

MINUTES OF THE SPECIAL MEETING  
BOARD OF COMMISSIONERS  
HOUSING AUTHORITY OF THE  
CITY OF OAKLAND, CALIFORNIA  
HELD WEDNESDAY, MARCH 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 6:00 p.m.

I. Roll Call

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

II. Report from the Legal Counsel regarding final decisions made during Closed Session at the last meeting on February 27, 2006.

Ms. Jennifer Bell, Legal Counsel, reported that there were no final decisions made during the last Closed Session on February 27, 2006.

III. Modifications to the Agenda

Mr. Jon Gresley, Executive Director, asked that Item F under New Business be moved up ahead of Items C, D and E. He would like to have the representatives from David Baker + Partners do their presentation earlier. Chair Mayne indicated that Item F would be considered following Items A and B.

IV. New Business

A. Hearing on Resolution of Necessity authorizing the commencement of eminent domain proceedings to condemn real property located generally at 841, 845, 849 70<sup>th</sup> Avenue, in Oakland.

Chair Mayne opened the public hearing and called upon staff to make their report. Mr. Gresley called upon Mr. Phil Neville, Director of Development, for a staff report. Mr. Neville pointed out that staff had previously met with the Board regarding the acquisition of property in the area around Coliseum Gardens. He directed the Commissioners to the diagrams of the area. He said the Authority had acquired much of the land along 69<sup>th</sup> Street and had begun acquiring the land along 70<sup>th</sup> Street. One family in particular, the Remson

family, had met with Mr. Steve Hoppe, HOPE VI Program Manager, on a number of occasions. Mr. Hoppe advised the Remsons about the Authority's interest in acquiring their properties. He indicated that we had not been successful in reaching agreement on purchase of the Remson property. Mr. Neville noted that staff had been advised by Goldfarb & Lipman, counsel to the Authority, on the process necessary for eminent domain action, the appropriate agenda for a hearing and the proposed resolution of necessity.

Mr. Neville said that staff has been working on the Coliseum Gardens projects since the late 1990s. The third HOPE VI application was funded late in the year 2000. He said that the townhouse portion of Phase I had been completed and we began tenancy in late January. The podium portion was targeted to be finished by the end of June 2006. He also said that staff hopes to break ground on Phase II in the next month or so. Staff hopes to break ground on Phase III this summer. He asked Mr. Hoppe and Ms. Jennifer Bell for their comments. Ms. Bell said that the statute requires five affirmative votes have to be cast in order to pass the resolution of necessity. Mr. Hoppe directed the Commissioners to the site diagram and discussed the acquisition of the properties along 69<sup>th</sup> Avenue. He said that the properties owned by the Remson family and affected by the proposed resolution of necessity are located along the west side of 70<sup>th</sup> Avenue. At the conclusion of the briefing, Chair Mayne called on the speakers.

The first speaker was Mr. Raymond Remson. He noted that the property acquired on by OHA 69<sup>th</sup> Avenue was an industrial zone with small shops and businesses. He said that the three Remson properties were in their family for fifty years. He said that putting a street through to the park and coming through to the BART station parking would eliminate one of their houses. He indicated that it was not necessary to eliminate one house to build a walkway and he did not want to lose their homes. Commissioner Lee asked Mr. Remson to identify his relationship to the subject properties. Raymond said he was the son of Marjorie Remson and a member of the Remson trust. Commissioner Lee asked Mr. Remson if he currently lives there. He said no, but that his mother lives in a house next to the subject properties.

