

MINUTES OF THE SPECIAL MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD TUESDAY, FEBRUARY 13, 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 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 6:06 p.m.

I. Pledge of Allegiance

Mr. Jon Gresley, Executive Director, 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, Jr. and Chair Moses L. Mayne, Jr. Commissioner Jacqueline Taylor was excused.

III. Approval of Minutes: Regular Meeting of January 22, 2007

Ms. Jennifer Bell, Legal Counsel, made the following correction to the minutes. On the second sentence of the last paragraph on page 5, the sentence should be corrected to read: "Ms. Bell indicated that it is not the Authority's job to evict the tenants for improper behavior,"

Commissioner Lee moved approval of the minutes of the Regular Meeting of January 22, 2007. Commissioner Pittman seconded, and the Board voted unanimous approval.

IV. Modifications to the Agenda

There were none.

V. New Business

A. Consideration of a Recommendation to Award a Comprehensive Labor Relations Contract to the Industrial Employers and Distributors Association (IEDA).

Mr. Jon Gresley, Executive Director, informed the Board that the budget

planned for this year included funds to bring on consultants for various purposes. One of the key areas was in the area of labor relations. He noted that we are in the final year of our contracts with our four different bargaining units. We are also faced with a greater challenge because of the reorganization of our Office of Property Operations. The reorganization will not enable us to continue to carry out the same terms and conditions of the contracts that we have had for years. Mr. Gresley indicated that we must be successful in our reorganization because our funding depends on it. If the reorganization will not be completed to property-based management and if we do not find the way to operate our properties within the dollar constraints which HUD will be applying which are limited to individual properties, our funding will suffer as there will be sanctions.

Mr. Gresley said it is important to enter into a partnership with our employees through their bargaining units and to have a much larger dialog. He said the Authority requires a labor consulting organization to assist in creating a dialog necessary to communicate the Authority's new direction and to assist in creating viable labor agreements with our four labor partners.

Mr. Gresley discussed the request for proposals issued on November 9, 2006. He noted that the Authority did not receive any proposal on the due date of December 5, 2006, and an addendum was issued to extend the due date to January 5, 2007. The Authority received one proposal from Industrial Employers and Distributors Association (IEDA) a non-profit, Emeryville based firm.

Mr. Gresley discussed our meeting with Mr. Keith Fleming, President and CEO, and Ms. Fran Buchanan, negotiator, of IEDA. He recommended that the Board authorize the Executive Director to enter into a Comprehensive Labor Relations Contract for a period of two years at an estimated cost of \$31,533 for the first year, and \$33,442 for the second year, with an option to renew the contract as needed. Mr. Gresley explained the reasons for the different amounts.

Discussion followed. Commissioner Pittman directed his question to Ms. Buchanan. He asked if their being a consultant, rather than the Authority staff, doing the negotiating would be a problem and how difficult would it be to handle. Ms. Buchanan said that they would serve as the facilitator between the Authority and the Unions. She said they need to establish a partnership with the Unions with a mutual interest and mutual goal. She noted that the partnership requires a number of steps to be put in place. There must be an initial conversation with the Unions either jointly or separately. The discussions must be moved to figure out what is good for both the Unions and the Authority. Ms. Buchanan said they must find a way to meet the Unions interest and not lose

their benefits because of the reorganization. Mr. Pittman asked how we would handle the different responsibilities the represented employees have and if they require having negotiations among themselves. He cited examples of the work performed differently by a carpenter and that of a plumber. Ms. Buchanan did not have a definite answer but said that sharing the role would be the first step and then determine the positions that we have now and the specific responsibilities. She said that it would take an assessment of the work to be performed.

