

MINUTES OF THE REGULAR MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD MONDAY, MAY 22, 2006

Regular Meeting

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 6:11 p.m.

I. Pledge of Allegiance

II. Roll Call

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

III. Report from the Legal Counsel regarding final decisions made during Closed Session May 10, 2006

Legal Counsel Jennifer Bell reported there were no final decisions made during the Closed Session.

IV. Approval of Minutes: Regular Meeting of March 28, 2006
Special Meeting of April 12, 2006
Regular Meeting of April 24, 2006

The minutes were approved unanimously.

V. Modifications to the Agenda

There were no modifications to the agenda.

VI. New Business

A. Presentation, consideration and approval of request for the Board of Commissioners' endorsement of Alameda Countywide Homeless and Special Needs Housing Plan

Mr. Gresley, Executive Director, announced that Commissioner Pittman indicated at the last meeting that he would like an opportunity for City staff to come to the Commission meeting and make a presentation on the Alameda Countywide Homeless and Special Needs Housing Plan. This Plan will be taken to the City Council tomorrow evening.

Commissioner Pittman requested that his remarks be included in the minutes of tonight's meeting without objection. They follow.

Fellow Commissioners and Housing Authority staff:

As you know me, I usually speak off the cuff, but tonight I actually wrote something. As you know, it is a goal of mine, and I believe it's an increasing goal of this body, to see that everything possible is being done for housing for the poorest of the poor and the most disabled among our fellow Oaklanders, and to do so in the most feasible and economical way.

We have of late, through amendment to our general plans and policy, directed the Housing Authority staff to concentrate on the disabled community by making sure that all rehabilitated and newly constructed ground floor units be either ADA compliant or adaptable whenever financially feasible. And, this wholly independent plan that we're bringing before you tonight complements fully, and in no way conflicts with, our established mission.

We have a lot on our plate, and with our new developments and work on the massive numbers of scattered directly on our radar we are doing this good work for the people of Oakland in the face of ever-changing and shrinking federal dollars.

Two to three years ago, the Executive Director, Ms. Andrea Youngdahl, Director of Human Services, and myself attended a meeting, at my request, to bring all possible parties to a table to address the issues of the use of HOPWA dollars in providing true opportunities, housing opportunities, for people with AIDS, and for persons with AIDS in Alameda County, and to work for the homeless.

I applaud the work that's been done, and the plan and report being presented to you tonight by staff of Oakland's Human Services Department comes extremely close to hitting the mark. As we all know, the door is open at the moment for such a project, and may not always be there.

This plan allows OHA to concentrate more fully on those projects which the city, its population, and leaders have asked us to focus upon, and goes a long way in assisting the issues of housing for persons with HIV and AIDS and our homeless population.

I encourage you to listen carefully and I urge you to ask questions and simply endorse the policy being presented tonight, with the hope and dedication we can implore our city and county elected officials and staff to further these efforts with the same zeal for other disabled populations in our city and county, and see that no one is denied a clean, decent and safe place to live, regardless of their circumstances. I now defer the presentation to representatives of the City of Oakland Human Services

Department, their director, Ms. Andrea Youngdahl, and staff for explanation and to answer your questions. It will be my intention to move to endorse this plan, with no direct fiscal impact on our Authority, after the presentation and questions and answer period is complete. Thank you.

Andrea Youngdahl, Director of Human Services for the City of Oakland, thanked the Board for the opportunity to present the Plan, and complimented Commissioner Pittman and others who have contributed to it. She acknowledged the outstanding Lion Creek Crossings project and expressed her appreciation that OHA helped provide space for a Head Start site that her department manages. She also thanked the Authority for contributing to the development of the Multi Plan.

Ms. Youngdahl explained that the Plan is the result of a partnership between many agencies and individual members of the community who met together for several months. They were able to collect important data for the first time about factors affecting the world of homelessness. This includes people with multiple and different kinds of needs: housing for persons with AIDS, and others who are served through the behavioral healthcare system. Ms. Youngdahl introduced Susan Shelton, Emergency Housing Coordinator for the Community and Economic Development Agency of the City of Oakland.

