

MINUTES OF THE REGULAR MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD MONDAY, MARCH 22, 2004

Public Session

The Oakland Housing Authority Board of Commissioners convened a Regular Meeting at 1619 Harrison Street, Oakland, California on the above date. Chair Richard E. Winnie called the meeting to order at 7:10 p.m.

I. Pledge of Allegiance

II. Roll Call

Commissioners present were Alfred Lee, Moses L. Mayne, Jr., Melanie M. Shelby and Chair Richard E. Winnie. Commissioners Marion M. Mills, Robert J. Pittman, Jr. and Jacqueline Taylor were excused.

III. Approval of Minutes:

The Minutes of Special Meeting of February 13, 2004 and the Special Meeting of February 23, 2004, were approved as submitted.

IV. Modifications to the Agenda

There were no modifications made to the Agenda.

V. New Business

A. Consideration and approval of recommended items related to the Coliseum Gardens HOPE VI:

1. Ground Lease for Coliseum Gardens HOPE VI – Phase II. (Tape Side A: Queue 133 – 349)

Mr. Gresley called upon Mr. Phil Neville, Director of Development, for a description of the item. Mr. Neville handed out to the Commissioners some photos of the demolition that had just begun at the Coliseum Gardens. He noted that Lyon Way Housing Partners, L.P. is the Lessee and the Authority is the Lessor on the Ground Lease for Coliseum Gardens HOPE VI – Phase II. There are 129 units of affordable housing that the Authority expects to be built and that the proposed ground lease is for 65 years. Mr. Neville said that the rent is somewhat indeterminate

at this time, but it is proposed that we would use \$1 per year as the rent charge.

A discussion followed. Commissioner Mayne's questions were focused on the writing and monitoring responsibility of the Agreement. Mr. Neville said that Michelle Brewer and Isabel Brown of Goldfarb & Lipman drafted the Agreement, and the Authority staff is responsible for monitoring the Agreement. While Chair Winnie supported Mr. Neville's answer he noted that if there are potential legal disputes or questions of non-compliance, staff should call upon the attorneys.

Commissioner Shelby's questions were focused on the funding structure for Phase II. Mr. Neville said that the funding structure for Phase II has been changed and explained the reasons. He said that staff has just found out that our application could not get as many points as would be needed from the 9% program, and now we expect that the application will be made for the State Multi-Family Housing Program (MHP). He said the gap that needs to be filled is about \$30 million. Commissioner Shelby asked for clarification. Mr. Neville said that staff does not have the exact financial figures. Mr. Gresley made a clarification that there would still be a gap after MHP. Then, our partners and we will apply for 4% tax credits and bonds. Commissioner Shelby asked what was secured for Phase II. Mr. Neville said that staff only has the Authority's funds, the local reserve dollars and the HOPE VI funds. Chair Winnie asked for a motion. Commissioner Mayne moved to approve the recommendation. Commissioner Shelby seconded and the Board voted unanimous approval.

2. Authorization for the Authority to be co-applicant for 9% Tax Credits and for the State of California Multi-Family Housing Program. (Tape Side A: Queue 350 – 381)

Mr. Neville requested that the Board authorize the Authority to be co-applicant, along with EBALDC and Related. Commissioner Shelby asked if it would change the motion to exclude the tax credit application deadline and focus only on the MHP. Mr. Neville said it could, but he suggested leaving the resolution unchanged in order to be safe. Commissioner Mayne moved approval of the resolution. Commissioner Shelby seconded and the Board voted unanimous approval.

B. Consideration and approval of Contracts for General Legal Services to be provided to the Oakland Housing Authority by Goldfarb & Lipman and Stevens and Diamond. (Tape Side A: Queue 396 – 827; Tape Side B: Queue 1 – 95)

Mr. Gresley said that following the meeting in February, at which point the joint proposal of Goldfarb & Lipman and Stevens & Diamond was selected for negotiations, staff put together a negotiating team headed by Mr. Walter Kawecki, Jr., Director of Human Resources. The team included Mr. Phil Neville, Director of Development, and Ms. LeeAnn Farner, Training & Grants Management Officer. The team negotiated two separate contracts – one with Goldfarb & Lipman and another with Stevens & Diamond. Mr. Gresley called on Mr. Kawecki to describe the key points of the contracts. Mr. Gresley also noted that he has asked Ms. Jennifer Bell, attorney from Goldfarb & Lipman and Cheryl Stevens from Stevens & Diamond to make brief presentations.

Mr. Kawecki discussed the negotiations made by the Authority with Goldfarb & Lipman and Stevens & Diamond for general counsel services. Mr. Kawecki said that the duration of the contract is one (1) year and can be extended for a period beyond one year by mutual agreement. Mr. Gresley clarified that there were two separate contracts, with a limit of \$115,000 for Goldfarb & Lipman and \$35,000 for Stevens and Diamond.