The second speaker was Mr. Bernard Remson. He noted that he was the oldest living child of the Remson family. He indicated that the properties were very special to the family because his parents acquired them from the original owners. He said he grew up in the area and identified the houses as a safe haven for people living there. Mr. Remson considered the Remson properties as family assets and did not want to lose them to a new development. He believed that the process could be modified. Mr. Hoppe said that the development requires the entire block and not only the Remson's three houses. Chair Mayne

asked if there was a previous discussion of the process, especially with the Remson family. Mr. Remson said that the only thing they have heard was when Mr. Hoppe went to Mr. Remson's parents' house and informed them of the Authority's plan to buy the properties. He said Mr. Hoppe asked Mr. Remson's parents if they were interested in selling their properties, and that they informed Mr. Hoppe that they were not interested in selling the properties. Mr. Remson said he was not aware of any other discussion with Mr. Hoppe.

Mr. Neville said that staff's first meeting with the Remson family was about two to three years ago, and the initial context was that Mrs. Remson was open to selling the properties. He said that the City of Oakland, BART and the Authority had planned the process together. It has been the subject of public hearings and meetings in the neighborhood with stakeholders and residents of the former housing project. During those meetings, staff indicated that they would relocate the families who live in the houses. Mr. Neville indicated that staff had meetings with the City Planning Commission. Mr. Hoppe said that he had met with Ms. Remson about three times. He added that he had explained the process of eminent domain. Commissioner Lee asked Mr. Remson if their decision not to sell their properties was more of an emotional response rather than of a financial response. Mr. Remson said the financial aspect was not a consideration. Commissioner Lee asked how long the trust has been set up. Mr. Remson said since his father died in April 2005.

Chair Mayne called upon the third speaker, Mr. Michael Remson. He introduced himself as the eldest grandson of Marjorie and Bernard Remson. He said that Marjorie and Bernard Remson moved to 70<sup>th</sup> Avenue with a vision of taking part in the American dream. They married, worked hard, and with their resourcefulness, were able to purchase and accumulate properties on 70<sup>th</sup> Avenue over the last 60 + years. He continued that the Remson's block on 70<sup>th</sup> Avenue was a close-knit community where people looked out for one another. He said their grandparents always made their rent very affordable for their tenants and were always very approachable in times of need. Mr. Remson noted that the Remson families have all taken part in living on the legacy of 70<sup>th</sup> Avenue. He indicated that should the project go into effect, the Board and staff would be taking a legacy away from Oakland, a community that has been there for over sixty years.

Mr. Gresley commented that the street that is to be cut through to the BART property has an importance to the City. He said that when staff went to the City to speak in support of the exchange of land to reconfigure the park, the City Council stressed the need to link the park beyond the development into other parts of the City. Mr. Gresley said that the design of the street to connect the park with the eventual development of the BART parking lot was a critical

piece satisfying the City. Mr. Remson noted that 200 yards down Snell Street was already developed, which goes along the BART parking lot. He asked why the Authority has to make another street. Chair Mayne commented that it was the City's intent to buy the block and gave the Authority instructions to go on with its project. The City helped the Authority by providing funds for the development. Chair Mayne said that staff would like to move forward in compliance with the City's request. He indicated that what he has been hearing was that the Remson's family has been in the affordable housing industry probably as long as the Authority has, and has the same vision. Chair Mayne said that the Authority is helping to allow low-income people to live in affordable housing. He emphasized that the Authority was not very happy to take anybody's property. He said, however, that given the circumstances, it was necessary for the Authority to go on with its project, pay the fair market value of the houses, relocate the tenants, and do everything in its capacity to make them happy. Chair Mayne emphasized that the Board has to make a decision, and whatever decision the Board makes, staff will work with the Remson family for a better outcome.