Ms. Shelton reported that there is evidence that a vast majority of homeless people can move directly from the streets or shelters into permanent housing, provided that it is affordable, does not have time limits, and offers tenants support services they need in order to maintain stability. Emergency shelters and services are important interventions, particularly when affordable housing is in short supply, but they do not end homelessness. Therefore, this Alameda Countywide Homeless and Special Needs Housing Plan recommends the creation of permanent housing that is affordable and that is linked to services.

Ms. Shelton provided some background on homelessness in the county. Approximately 16,000 people county-wide are homeless during the year, 5,000 on any given night. These people are often dual-diagnosed, both with HIV and AIDS, and with serious and persistent mental illness. The City of Oakland established its own homeless program in 1989, and in 1997 joined a county-wide planning process that focused on comprehensive planning and coordination. The major objective was to avoid duplication of efforts and to ensure gaps in services were being filled. The purpose was to establish a continuum of care county-wide that could reduce, prevent, and ultimately end homelessness.

Shelter and service providers have been operating inside that model for almost a decade now and have significantly assisted the people they serve, but they will not end homelessness. To do that will require approximately 15,000 units of permanent housing county-wide for those people who are homeless and are dually diagnosed. She said that housing alone is not enough to end homelessness for this plan's target population. To do this, the plan establishes five goals: (1) to prevent homelessness and other housing crises; (2) to create

housing opportunities for the plan's target population; (3) to deliver flexible services to support stability and independence; (4) to measure success and report outcomes; and (5) to develop long-term leadership and to build political will. Ms. Shelton explained each of these goals.

Ms. Shelton asked for the Board's endorsement of the Plan. In addition, she pointed out that while Oakland supports it enthusiastically, it will develop a companion plan of its own. She asked if there were any questions.

Chair Mayne asked what would prevent homeless people from other cities from coming to Oakland when they realize that the services here are superior to those in other places. He asked how we could know we were serving our own population. He pointed out that many homeless people go to San Francisco because the general assistance is so much higher there than in Oakland.

Ms. Shelton said that studies of homeless populations have shown that people tend to stay in areas where they have lived, worked and have families. Homelessness reduces people to transiency, but they generally consider themselves to be from the place that was their home.

Ms. Shelton said services are not denied based on zip code. All the data they collect lead them to believe that in each jurisdiction the majority of people being served by those systems have lived and worked in those areas at one time, and/or grew up there.

Commissioner Lee asked what the funding source was for the work. Ms. Shelton said the plan uses Alameda County not as a jurisdiction, but as a geographical area – Alameda county-wide.

Mr. Lee said he applauded where we are going, but he thinks homelessness is a family issue. He wishes that other cities around us would take their equal share of this instead of Oakland always being the front runner in providing all the social services. He asked Ms. Shelton what they were seeking from the council the next day. Ms. Shelton said they were seeking an endorsement of the plan. In January of 2007 they will present an Oakland-specific strategy that talks about Oakland's profile within the context of the larger plan. She added that the emergency and transitional housing in Oakland is mostly based on data from 13 years ago, when there were more homeless families. Now that population is mostly singles, we need to be able to provide for them.

Mr. Lee praised their work and said the data could help the Authority. He suspected that more of the Authority's housing was geared toward 4-bedroom units and that we might be able to serve more people by changing that. He said he would like to see the data the group compiled.

Commissioner Pittman moved to endorse the plan to move forward. Commissioner Brown seconded and the Board voted unanimous approval.

B. Briefing on Lion Creek Crossings (Coliseum Gardens HOPE VI) Phase III Evidentiaries

Mr. Gresley said when we approach the close of a phase of our HOPE VI we outline what must be approved at a subsequent meeting. Because of the timing of the closing of Phase III at Lion Creek Crossings, we weren't able to bring this to the Board earlier in May. The documents will be brought to the Board for approval at the June 14th workshop. Tonight there will be a briefing on where we are in the process of preparing to close Phase III. Last Wednesday was the grand opening of Phase I at Lion Creek Crossings, and the ceremonial groundbreaking of Phase II. The first half of Phase I is leased and occupied and the second half of Phase I is all pre-leased. When the certificates of occupancy are issued, we'll begin moving people in.

Mr. Gresley asked Deputy Executive Director Phil Neville to provide an overview and briefing on the Lion Creek Crossings Phase III Evidentiaries.