A discussion followed concerning Section 3.A – Compensation of the contract with Goldfarb & Lipman. Mr. Gresley indicated that if the Board prefers, staff could bring the contract back to the Board for any increase if it looks like legal expenses are likely to exceed the levels negotiated in the contract. Commissioner Shelby indicated that she would like the contract to be brought back to the Board if such is the case.

Discussion then continued on Section 13 – Termination of the contract concerning whether the contract could be terminated during the one-year period. Following discussion, Chair Winnie suggested that if Commissioners would like to change the provision, the Commission could consider striking the first few words in Section 13 – Termination, and increase the period of time like 45 or 60 days. Chair Winnie called upon Ms. Jennifer Bell, attorney from Goldfarb & Lipman.

Ms. Bell talked about her background and the background of Goldfarb & Lipman. She discussed the reasons why Goldfarb & Lipman decided to joint venture with Stevens & Diamond. Ms. Cheryl Stevens from Stevens & Diamond was the next speaker. Ms. Stevens provided background information of Stevens & Diamond.

Commissioner Shelby offered an amendment to Section 13 – Termination of the contract. She suggested we strike “Beginning April 1, 2005,” and change the 30 days to 60 days so that the section will begin with “OHA may terminate this Contract at any time without cause upon sixty (60) days’ written Notice of Termination to the Attorney; provided, however, that....” Mr. Gresley clarified

that the change would be for the two contracts. Commissioner Shelby moved to approve the Contracts with the amendment. Commissioner Lee seconded and the Board voted unanimous approval.

VI. Recognition of people wishing to address the Commission.

There were no persons who wished to address the Commission.

VII. Written Communications

- Mr. Gresley noted to the Commissioners a memo from Ms. Kathleen Keller, Director of MIS, regarding the recent outbreak of email viruses.
- Mr. Gresley noted that staff has been working with the Mayor's office regarding two neighborhoods; one in East Oakland called the Sobrante Neighborhood and the other one a sub-area of Beat VI, which is on the other side of Highway 24, above Grand Avenue.
- Commissioner Shelby asked for clarification on the RFP for architect and engineering services under the "OHA Service Center Parking Lot Expansion Project" on the Monthly Status Report for Commission, and if it is being done simultaneously with the eminent domain process. Mr. Gresley explained that we are proceeding with both actions. Commissioner Shelby asked the status of the Strategic Planning Process. Mr. Gresley indicated the status and said that there will likely be a presentation at the Regular April Commission meeting. Commissioner Shelby made a proposal to select another date for the Commissioners to meet with the Strategic Planning consultants. Mr. Gresley will check with the consultants if they are available on April 9, during the workshop session of the Board. If not, he would look for another date.
- Mr. Gresley asked the Commissioners for the date they would like to calendar a hearing on a grievance of a termination of an un-represented employee. Chair Winnie suggested that it be assigned to the attorneys for an alternative procedure that meets the requirements of due process, which involves the Commission in an appropriate way that does not require the Commissioners to act as a hearing Board for all testimony. Mr. Gresley will explore with the attorneys.
- Commissioner Mayne proposed to add on the Monthly Status Report the ratio for journeymen to apprenticeship on the projects.

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

- Mr. Gresley related to the Commissioners concerns of Section 8 funding. Handouts relating to Section 8 Voucher Housing Units were passed out to the Commissioners. He went through the handouts and explained Section 8 utilization process and potential shortfall of funding to the Commissioners.
- Mr. Gresley said staff is in the process of creating a plan to dispose of the five small sites that had been purchased but were not needed for Chestnut Court HOPE VI.
- Mr. Gresley mentioned the new ID cards to replace the old ones. The new ID cards are being used by tenants at 1621 Harrison and will soon be used for entry into the building at 1619 Harrison Street.
- Mr. Gresley mentioned the NAHRO Summer Conference in Detroit and asked those Commissioners who would like to go.

IX. Reports of Commission Committees

There were none.

X. Announcements by Commissioners

Commissioner Lee acknowledged the outstanding service of Mr. Bruce Plebuch as Legal Counsel to the Authority's Board of Commissioners. Mr. Gresley said there would be a letter of appreciation from staff to Mr. Plebuch. Mr. Plebuch extended his thanks to all the staff and the Commissioners of the Housing Authority.

XI. Adjournment to a Closed Session.

The public session was adjourned to a Closed Session at 8:35 p.m. regarding the following matter:

- Conference regarding acquisition of the Foothill Family Apartments pursuant to California Government Code §54956.8 (price and payment terms).

Chair

Secretary