Commissioner Lee expressed concerns about the comment by the Remson family that OHA should not do the project. Mr. Remson said yes, and also asked if the Board could modify the project. Commissioner Lee asked for the last meeting that took place between the Authority staff and the Remson family. Mr. Remson said that Mr. Hoppe spoke with his sister about a year ago and said his sister had died a week after his father's death. Mr. Hoppe told the Remsons that staff would give them time to grieve. Mr. Remson said they received the notice in the mail about this hearing which was actually the first time that they had addressed the project. Mr. Remson said Mr. Hoppe has dealt with his sister, his mother, and his father who was pretty sick at the time. Commissioner Lee asked if the Remson family was available for a possible meeting with staff. Mr. Remson said they were available. Commissioner Brown asked if the Remson family has been presented by the Authority with an estimate of the value of their property. Mr. Remson indicated that they were. Mr. Neville pointed out that the properties were appraised and the OHA intended to pay market value. He suggested that after they do the resolution of necessity tonight that staff would meet with the Remson family again and share current appraisals. Commissioner Terrazas asked if there was an executor or someone in charge of the trust when it was made, and who would that person be. Mr. Bernard Remson was the person in charge of the trust. Mr. Neville indicated that the Remson family had asked the Authority staff to make sure that the Board was interested in eminent domain. If the Board knew about it, the Remson family might be willing to negotiate. He said that after this vote, staff would set a time to negotiate with the Remson family under the process of eminent domain. Without any more comments, Chair Mayne closed the hearing.

B. Consideration and Approval of Resolution of Necessity authorizing the commencement of eminent domain proceedings to condemn real property located at 841, 845, 849 70<sup>th</sup> Avenue in Oakland.

Mr. Neville noted the read the required findings in the resolution. Commissioner Lee asked for the possible cost of redesigning the project at this stage. Mr. Neville indicated that it would be very expensive. Commissioner Lee asked why the Authority could not ask the City to do this eminent domain. Mr. Neville said it is the Authority's project and the City does not want to own the land.

Mr. Bernard Remson spoke, pointing to the diagram presented, clarified and confirmed with the Board the development to be done on 70<sup>th</sup> Avenue. He asked why the project could not be modified to avoid losing their homes. He believed that the project could be done without losing their homes. Mr. Remson said they did not want to give it up. They would like to work with staff for a modification of the project. Mr. Raymond Remson spoke next and added that the area was already an industrial zone, and basically expressed the same concerns. Mr. Gresley commented that the remaining property was about one-third of the block and believed that it would not be feasible to do the project without the subject properties. Chair Mayne indicated that they were only supporting the eminent domain because the Board wanted staff to go forward with negotiations with the Remsons.

Chair Mayne asked for a motion. Commissioner Lee made a motion to approve the resolution of necessity. Commissioner Pittman seconded and the Board voted unanimous approval. Chair Mayne asked Mr. Hoppe to talk to the Remson family before proceeding in order to reach an amicable settlement and keep the Board informed.

F. Presentation by David Baker + Partners, Inc. on preliminary site plans for the proposed revitalization of Tassafaronga Village.

Mr. Gresley called upon Mr. Neville for a briefing on the preliminary site plans for the proposed revitalization of Tassafaronga Village. Mr. Neville said in November 2005, the Board approved the selection of David Baker + Partners (David Baker) as the architect for the Tassafaronga Village development project. Since then Authority staff and East Bay Habitat for Humanity have been engaged in a master planning process. The process included meetings with residents and the other representatives of the community. He said the final resident and public meeting was scheduled for March 9, 2006, and the plans were scheduled to be submitted in a Design Review Application to the City of

Oakland in April, 2006. He called upon Mr. David Baker for his presentation.

Mr. Baker provided pictures of the townhouses, apartments, and parking. He provided a handout which identified the number of townhouses, the apartment buildings and the warehouses. It also constitutes the homeownership units of Habitat. The Authority plans a total of 167 rental units, while Habitat plans 22 ownership units. The handout also shows the Habitat lots, the proposed loft building, and the street parking. Mr. Baker discussed the units and the parking spaces. There was discussion during the course of the presentation. The Commissioners asked questions pertaining to accessibility and the cost of the project. They also asked about the use of the dumpsters, the washers and dryers, the monitoring system, and if there would be gates. Mr. Baker responded.

