

MINUTES OF THE REGULAR MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD TUESDAY, MARCH 28, 2006

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 6:08 p.m.

I. Pledge of Allegiance

II. Roll Call

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

III. Approval of Minutes: Regular Meeting of February 27, 2006
Special Meeting of March 8, 2006

Commissioner Pittman moved approval of the above minutes. Commissioner Terrazas seconded and the Board voted unanimous approval.

IV. Modifications to the Agenda

There were no modifications to the agenda.

V. Old Business

A. Approval of settlement in the matter of Oakland Housing Authority v. Pacific Thomas Corporation, et al.

Executive Director Jon Gresley said that in a Closed Session of the Board previously held, the Commissioners gave direction and authority to the Housing Authority's attorney, Mr. Dante Foronda of Erickson, Beasley, Hewitt & Wilson to work out a settlement of an eminent domain case that involves Pacific Thomas Corporation. The amount of the settlement was \$880,000 plus interest and statutory costs. Mr. Gresley said the statutory costs now were \$5,903.02 and interest through last Friday, March 24, 2006 was \$26,886.29. The interest would continue to accrue at \$43.18 per day until the settlement amount would be fully paid. Mr. Gresley asked for the Board's final approval of the settlement and authorized the Executive Director to pay the amount. Commissioner

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

Chair Mayne asked whether it was a judgment or a settlement of the case. Mr. Gresley said it was a settlement and would be entered as a judgment. Ms. Jennifer Bell, Legal Counsel, concurred. She clarified that because it was a lawsuit, and the money was put into the state fund pursuant to the eminent domain law, a judgment would be entered by the court or the parties would get a judgment by agreeing to it and having it entered. Commissioner Terrazas asked what the statutory costs were for. Ms. Bell said they were various costs for depositions and expert witnesses. She also explained that the interest was running from the time the Authority staff deposited the initial money into the state fund. Commissioner Terrazas asked if OHA was paying for its attorney's fees. Ms. Bell said yes and the other parties were paying for theirs.

VI. New Business

A. Consideration and approval of recommendation to Amend Contract for HOPE VI and Mixed Finance Financial Advisory Services with CSG Advisors, Inc. for Coliseum Gardens, Tassafaronga Village, and Capital Fund Financing.

Mr. Gresley called upon Mr. Phil Neville, Director of Development, for details of the recommendation. He said that in 2002, the Authority staff chose CSG Advisors to be their financial advisors for HOPE VI activities and for other financing related to bond and capital fund. Mr. Gresley also said that there was an initial contract with CSG Advisors for Coliseum Gardens. Mr. Gresley asked the Board to update that contract for additional work on future phases of Coliseum which includes Phases III, IV, and V. He noted that staff is currently active with their pre-development activity for Tassafaronga. Mr. Gresley asked the Board to increase the purchase order for CSG Advisors in order to pay them for their work on Tassafaronga. He indicated that they would like to use CSG Advisors in some of the Authority's preliminary analyses using capital financing for the scattered sites. Mr. Gresley said the contract with CSG Advisors was to be terminated at the completion of Tassafaronga. He said that staff was recommending that the Board authorize to add to the contract \$96,000 for additional services at Coliseum Gardens, \$250,500 for Tassafaronga, and another \$75,000 for work related to the potential use of capital fund financing.

A discussion followed. Commissioner Pittman asked how soon it would take after this to put a period at the end of Foothill. Mr. Gresley said Foothill was done. He said OHA paid CSG Advisors for advising staff and helping to prepare materials for that Closing. Chair Mayne asked whether they were expecting any changes to come for Tassafaronga or for the Capital Fund

funding on the remainder of the project. Mr. Neville said no. He then recognized the presence of Ms. Bridget Galka, HOPE VI Program Manager of Development and Mr. Erik Olson of CSG Advisors. He noted that Ms. Peg Stone, also from CSG Advisors, may come in tonight. Mr. Neville said that Mr. Olson would be the main advisor on Tassafaronga and Ms. Stone remains the advisor for most of the Coliseum phases, now called Lion Creek Crossings. Mr. Neville does not anticipate any further changes. He made corrections on the amounts stated by Mr. Gresley. He said that the total amount for Coliseum was \$96,000, the total amount for Tassafaronga was \$175,500, and the amount for Capital Fund was \$75,000.