On the site plan, Mr. Neville pointed out the old Coliseum Gardens, showed where Phase I is, and where the work is being done for Phase II. Then he indicated where Phase III will be located. After Phase III, there will be an area left for home-ownership units.

Mr. Neville outlined Phase III, which will consist of 106 apartments, 37 of them public housing units. Six units will be accessible to mobility-challenged residents, and three to sensory-impaired residents. All ground level units will be visitable and adaptable. The closing documents will be submitted to the Board on June 14, and to HUD about the middle of June in order to get our closing done by around August 7, when we plan to have the mixed-finance closing. We need to allow time for HUD to review documents.

Mr. Neville explained the closing documents in the staff memo and report the Commissioners received. They included a Mixed Finance Amendment to our annual contributions contract, a Partial Release and Declaration of Trust with Restrictive Covenants, and a ground lease. In addition, there was a Regulatory and Operating Agreement that is key to the 36 public housing units that will be within the development, an Affordability Reserve Escrow Agreement. It is there to protect the public housing units.

Regarding the loan documents, there is a Loan Agreement, a Promissory Note, and a Deed of Trust for every loan. There is a HUD VI loan agreement, and, in addition, there are local fund loan documents. Last month the Board approved a \$475,000 backup loan just in case we don't get a particular loan from the state. Those loan documents are included in the package the Board will see, even though that loan may never actually be executed.

There will be completion guarantees from both Related and EBALDC. A management plan will incorporate our Admissions and Continued Occupancy Plan (ACOP), to ensure that our policies are followed in the privately-managed project. There is a Purchase Option and a Right of First Refusal. Like our long-

term lease agreement where the Authority owns the property and leases it, here we have the right to buy the property in 15 years, should we want to exercise it.

We formed an entity known as OHA-Coliseum LLC, a limited liability company. It represents us in Phase II as a limited partner. Phase III will be operated with the same type of arrangement. It will give us special controls over the future of the public housing units.

Mr. Neville explained the funding. About 45% (\$19 million plus) comes Muni-Mae, shown as MM Ace Financial. The state Housing Community Development MHP program has the second largest amount of money, at over \$9 million. The City of Oakland also has a substantial investment of \$4.6 million in a combination of tax increment financing and home funds. Cal FHA has the permanent loan, a relatively small one on a \$42 million project because that's all the debt service we can handle. He noted at the very bottom of the chart Cal FHA will provide a construction loan of \$22.5 million. That financing is used during the construction period and then is paid back from all the permanent sources.

Commissioner Pittman applauded Mr. Neville for bringing more detailed information to the Board earlier. He would like to see the Management Agreement and the Maintenance and Joint Use Agreement as they are being developed. One of the concerns of our community and members of the Board is how properties are managed and maintained.

Mr. Neville explained that he had planned to have all the closing documents the Board needs to approve for their review and then ask for their approval at the next meeting. If there is an issue related to these documents it would likely be related to the last phase, because we plan on using the same manager, management agreement, and management plan.

Michelle Brewer, an attorney with Goldfarb and Lipman, said there is not a lot of detail on the agreement for this phase of the project. Basically it provides for the residents of Phases I, II, and III to jointly use the recreational and community facilities across phases. We should hear from the developers on this in the next few if weeks and can bring any changes to the Commission on the 14th if necessary.

Commissioner Pittman said that is exactly what he would like so that he may comment on the 14th. He would like to review what kinds of management and maintenance structures we have in place.

Mr. Neville reminded the Board that the Authority's partner on Phases I and II, Related Companies of California, is handling the management in the first three years, with EBALDC in an assisting role. Our experiences so far with that management firm are good. They have successfully met the lease-up goals for Phase I, which is important for us since we lose tax credit investment if we don't lease them up on time.

Commissioner Pittman said he was not interested in the leasing of the property, which has been done excellently. He was more interested in the day-to-day management and maintenance of properties and how we could make sure these properties were well maintained years into the future.

Commissioner Terrazas asked for clarification as to what the tax credit investor is. Peg Stone, our investment adviser, said MMA, the tax credit investor, is a subsidiary of an organization called Muni-Mae. Ms. Stone explained how the tax credit investor works and said they are well known to us and to the public housing community nationally.