Commissioner Lee asked if this was a workload issue that we seek outside counsel. Mr. Gresley indicated that it would be difficult for our Human Resources Department to assist Ms. Cossey with her reorganization and lead all the negotiations. He also noted our commitment to the Unions to conduct a salary and benefits study this spring. Commissioner Lee asked if we are going to be charged for classifications. Mr. Gresley said IEDA is not going to do classification, but will be leading our negotiation and dialog with the Unions. Commissioner Lee asked how the Union employees view this by bringing in a third party. Ms. Buchanan noted that there are a number of Unions that have recommended their organization to employers because of their reputation. They have a reputation of working with both parties. They do not establish any confrontation between the parties.

Commissioner Pittman asked how the Director of Human Resources feels about the association. Ms. Pamela Foster, Director of Human Resources, indicated she appreciates the assistance of IEDA.

Following discussion, Commissioner Lee moved to approve the recommendation. Commissioner Pittman seconded and the Board voted unanimous approval.

B. Authorization to Amend the Contract with David Baker + Partners for Architect and Engineering Services for the Design and Construction of the Tassafaronga Development Site.

Mr. Gresley indicated that in September 2005, we selected David Baker + Partners, Architects to provide architect and engineering services to design and construct the Tassafaronga development site. He called upon Mr. Phil Neville, Deputy Executive Director for Real Estate Development to provide a briefing on the primary changes to be incorporated into our contract.

Mr. Neville indicated that we had gotten authority from the Board to contract this firm for the initial phase and the subsequent phases when we had our qualifications based procurement. He noted the number of times the Board had

been briefed on this and also the number of times the Architects made presentations to the Board. Mr. Neville said we have gotten our entitlements for the Tassafaronga project. He said we are bringing this item to the Board at this meeting for a \$2.1 million contract for the Tassafaronga Village retail project. There will be more than 167 units planned for this project. The Architects fee is 5.4 percent of the projected construction cost, a lower percentage than the last time staff presented it to the Board.

Mr. Neville introduced Mr. Daniel Simon, Project Manager of David Baker. He also noted the meetings conducted with Property Operations' Management and Maintenance staff and our Police Department staff to go over the issues related to access to the private spaces and to the parking areas, and also to discuss the materials that would be used. Mr. Neville asked the Board if they would like the contractual details to be discussed, or if they want Mr. Simon to highlight some of the issues of design. Chair Mayne would like the contractual details to be discussed.

Discussion ensued. Commissioner Pittman asked about the number of accessible units, if it was ten percent of the units. Mr. Neville said the requirement is five percent. He called on Mr. Simon to provide additional comment. Mr. Simon noted that the State of California requires that any building that is elevator-served should have all the units to have the same space requirements as the accessible units. The only difference is the installation of grab bars. He pointed out that this would apply to the 60 apartments in the main building.

Mr. Neville directed the Commissioners to Page 4 of the Board memo and discussed the current amendment to the contract. He noted the increase of the architect and engineering fee from \$1,766,323 to \$2,137,400. The estimated construction cost is \$39.6 million, and the firm's fee is within the range authorized, at 5.7%. Mr. Neville also discussed the price of Phase I, the contracting requirements of the City of Oakland for development projects that use City funds, and the Environmental Impact Report (EIR) that was previously prepared for the Oakland Redevelopment Agency. Mr. Simon discussed the mechanical and electrical engineering, and plumbing that are part of the A&E package. He said they hire additional engineers and they have all the consultants for this type of contract.

The discussion continued. Commissioner Terrazas asked if it would cost us money to do a job that the City would normally do. Mr. Neville said yes and gave the Chestnut-Linden Court and the Mandela Gateway as examples. Commissioner Terrazas asked if we have sought to get reimbursed, vis-à-vis a credit whenever we have to apply with the City. Ms. Bell commented that it is

typical for developers to be required by cities to fund expedited reviews. Mr. Neville, in answer to Commissioner Terrazas' question, said that we have not been able to get rebates.

Commissioner Lee asked questions related to ownership of the work products under the contract. Do we get property rights? Does it include construction management, and what happens if we do not get funding? Mr. Neville said that we have an agreement with David Baker + Partners where if we process any changes to the contract, they would bill us at the standard rates, and those rates have been set based on the proposal. He said that we get property rights, and it includes the construction management. Mr. Neville also discussed the matters that were approved during the Development Committee meeting.

Commissioner Lee asked when we would apply for the permits. Mr. Neville said the construction drawings would be done by October 2007. He called on Mr. Simon for his comments. Mr. Simon said we were targeting to have permit drawings in July or August 2007, and it would not really be delayed if the Authority does not have all the funds by then. He added that everything is perfectly coordinated. Commissioner Lee commented that this is different from the private business. Mr. Neville noted that we had these same deals with BRIDGE and EBALDC on our developments at Chestnut/Linden Court and Mandela.

Commissioner Pittman asked why we are not moving toward the private sector and not doing it like the public sector. Mr. Neville said we are trying to be entrepreneurial and not operating like a private business. He also added that we had a commitment to the community. He also noted the impatience displayed by the families who live in that community, especially when we were not able to get funding from HUD. Commissioner Terrazas asked how the Development Committee feels about this. Chair Mayne said that they had told us to move on both tracks. He said we are looking for HOPE VI funding, and if we do not get it, we have to look for other financing.

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

C. Briefing on Solicitation of Property Management Services.

Mr. Gresley said that in our reorganization process, we have included in our planning to run some parallel tracking of private operations of some of our properties. We plan to put out an RFP for a private management firm to

manage Oak Grove sites and to be followed by Campbell Village at a future date, should we have budget capability. Mr. Gresley also said that at a later date we hope to do a group of our scattered sites. He called upon Ms. Sharon H. Cossey, Deputy Executive Director for Property Operations, to provide an outline of our RFP.

Ms. Cossey said we have an RFP ready to go out for the two Oak Grove sites (North and South) by next week. Ms. Cossey discussed the reasons for our plan to seek the services of a property management firm. She informed the Board of the briefing to the Board in December 2006 about our transition to Asset-Based Management. She also noted the monthly staff meetings, since September 2006, outlining our plans. She also informed the Board about the presentation provided to the entire Facilities Management staff in October 2006. Ms. Cossey said all Property Operations staff members are fully aware of our intent to start a model for Asset Management.

Ms. Cossey continued and said that this will provide an opportunity for us to establish models for other asset management entities and also for our job description as we move through the union negotiations. She said we selected four sites, and the first two are the Oak Grove sites (North and South). As we plan to release the RFP next week, we hope to have the property management firm by August 1st, which will take us through all of our interviews, site visits, and negotiations of the final contract. Sometime thereafter, we hope to release another RFP for Campbell Village in West Oakland, a family housing of about 154 units and also an RFP for AMP No. 14, a group of the scattered sites. Ms. Cossey directed the attention of the Commissioners to the map handed out to them and explained the markings on it. She also discussed the scope of the contract, detailing the various job responsibilities of the property managers. Ms. Cossey also discussed the selection criteria.

Discussion followed. Commissioner Pittman asked for the denotation of the squares with plus signs in the legend of the map. Mr. Carel Duplessis, Director of Police Department, said they did not mean anything. Commissioner Lee asked about the AMPS on the map, whether each AMP would have a manager, and if there is a budget for these next year. Ms. Cossey provided the answers to the questions in the order they were asked. Commissioner Hartwig asked about the process of selecting the specific AMPS. Ms. Cossey said we have three different types of AMPS. We have AMPS for the senior sites, family development sites, and the scattered sites. Commissioner Lee indicated he would like to see the scope of the RFP before the contract is put in place. Ms. Cossey said the RFP is not normally edited by the Board. She then discussed the RFP process and said we plan to come back to the Board on May 29th for Board approval.

Commissioner Pittman made a comment on why he voted No on the previous item, the authorization to amend the contract with David Baker + Partners for the Tassafaronga Development Site. He said that during their Development Committee meeting, although they went forward with it, it was not fully consented.

VI. Recognition of people wishing to address the Commission.

There were no speakers.

VII. Written Communications.

Mr. Gresley directed the attention of the Commissioners to the copy of an email message from Mr. Jerold Coats of our Police Department. He indicated he was impressed with the sentiments expressed by Mr. Coats.

Commissioner Lee expressed his understanding of Mr. Coat's decision. He wanted, however, to have an onsite manager to watch the property. Mr. Gresley said until we have on-site managers after the reorganization, we have our Police Department.

VIII. Executive Director's Report

Mr. Gresley provided the updates on the Commission Meeting Schedule for 2007 that is in the packet.

Mr. Gresley noted that the Authority participated in a study of ten housing authorities conducted by EConsult Corporation. The study is funded by the Housing Authority Insurance Group (HAIG) and supported by the Council of Large Public Housing Authorities (CLPHA) and the Public Housing Authorities Directors Association (PHADA). Mr. Gresley said there was a press release last Thursday and gave copies of the report to the Commissioners. He then discussed the report.

Mr. Gresley reported about the East Bay Inter-Agency Alliance comprised of the Alameda County, Alameda County Transportation Improvement Authority, City of Oakland, Port of Oakland, and the Oakland Housing Authority. It is a group of public entities that do procurement and contracting in the East Bay. He said that our Contract Compliance and General Services Division has been working with some of the entities with their procurement. Mr. Gresley discussed the benefits, particularly about certification.

Mr. Gresley reported that we were audited by the Inspector General for audit for HUD. He said that back in the early fall the Inspector General did a survey and then made a

decision to conduct an audit. Mr. Gresley said that the HUD auditors have been critical of our procurement of legal services and provided a report of the audit. He said that the most critical issue is that we have contract files that need to be cleaned up. He informed the Board that there will be a report coming out that is addressed to Ms. Dominique Blom. The report will contain their findings and our comments.

Commissioner Terrazas asked if we learned any lessons from that survey and if we can apply those lessons to any of the other aspects of our operations. Mr. Gresley said that we should do a better job of documenting processes. We should have a neat and organized filing system. He cited some examples that should be well documented. Commissioner Lee asked whose responsibility it would be. Mr. Gresley indicated it would vary according to the process and provided an example.

IX. Reports of Commission Committees.

Commissioner Lee said the Development Committee met with Mr. Phil Neville regarding the Tassafaronga issue. He looks forward to a more detailed meeting on this subject in tomorrow's meeting.

Commissioner Terrazas said the committee evaluating the performance of the Executive Director hopes to have a document by the end of the week.

Commissioner Brown asked about the Budget Committee meeting. Mr. Gresley said it would be next week.

X. Announcements by Commissioners.

Commissioner Pittman said that yesterday was Freedom Day for ADOPT. He said Mr. Alphonso Jackson from HUD has promised the disabled community that he would issue vouchers through PHAS for the program called ADOPT. Mr. Pittman said that there was a nationwide protest yesterday because Mr. Jackson has not issued the vouchers. He would like it to be put on the agenda for a way to have Mr. Jackson issue the vouchers.

Commissioner Pittman would like the issue of the coop store to be on the agenda of February 26th so that the people of the Mandela community could be heard. Chair Mayne said the people could be heard under Open Forum. General Counsel Bell commented that any discussion could lead to significant exposure to litigation. She advised that any discussion should be in Closed Session. Chair Mayne said we need to have that discussion in Closed Session.

XI. Adjournment to Closed Session.

The meeting is adjourned at 7:50 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 Moses L. Mayne, Jr. presided and called the meeting to order at 8:00 p.m. regarding the following:

- Conference with legal counsel pursuant to Government Code Section 54656.9 regarding cases which are pending in the Alameda County Superior Court.
- Conference with Legal Counsel – Anticipated Litigation.

Attendance

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

The Closed Session was adjourned at 8:50 p.m.

Chair

Secretary