Mr. Neville discussed the financial feasibility. He mentioned that staff has a planning approval deadline. Mr. Gresley commented that the Authority needs to have a number of staff to be involved in the process of reviewing the plans as they evolve. Chair Mayne wanted to make sure that the architect has been briefed on this process. Mr. Gresley pointed out that in the case of Chestnut, Linden, Mandela, and Coliseum the Authority partnered with a developer to take over the overall responsibility. He said in this case the Authority will be the developer.

The Commissioners thanks Mr. Baker and staff for the presentation.

C. Briefing on Sources of funds and preliminary list of Uses of Funds for the 2007 Fiscal Year Operating Budget.

Mr. Gresley indicated that this would be a preliminary discussion and that staff is in a very compressed timeframe, because as part of the annual planning process, they were required to complete a budget to be adopted by the end of April 2006. Mr. Gresley said that this year he recommends that the Commission re-invest in the Authority's infrastructure some of the surpluses gained from last year, development and redevelopment activities. He called upon Mr. Stephen Knight, Director of Finance, for a presentation.

Mr. Knight provided an updated memo on the revised estimate of operating budget. He began his discussion by noting the three programs of the Consolidated MTW Budget, which are Low Rent Public Housing, Section 8 Housing Choice Voucher, and Capital Funds. Mr. Knight said that the total consolidated MTW Revenue – Sources of Funds for FY 2006 forecast was \$161,296,000 while the FY 2007 budget was \$166,561,000. He said that Rental Income increased by 4.2% over the forecast, while Public Housing Operating

Subsidy was estimated at 92.0% of the \$10,857,00 the Authority is eligible for, a shortfall of \$869,000. Capital Fund Block Grant revenue would increase by 185%. Section 8 Housing Choice Voucher Block Grant was estimated at 94.6% of the \$143,909,000 the Authority was eligible for, a shortfall of \$7,773,000.

In the course of the presentation, the Commissioners asked questions. Commissioner Terrazas asked whether the increase of the Capital Fund Block Grant for 2007 was going to be available from HUD. Mr. Gresley clarified that HUD commits about \$8.8 million a year to the Authority. This year, the \$3.179 million reflects the amount that the Authority was drawing from this year and prior years. Next year, the Authority expects to draw \$9.051 million. Mr. Gresley said that that was how much HUD made available from all the different sources. Chair Mayne asked for the total amount that HUD has for the Authority. Mr. Gresley said about \$8.5 million this year. Commissioner Terrazas asked whether there would be a penalty for withdrawing the limit. Mr. Gresley said no. HUD would penalize the Authority for not spending the amount. Commissioner Terrazas asked whether there would be an incentive to use the money. Mr. Gresley said that the main incentive was to use the money for the improvement of the Authority's properties and the living conditions of the tenants. Commissioner Terrazas asked for the reason for not withdrawing the limit in past years. Mr. Gresley explained that the Authority was obligated to use the money within two years and spend it within four years.

Mr. Knight continued his presentation. He directed the Commissioners to page 5 of the memo that pertains to Capital Projects Projection (Including HOPE VI). The projects show a list of scattered sites that require improvements. He noted that for FY 2007, the total capital fund allocated to be used was \$9,050,722. Mr. Gresley said that these projects would be coming to the Board for approval over the coming months. He suggested that the Development Committee convene a meeting in order to have discussions on why the noted scattered sites were chosen for improvements. Mr. Knight then directed the Commissioners to Page 2 of the memo and discussed the Consolidated MTW – Uses of Funds. He said the administration and general costs would increase by about 13.3% for FY 2007, primarily to due to higher staffing levels, increases in fringe benefit costs, and additional costs for consultants. Mr. Gresley commented that staff needs to do strategic planning to see what the Authority would be like after MTW. As the Authority is reorganized to be property-based, it would have some various implications for the Authority's labor contracts. Mr. Gresley said that staff has been discussing the need to bring in (1) a consultant on property management, (2) a labor consultant to help the Authority to facilitate the dialogue with the four labor unions that represent the employees who are involved in property management, (3) an information technology consultant to explore emerging technology that could reduce the Authority's operating costs by the year 2011,

and (4) a consultant to wrap up all the above in a strategic plan.

Mr. Knight continued and said that maintenance and contract costs were increased by 21.6% and housing choice voucher HAP payments were increased by 5.4%. Commissioner Pittman asked what percentage were the extraordinary maintenance costs of 21.6% in maintenance and contract costs. Mr. Gresley answered the question by providing an example that relates to the scattered sites budget last summer. He noted that a portion of that budget went to additional police, and a good portion of it went into painting the sites. Commissioner Pittman asked how much of the 21.6% of the maintenance and contract costs was for inflation and how much was for extraordinary costs. Mr. Gresley said that they budget a savings and salaries from time-off. Mr. Knight continued and noted the Net Change to Reserves, which shows a deficit in FY 2007 budget.

Mr. Knight directed the Board's attention to Page 3 of the memo. He discussed the sources and uses of funds' forecast and budget for the Special Purpose programs consisting of Section 8, ROSS, Homeownership, HOPE VI, and Local Fund. Again, Mr. Knight directed the Commissioners to the Capital Projects shown below on Page 5 for the Section 8 reserve funding. Mr. Knight went on and discussed page 4 of the memo, showing the net change to reserves. Commissioner Terrazas asked which direction the reserves were going after 2007. Mr. Gresley responded with a description of recent and expected financial experience. Commissioner Lee asked for the possibility of revising this budget this year. Mr. Gresley said that the Board could give staff direction.

D. Briefing on updated Oakland Housing Authority Admissions and Continued Occupancy Policy (ACOP) and new policy sections for the Section 8 Administrative Plan for the 2007 Making Transitions Work (MTW) Annual Plan.

Mr. Gresley said that two required components of the Annual Plan are the Admissions and Continued Occupancy Policy (ACOP) for public housing, and the Section 8 Administrative Plan. Staff updates both documents each year. Mr. Gresley noted that the ACOP was inadequate and out of compliance with federal requirements. He said that a group of staff had worked diligently to revise the document and would continue to refine it over the next year. Mr. Gresley called upon Ms. Sharon H. Cossey, Deputy Executive Director, to discuss the changes.

Ms. Cossey said that the draft ACOP is a blend of policy and procedures that guide the operations of the public housing program. She indicated that while the format was different from the prior years, the draft document did not reflect significant policy changes. Ms. Cossey explained that the draft ACOP reflected

language from the existing policy, incorporated HUD-mandated references and language, and articulated and clarified current Authority practice. She said staff also cross-checked the ACOP with the Section 8 Administrative Plan to ensure Authority-wide consistency. Ms. Cossey noted that Mr. Joseph Villarreal has been working on the Administrative Plan using a similar technique. She said that the ACOP incorporates Board guidance on For-Cause Eviction Guidelines and outreach to persons with limited English proficiency. The ACOP also includes proposed MTW changes that were discussed with the Board at its February workshop such as tri-annual re-certifications for elderly or disabled households with fixed incomes and an extension from 60 to 120 days that income verifications are valid. Ms. Cossey noted one principle addition to the Section 8 Administrative Plan, a chapter on Rent Reasonableness, which reflects current Authority practice.

Chair Mayne asked whether the Board has to look at this policy in terms of the budget. Mr. Gresley indicated that there was one budget implication. Failure to comply with federal requirement could result in sanctions. Chair Mayne asked whether staff could identify some highlights and bring it back. Mr. Gresley said there was not much time to make many changes, and it needs to be published as part of the Annual MTW Plan. Commissioner Lee asked what the mechanism would be to enforce the policy. Ms. Joyce Roberson, Director of Housing Management, commented that there would be training of staff. She said it would lead to efficiencies in what staff has been presently doing, and automation would certainly help. Ms. Roberson does not foresee any increase in the budget. Commissioner Lee asked whether there was any change on the eviction process. Mr. Gresley said there was none. The Commissioners asked questions pertaining to evictions and reasonable accommodation. Staff provided clarifying answers. Commissioner Lee expressed his concern that voucher subsidy amounts and bedroom sizes had been reduced during the past year and was causing hardship for various families. He felt staff had not made clear the implications of the policy change. Commissioner Terrazas commented that he clearly remembered the meeting when this issue was presented and the framework for which it was presented to the Board.

Ms. Cossey discussed the changes made on every chapter. She said that Chapters 1 and 2 were overviews of the programs. Chapter 1 was entirely new. Chapter 2 includes language that clearly delineates responsibilities with respect to providing reasonable accommodations. Chapter 3 includes language on Eligibility. Chapter 4 has clarified language on Applications, Waiting List and Tenant Selection. Chapter 5 has no policy changes. Ms. Cossey discussed the changes in Chapter 6. Chapter 7 has changed language to clarify Verification. Ms. Cossey continued and noted the changes in Chapters 8 through 15. She asked the Commissioners to pay attention to Page 9.11, Chapter 12 and Chapter

13. She mentioned that Chapter 14 covers grievances and hearings in substantial detail. Chapter 15 is a new section on program integrity.

Mr. Villarreal discussed rent reasonableness. He provided a handout which pertains to the existing policy. Mr. Villarreal said Section 7.2 in the existing policy needs to be changed to “How Comparability is Established.” Section 7.3 in the existing policy should be changed to “PHA Rent Reasonableness Methodology.”

E. Briefing and discussion on proposed changes to Oakland Housing Authority Procurement Policy to permit selection of General Contractors using qualification-based competitive selection criteria.

Mr. Gresley provided background information on the proposed changes in the Authority’s Procurement Policy. The changes would establish an alternative system of procurement of general contractors, basing it on the process for recruiting and procuring architects, attorneys, and developer partners. He called upon Mr. Phil Neville for a briefing. Mr. Neville discussed the two concepts under the Qualifications-Based Procurement of General Contractors. The two concepts were: (1) RFQ for selection of general contractor, and (2) RFQ for selection of several pre-qualified contractors. Under the first concept, the Authority would use a number of selection criteria, including Section 3 to examine proposals. The top rated contractor would be selected. The first concept would work best with very large jobs. Under the second concept, the Authority would use a number of criteria to rank proposals. The contractors meeting the highest threshold standards would be pre-qualified. This concept would work best with a larger number of relatively small jobs.

Discussion followed.

V. Recognition of people wishing to address the Commission.

There were no speakers.

VI. Executive Director’s Report

Mr. Gresley provided a listing of the dates for meetings to the Commissioners.

- March 19, 2006 – Advertisement on Public Hearing in the Oakland Tribune
- March 21, 2006 – Full draft of the Annual Plan to be posted on the website
- March 28, 2006 (Tuesday) - Regular Board Meeting
- March 30, 2006 – Public Hearing
- April 10, 2006 – Open Public Comment

- April 12, 2006 – Special Board Meeting
- April 24, 2006 – Regular Board Meeting
  
- Last Friday, March 3, 2006 – Authority staff responded to a request from Congresswoman Barbara Lee for a tour of Mandela Gateway.
  
- Last night, March 7, 2006, Oakland City Council approved funding for a number of projects related to the Authority.
  
- Mr. Gresley said discussed scheduling issues related to the budget. He suggested that the full Board acts as the Budget Committee. Chair Mayne indicated that, in light of the schedule, this was an acceptable solution.
  
- Mr. Gresley said that it is important to include the list of sites for rehabilitation in the MTW Annual Plan and suggested that the Development Committee have an opportunity to review the recommendations.

Commissioner Lee indicated he would like a list of the scattered sites to be categorized accordingly.

VII. Adjournment.

The meeting was adjourned at 10:25 pm.

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Chair

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Secretary