Commissioner Lee asked what the mix of the 106 units is. Mr. Castianos, of EBALDC, said he did not have the exact number with him but they range from one to four bedrooms. Mr. Lee asked who makes the decisions about unit sizes. Mr. Neville said we are replacing all 157 of the public housing units that are not included in the Foothill project, where we have 21. We're building approximately 448 units in all. The average unit has been close to three bedrooms in our developments, but he didn't bring the information tonight.

Mr. Lee said we can't make changes in the plans now, but for the future it would be interesting to look at them. The presentation from the City of Oakland staff indicated there is a need for smaller units instead of bigger ones.

Mr. Lee asked about the units that were termed "accessible" – were they on the ground floor? Mr. Castianos said most likely, although there is an elevator. Mr. Lee asked what "visitable" and "adaptable" meant. Mr. Neville explained that visitable units could be visited by someone in a wheelchair or with a walker or other special mobility needs. The adaptable units allow for specific changes to be made in a unit if a disabled person ever moves in.

Mr. Lee asked what the net cost of the project and the unit cost would be. Mr. Neville said the total cost is \$42 million, and the cost per unit is about \$398,898. Ms. Stone said that included the relocation costs, demolition, site remediation, and other costs. Mr. Lee wondered how the cost would be affected if the Board chose to add amenities to the units, to change the unit mix, or to make more units accessible. The Board would like to be more involved in those kinds of decisions in the future.

Mr. Neville said this phase could not be changed without risking not closing on time. Phase IV has not been designed yet; and it will be possible to look at unit size, handicapped units and so on. Thirteen to sixteen public housing units have been saved for this phase, out of the 70 we plan to build. Mr. Lee said he would like the Board to be more involved in the planning of this phase.

Mr. Lee said he supported Mr. Pittman's desire to look closely at the future maintenance of this project. He said that everyone goes to the opening of a project, but after five or ten years it becomes a site where the gates don't work any more.

Mr. Lee moved to accept the report. Mr. Mayne seconded and the Board voted unanimous approval.

C. Consideration of Matters related to the revitalization of Tassafaronga Village

Mr. Gresley said we anticipate applying for a HOPE VI grant. We are actively engaged in pre-development activities. We have three items related to Tassafaronga on the agenda this evening. He called on Deputy Executive Director Neville to outline them.

1. Approval of the resolutions petitioning the City of Oakland to vacate a portion of 84th Avenue that runs through the Tassafaronga Village public housing development.

Mr. Neville said in working with the architect for this project, it became clear that a reconfiguration of the street infrastructure within the complex was necessary, as were changes to the streets outside the complex. We want to connect our neighborhood with the neighborhood at 81st Avenue, where two small schools have been built and where a public library is now under construction. Within the project itself we'd like to vacate a portion of 84th Avenue to improve the circulation plan. We have to petition the city to vacate this portion of 84th Avenue that runs through the development as it now stands. We are recommending that the Commission pass a resolution tonight asking the city to vacate this property.

A brief discussion ensued. Commissioners wanted to know how the city would react to a change in the street and if they would have input on the unit sizes. Mr. Neville pointed out the old pasta factory we are planning to convert to loft units, and said we are working with 191 dwelling units now. We have 87 there that we plan to demolish. That means that 87 units would be the same number of bedrooms we had before. When we go above that, we have more flexibility.

Mr. Lee moved to accept staff recommendation on this issue; Mr. Brown seconded.

Mr. Pittman said he would vote for the motion, but first he had comments. The Board had been shown preliminary plans that included elements that could cause us trouble with long-term care and maintenance. He asked to see something that is less preliminary. He is also concerned about unit size. Chair Mayne reminded the Board that they are concerned with presenting a HOPE VI plan to HUD, and that it has to be in by a deadline. Mr. Pittman said he wanted to know how much leeway there would be between what needs to go to HUD in July and modifications the Board could make after that.

Mr. Neville said it would be a bad idea to wait until after July 10 to discuss design. The preliminary designs were brought to the Board twice. If the Board wants to take another look at this project, it must go to the

Development Committee very quickly. He clarified that the homeless plan presented earlier has very little to do with what we are doing here. We're building permanent housing that is not a direct part of that plan.

Mr. Mayne mentioned the city was not happy with the Authority's plan for the spaghetti factory and that the Board had not seen any other plans for that. He wondered how would it be possible to see and approve that before July 10.

Mr. Gresley suggested this should be an agenda item on June 14 as part of the workshop session, whether or not the Development Committee met before that. He said we not only have to satisfy HUD, we have to work with the city and a lot of other players who are involved. It brings us to the question of whether we send HUD only our original plan, or if we include our plans for the spaghetti factory. It looks like the HOPE VI application will have to go to HUD without that additional site.

The motion passed unanimously.

2. Authorization to Negotiate and Execute a Contract with Equity Community Builders, LLC to Provide Predevelopment Consultant and Construction Manager Services for the Tassafaronga Village Project

Mr. Neville said there were two representatives of this firm in the audience and explained how the selection was made. He brought their proposal to the Board tonight. It is significant that they were less expensive than the other two firms, both large firms with many offices and a national presence. This particular firm has local experience. Mr. Galvin, who represents the firm, was senior project manager for Bridge Housing Corporation. He has experience working on many large and complex projects. The colleague he brought to the meeting has worked on Section 3 goals on other projects, and is highly skilled in that area.

Commissioner Pittman moved approval and Commissioner Brown seconded. Commissioner Lee asked for an explanation of how the RFP went out and how specific it was and if it described the work that was required.

Mr. Neville said it was published on our Web site and sent to 11 construction management firms. A public notice was put in the Oakland Tribune on March 23 and 24. He assured Mr. Lee that it was very specific.

After the discussion the motion was passed unanimously.

3. Approval of recommendation for a Lot Line Adjustment

Mr. Neville explained that the site has a curved property line that makes it difficult to build. The property is owned by a concrete company. We thought it might be more useful to them, we could build more units, and

could line 83rd Avenue with townhouses. We would be giving up more land than we would receive. The tradeoff would be that the concrete contractor has agreed to do their own paving. We would have to pay all the costs of planning, permits, and title to rebuild their wall that is now curved and rebuild it so it is straight. In exchange for that they would get an equal value of extra land from us. It is land we don't need. We are asking for a resolution that would authorize us to enter into an option agreement that would allow us to exercise this land exchange at some future date.

Chair Mayne asked for clarification of the square footage of land the concrete company and the Authority would exchange. Bridget Galka explained the land we would give up was larger than what we would gain, but we would give up land we can't use. We would have to pay them what's called "consideration." We would have to pay them a couple thousand dollars in order to get them to sign the contract. That's what our counsel has recommended. They would be getting land in its present condition. They're not paying for any of our costs, and we're paying only the costs of the transaction and to make their wall whole again, since we have to tear it down.

Commissioner Pittman moved that the Lot Line Adjustment be approved. Commissioner Brown seconded. Commissioner Lee asked for discussion.

Mr. Lee said that whenever he looks at or buys a property, he draws out some preliminary sketches to see what the concept is. Staff has obviously already done this. He asked that in the future the Board be told what the plan is.

Commissioner Mayne called for a vote. Mr. Lee abstained, making four ayes and one abstention.

D. Consideration and Approval of Resolution adopting a policy for project-based Section 8 Rents in Tax Credit Apartments

Mr. Gresley indicated that at the last workshop session, Mr. Villarreal outlined a proposed policy to be accepted by the Commission that would adopt a way of setting rents for tax-credit properties for project-based Section 8 that would be in conformance with the rule that HUD made available to prior to their most recent regulations. HUD changed the rule, and it is somewhat disadvantageous to the Authority. The proposal is that the Board adopt a policy using your MTW authority that would allow us to give Section 8 market-rate rents in tax-credit units. There were no questions.

Commissioner Lee moved approval of the motion; Commissioner Terrazas seconded. The Board voted unanimous approval.

E. Consideration and Approval of Recommendation to Award a Contract for Maintenance of the OHA Fleet Vehicles

Mr. Gresley said the Authority has a fleet of 220 vehicles that are used for carrying out our business. As we don't have our own mechanics, we have contracted vehicle maintenance out. Because our current contract expired, we sent out an invitation to bid on March 13 for all repair and maintenance. This includes routine maintenance service and all other repairs. We advertised in the Tribune and also placed the advertisement on our web site. We don't know all the repairs in advance, so we provide a typical scope of work. They give us unit pricing and estimates of what that work will cost. We received four bids, and all from Oakland-based auto repair shops. Quality Auto Service, an Oakland-based, minority-owned business was the apparent low bidder. They are performing this type of work for the City of Oakland, the Port of Oakland, Alameda County, and BART. Their references were excellent. He recommended that the Board authorize entry into a contract for repair and maintenance services for OHA's fleet, with an estimated value of about \$156,000 for the 12-month period. Mr. Gresley introduced Mr. Bob Chavez, who manages General Services and Contract Compliance, our procurement operation. He's available in case there are questions about the procurement.

A discussion followed. Mr. Pittman said he was very pleased to see all the bids come from Oakland, and also that the firm chosen is minority-owned. Mr. Lee asked if he could see the RFP on our web site. Mr. Chavez said it was posted on the web site, but was taken down after the bid was over. Mr. Lee asked if the scope of work included a turn-around time for repairs and the average shop rate they charge. The proposal doesn't have a shop price; the bid is for an estimated number of different services throughout the year. The bid is based on the number of total vehicles we specify and is not billed by the hour. Mr. Lee said he would like to see the bid, as the details are important.

Commissioner Pittman moved that the motion be approved, and Commissioner Terrazas seconded. Commissioners Mayne, Pittman, Terrazas and Brown voted for the motion; Commissioner Lee abstained. The motion was carried.

F. Consideration and Approval of Recommendation for the selection of an architect for the rehabilitation of 2509 77th Avenue, Oakland, California

Mr. Gresley explained that this site has been vacant for over a year. It has 22 three-bedroom apartments. It is listed in our current plan as one to receive revitalization treatment. The site is so large it could possibly accommodate up to 43 units. We've done a Request for Proposals for architects. Mr. Gresley asked Sharon Harrison Cossey to provide more background. Ms. Cossey said that this may be an opportunity site. The outcome of the preliminary work the architect will be asked to perform will give us information that will allow us to bring some schemes, different approaches to the site so the Development Committee can make recommendations to the Board before we proceed beyond the first phase.

This 22-unit building is comprised of two-story walkups – flats on top of flats. It did not appear feasible to work on the units while residents were there. The

ground floor units have had sewer backups, and there was extensive rodent infestation that we could not control. It became difficult to attract residents for the site, due in part to the fact that it was an active drug site, that someone was murdered at the corner nearby, and a child was hit by a car in front of the complex.

The site consists of two large parcels, and the City of Oakland would allow up to 43 units of various sizes to be built on it. Staff recommends that we engage an architect who can assist us with developing conceptual drawings for the site. The first phase of the architectural services would be conceptual drawings for from 22 to as many as 43 units. The second phase of the architectural services would include the design and specifications once we've reached consensus on what the framework of the project will be. The third phase would be architectural construction administration services overseeing the construction or renovation of the site. Funds have been allocated for the project. As the result of our Request for Proposal, Gutierrez Associates was selected. It is an Oakland-based, minority-owned business. Mr. Gutierrez has worked with us in the past on several projects.

Comments followed about the differences in how the proposals had been rated. Ms. Cossey apologized for including the actual ratings in the packet. Generally that information is not included. Mr. Lee said he liked the way this contract was laid out and if the costs were fixed for each phase. Ms. Cossey said that they were, and any changes the Board came up requiring an additional use permit would mean an additional cost. She also explained that the Authority has the right to terminate the contract after the conceptual phase is done.

Commissioner Lee moved that the staff recommendation be accepted. Commissioner Pittman seconded, and it was carried unanimously.

G. Consideration and approval of recommendation to Award a Contract for the Comprehensive Rehabilitation of 1424 50th Avenue, Oakland, California

Mr. Gresley said this small site is severely distressed. It was listed last year and is high on our list. It has four units. Gutierrez and Associates was rated most qualified to be the architect on this site. Mr. Gutierrez is here in case you have some questions about the design. We are adopting fairly modest approaches to our sites in terms of the design work to spread our dollars, unless we get into a major redesign of site as we are in a couple of cases. This is a site that will be returned as four units.

Ms. Cossey described the scope of work, which entails replacing all the deteriorated systems and some changes in the layout to make it more modern and to gain maximum use of the space. The two ground floor units will be visitable and adaptable. It was not possible to add any accessible units to the site because of the parking requirements. The low bidder has completed projects for the Authority in the past.

Commissioner Pittman asked why the other two bids were significantly higher than the one from High-Tech. Mr. Gresley said this is not unusual in our experience, especially when we receive a small number of bids. If we get two or three bids, we sometimes get wide ranges.

A discussion followed. Mr. Lee asked if the units had laundry hook ups. Efrén Gutierrez, architect for this project, said there are. When Dr. Terrazas learned that these units are not occupied, he asked why the Authority doesn't take into consideration incorporating them into another larger development we are trying to expand.

Mr. Gresley explained that when these sites were laid out and prioritized we did not consider that. That's a new consideration that will come up now as we look at opportunity sites. We've identified about a half dozen sites that would accommodate more units. We are looking at rehabbing the others. If we decided later we wanted to dispose of the site and put these units with another site, there would be nothing to prevent us from doing that under our plans. We could dispose of this site and presumably gain a lot greater value for it.

Deputy Executive Director Cossey pointed out that the redesign on this site is modest. We have cost limits that HUD imposes on us, and are constrained by ever-rising costs. We're making changes for energy efficiency and other things that are going to make properties more serviceable in the long run. If we have a property that's reasonably well designed and just needs updating, we're not trying to redesign it. There are other sites where we clearly have to invest more money and do redesign. When we say "frugal," we mean energy efficiency and spreading our dollars around, but making sure we cover all the bases and have a better property when we're done.

Commissioner Terrazas asked if we would increase property values in the immediate neighborhood. Mr. Gresley said we will certainly increase the value of our property, and may affect other property values as well.

Commissioner Pittman asked how properties will be grouped when we come to property-based management. Mr. Gresley said the smaller sites will be grouped geographically. Ms. Cossey explained that the 254 scattered sites are grouped into six projects of approximately 250 to 275 units each, 40 to 50 sites.

Commissioner Lee moved that the Board accept the staff recommendation and Commissioner Terrazas seconded.

Chair Mayne had a question. He noted the amount of this contract was high enough for the contractor to be connected to a State-approved apprenticeship program. Ms. Cossey said at the time the contract is awarded and prior to it being executed, they sit down with the contractor and discuss all aspects of the contract, including this. Chairman Mayne asked to be told how they are committed to that.

Mr. Lee of High-Tech said they will call that department and ask for an apprenticeship program and their ability to come out and train them. They do not have any apprentices now.

The Commission voted unanimous approval.

H. Consideration and Approval of a Cost-of-Living Increase for Unrepresented Employees

Mr. Gresley reminded the Commissioners that when the Authority settled all contracts with the four bargaining units last year, they agreed to a cost-of-living adjustment for all represented employees of 1% effective on July 1, 2006. In recent years the policy and direction is that a similar size adjustment would be considered for the unrepresented employees. OHA conducted a survey of other public entities in the area to compare our cost of living increase with others. What we are proposing is fairly modest in comparison. Primarily, a 1% cost-of-living adjustment would maintain parity for our unrepresented employees in relationship with the represented positions and provide our unrepresented employees with a cost-of-living adjustment that keeps them heading in the same direction.

We have an Authority-wide salary survey we've agreed to do in our contracts with all the unions before this time next year. Sometime in the late fall or winter we'll start doing that survey. Mr. Gresley recommended that the commission approve a 1% cost-of-living adjustment for unrepresented employees to be effective July 1. This way our employees will know what to count on and they can make their plans accordingly.

Commissioner Lee moved to accept the recommendation. Commissioner Pittman seconded and the motion passed unanimously.

VII. Commissioner Mayne noted that there was one speaker's card. The person left earlier and didn't come back. Mr. Mayne asked if anyone else wished to speak.

Commissioner Lee asked for updated job descriptions for the directors. Mr. Gresley asked Mr. Lee to clarify which directors he was referring to. Mr. Gresley offered to give the Commissioners job descriptions for all the Deputy Executive Directors and all department directors' job descriptions.

VIII. Written Communications

Mr. