresley, he suggested that they submit a proposal to him. Mr. Whitney said that his company,

Pacific Thomas Corporation, is involved in one of the Closed Session agenda items. He would like to identify their intent to resolve the matter for an amicable settlement to avoid going into litigation. He indicated that it was an eminent domain action, and the issue at hand is valuation and the monetary damages involved. Mr. Whitney was looking for a non-monetary solution to the issue.

VI. Executive Director's Report

Mr. Gresley said that about a week ago, on a Saturday, he and Mr. Shad Small of Development Department, went to Mandela Gateway because they were alerted a few days earlier by the Capitol Police from D.C. that a delegation of the Congressional Black Caucus was going to do a tour, and Mandela Gateway is a part of the tour. Mr. Gresley said staff notified BRIDGE Housing Corporation. He said he wanted to inform the Board because it reflects the image of the property and the value that is placed on.

Mr. Gresley said that he met with the Chair last week at Jack London Square. He said Mr. Mayne was showing where Signature Properties has an office. It is about 50 feet of storefront located by the Waterfront Plaza Hotel. They have opened a big marketing center and have beautiful pictures of Oakland, emphasizing the attractiveness of urban life. On the back wall of their marketing center is a view of Oakland, with downtown Oakland in the distance with the Federal building. You could see the rooftops coming towards you, and the beautiful apartment building right on the front is Mandela Gateway.

Mr. Gresley said that he heard that about 50,000 people applied for the Section 8 Voucher Wait List.

VII. Adjournment.

The meeting was adjourned at 7:30 pm. to a Closed Session.

Closed Session

The Oakland Housing Authority Board of Commissioners convened in Closed Session at 1619 Harrison Street, Oakland, California on the above date. Chair Mayne called the session to order at 7:35 pm for the following agenda items.

- Conference with real estate negotiators regarding acquisition of real property pursuant to California Government Code §54956.8 (eminent domain proceedings).

- Conference with Legal Counsel pursuant to California Government Code §54956.9(b) regarding a potential litigation matter.

Attendance

Commissioners present were Joe L. Brown, Jacqueline M. Taylor, Ramon J. Terrazas, and Chair Moses L. Mayne, Jr. Commissioners Alfred Lee and Robert J. Pittman, Jr. were excused.

The closed session was adjourned at 8:45 pm.

Chair

Secretary