Chair Mayne asked for a motion. Commissioner Terrazas moved approval of the resolution. Commissioner Pittman seconded and the Board voted unanimous approval.

B. Consideration and approval of recommendation to award a contract for repair of fire damage at 565 29th Street, Apartment 3.

Mr. Gresley reported that on January 30th, a fire occurred at 565 29th Street and damaged a 3-bedroom apartment in a two-story walk-up building. The scope of the work includes replacement of drywall, electrical wiring, cabinets, electrical and plumbing fixtures, windows, floors, interior doors, partial roof replacement and installation of insulation. Mr. Gresley said that an invitation to bid was issued on February 15, 2006, using their Small Purchase Procurement Procedures to 59 local vendors. Two bids were received and were opened on March 15, 2006. The lowest responsible bid was received from High Tech Construction with a bid of \$68,777. Mr. Gresley said that High Tech Construction had previously performed work for the Authority as a subcontractor on Lockwood Phases I and II and 2139 Seminary Avenue. Mr. Gresley recommended that the Board authorize the Executive Director to enter into a contract with High Tech Construction for the repair of fire damage at 565 29th Street, Apt. #2 for \$68,777.

A discussion ensued. Commissioner Brown asked if this apartment was the only unit in that building affected by the fire. Mr. Gresley thought there was a total of about 6 or 7 apartments, but this apartment was the only one damaged. Commissioner Pittman asked whether there was additional work proposed by B Side Construction that was not reflected in High Tech Construction and accounted for the \$16,000 difference between the two bids. Mr. Pittman was specifically interested in the partial roof and where that would leave the Authority in terms of a complete repair to the problem. Mr. Gresley said the bids were based on the same scope of work. Commissioner Pittman asked if High Tech Construction had previously done work for the Authority. Mr.

Gresley said High Tech was the subcontractor at Lockwood, at 2139 Seminary Avenue where the MOMS program is located and had done a couple of fire jobs recently. Commissioner Terrazas asked if any of the bidders went to the site prior to bidding. Mr. Gresley indicated there had been a walk-through. He asked Mr. Robert Chavez, Manager of CCGS. Mr. Chavez said that B Side Construction had attended the walk-through and was familiar with the property. He was not sure, however, whether High Tech had attended the walk-through. Commissioner Brown asked how High Tech could put a bid if they did not attend the walk-through. Mr. Gresley said High Tech was bidding on the specifications and plans. He said that High Tech might have had attended the walk-through and Mr. Chavez just was not sure.

The discussion continued. Commissioner Brown asked how long it would take to do a job like that. Mr. Gresley said a couple of months. Commissioner Pittman asked about High Tech's position with the Unions. Mr. Gresley said the Authority does not have any requirement for them to be unionized, but contractors are required to pay prevailing wages. Commissioner Terrazas asked how the Authority would know whether High Tech was paying prevailing wages. Mr. Gresley said they turn in payrolls that the Authority staff reviews and Authority staff also interview their workers. Chair Mayne asked for the number of people that were in the Contract Compliance section. Mr. Gresley said there are several people in CCGS and there are also inspectors that go out. Chair Mayne asked how often does staff review the certified payrolls. Mr. Chavez said that certified payrolls are turned in to the project manager on a weekly basis, and CCGS does go out on the site and conducts the interviews to verify the certified payrolls to make sure the contractor was meeting the requirements. Chair Mayne asked whether the filing of the certified payrolls has been developed electronically. Mr. Chavez said no. Chair Mayne asked what it would take for staff to have the process electronically. Mr. Chavez said that the firm he had talked to charges by the project, and it depends on the amount of the project and the number of projects being tracked. Commissioner Pittman asked whether there was a timeframe when the program would come to the Authority. Mr. Chavez said he had consulted with Development staff, had a demonstration with Facilities Management, and had reviewed some questions. He said he would submit a report to the Executive Director. Mr. Chavez said that the timeframe for doing this was at least two months.

Mr. Gresley reminded the Commissioners that in the budget process, staff would be bringing on different consultants. One of the areas they would like to look at was how the Authority staff use new technology, and this is one of a number of things that need to go on a list to be considered. Mr. Gresley said that staff would like to take a more comprehensive look at the way we could use technology and the different things that are likely to become available in the

next few years. That way, we can set a course that would produce the best benefits to the Authority.

Commissioner Terrazas moved approval of the motion. Commissioner Pittman seconded and the Board voted unanimous approval.

C. Consideration and approval of recommendation to extend the contract for General Counsel Services.

Mr. Gresley indicated that when the Request for Proposals for General Counsel Services was originally done, the Authority received a joint proposal from Goldfarb & Lipman and Stevens and Diamond. Subsequently, Mr. Diamond left the firm of Stevens and Diamond and joined the firm of Goldfarb & Lipman. Mr. Diamond has for some time now been with Goldfarb & Lipman. When the initial contract for one year came up for renewal, the Authority renewed the contract for general counsel services with Goldfarb & Lipman. Also, at that time, the Authority renewed its contract with Stevens, as a sole proprietorship. Mr. Gresley said that that contract is now coming to an end. In the meantime, Stevens has closed her practice but continued to handle a couple of cases that she was working on for the Authority. Ms. Stevens has begun employment with the Santa Clara County and, therefore, will no longer be available. He also indicated that Mr. Diamond provides expertise to the Goldfarb & Lipman firm and is available to succeed Stevens. Mr. Gresley discussed the terms of the contract with Goldfarb & Lipman. He said that each time the Board approves the contract extensions, there is a dollar limit attached to it and staff monitors the expenses against the limit. Mr. Gresley said that it would be beneficial to do the monitoring on a fiscal year basis.

Mr. Gresley continued and proposed to extend the contract for a thirty-nine month period but could be cancelled by either party by giving ninety days notice. He recommended that the Board authorize the Executive Director to enter into a contract with Goldfarb & Lipman for the Authority's general services contract for the next 39 months. Mr. Gresley said that in the first two years of the contract, there has been no increase in the rates. He said that what has been negotiated with Goldfarb & Lipman was that on April 1, 2006, the rate would increase by 4.3%, which, on an annual basis, was only about 2%. Mr. Gresley proposed to the Board a \$60,000 cap for the next three months, \$240,000 for next fiscal year and \$245,000 for each of the subsequent years.

A discussion followed. Commissioner Pittman asked if there would be a fiscal impact for an early termination by either party. Mr. Gresley said that if they were to give Goldfarb & Lipman notice, the Authority would be responsible to pay them for any unbilled work that they had completed. Commissioner

Pittman asked for any anticipation should the demand for legal services gets larger in the years ahead and they had to renegotiate the spending cap. Mr. Gresley indicated he does not anticipate any considerable change in the general counsel contract. He noted that the Authority staff has a separate contract with Goldfarb & Lipman for their advice on development issues. Mr. Gresley agreed that in the next few years the Authority could have considerable number of new activities and could have an increase in the amount of legal advice on development. Commissioner Pittman commented that he found the increases reasonable.

Mr. Gresley commented that his working relationship with Ms. Jennifer Bell goes back a few years. He said it has been an absolute pleasure to be able to work with Ms. Bell and the other colleagues in the firm of Goldfarb & Lipman. Chair Mayne added that it has been truly a pleasure to work with Ms. Bell. Ms. Bell thanked staff and the Board.

D. Consideration and approval of Amendment to the Oakland Housing Authority Procurement Policy to incorporate Qualifications-Based Selection of General Contractors Pursuant to the Moving to Work (MTW) Agreement.

Mr. Gresley noted that the Authority is interested in doing self development at Tassafaronga. He said that at the meeting on March 8, 2006, Mr. Neville outlined to the Board a recommendation to use our MTW authority to adopt some alternate procurement practices that would enable OHA to use a qualification-based selection for general contractors. Mr. Gresley said that there were two options believed to be advantageous to the Authority. The two options were RFQ for selection of general contractor and RFQ for selection of several pre-qualified contractors. Mr. Gresley said that these RFQs would not be available unless their procurement policy is modified. Mr. Gresley recommended to the Board to authorize the Executive Director to amend the procurement policy to allow OHA to do qualification-based selection of general contractors. He noted that we will still need to submit the changes for HUD's approval.

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

E. Consideration and approval of Commissioner travel to attend NAHRO Pacific Southwest Regional Council Meeting in Los Angeles, April 29 to May 2, 2006.

Mr. Gresley said that the Pacific Southwest Regional Council (PSWRC) of the National Association of Housing and Redevelopment Officials (NAHRO) would be holding its regional conference in Los Angeles on April 29th to May

2nd. Chair Mayne asked the Commissioners who would like to attend the conference. Commissioners Brown, Pittman, Terrazas and Chair Mayne were going. Commissioner Pittman moved approval authorizing all the Commissioners to attend. Commissioners Lee and Taylor would be notified by staff to see if they also want to attend. Commissioner Terrazas seconded and the Board voted unanimous approval. Chair Mayne noted that he and Mr. Pittman would go a day early to attend the Commissioners Committee.

VII. Recognition of people wishing to address the Commission

Chair Mayne made a slight modification to the agenda to accommodate Ms. Linda Beavers who turned in her speaker card late.

Ms. Beavers talked about her apartment at 1711 – 88th Avenue, #1, Oakland, where she has lived for 13 years. Her apartment needs roof repair. The maintenance people patched the roof rather than replace it. The patching was not good that the roof leaks when it rains. Ms. Beavers said the apartment building she lives at needs a new roof. She and her children need a better place to live. Chair Mayne asked Ms. Beavers if she had called anyone to complain about the problem. Ms. Beavers said she had been calling Maintenance. Chair Mayne told Ms. Beavers that she would be referred to somebody who would be able to help her. Commissioner Brown recommended that Ms. Beavers get a work order number the next time she calls Maintenance.

VIII. Written Communications

Commissioner Terrazas asked about the For-Cause Evictions on the Monthly Status Report about the one case involving violent criminal activity. He asked whether the tenant was evicted or not. Mr. Gresley said that the cases would be discussed at the next Closed Session on April 12, 2006.

IX. Executive Director's Report

Mr. Gresley conveyed to the Board the results of the Section 8 Wait List Opening. The actual number of unduplicated eligible applications received was 42,269. Mr. Gresley commented on the representation of the Latino population in the Housing Authority. He said three years ago, the representation was about 5 %. This time it was 7.9 %. Mr. Gresley reported that the percentage of the Native Hawaiian Pacific Islander applicants was 2.2 % and the American Indian Alaskan was 3.4 %. The overall percentage of Caucasian was 8.8%, Asian was 14.9%, and African-American was 78.9%.

Mr. Gresley continued his report saying that 71% of the applicants reside in Oakland. The percentage of single, elderly and disabled applicants is 28% and 5% are veterans.

Commissioner Terrazas asked whether those percentages were from the total pool of applicants. Mr. Gresley said they were the total of the 42,269 eligible applicants. Commissioner Terrazas asked if staff have statistics for the actual number of individuals who were picked through the lottery. Mr. Gresley did not have a breakdown yet, but staff picked 10,000. Chair Mayne asked whether the Commissioners would get copies of the number of applicants picked through the lottery. Mr. Gresley said he would give a written report. Commissioner Pittman asked when the applicants would know the results following their receipt of acceptance letters. Mr. Gresley said that some of the 10,000 applicants picked might receive an appointment soon from the Authority staff. Others may not receive an appointment for two years. Commissioner Terrazas asked what the applicants would expect if they did not receive any letter. Mr. Gresley said everyone should receive a letter. Commissioner Terrazas asked who the applicants would call if they did not receive a letter. Mr. Gresley said they should call Ms. Joyce Roberson, Director of Housing Management.

Mr. Gresley reported about the Authority's annual plan process. Postcards were sent to organizations interested in advocating on behalf of their clients. He shared with the Commissioners that Ms. Sharon H. Cossey, Ms. Joyce Roberson and other staff met with a group of attorneys representing legal aid and other services. They received positive comments for holding the meeting with the groups.

Mr. Gresley reported that the Authority is periodically reviewed by HUD for various things. He said they just had a rent reasonableness review in the Section 8 program by HUD. While HUD found some things that need to be improved, they agreed in terms of rent calculations on every file they reviewed.

Commissioner Pittman asked whether the members of the Development Committee would get a partial look at the Physical Needs Assessment (PNA) sites. Mr. Gresley said yes. He said that they would have lists of several groups of sites for the committee to take a look at.

X. Reports of Commission Committees.

There were no reports.

XI. Announcements by Commissioners.

Chair Mayne said there would be a meeting of the Development Committee on April 4, 2006. Commissioner Pittman said there was movement for funding for the elderly and disabled based on a meeting he called two years ago with the Alameda Housing Consortium.

XII. Adjournment

Commissioner Terrazas moved to adjourn the regular meeting. Commissioner Pittman seconded and the Board voted to adjourn at 7:13 pm.

Chair

Secretary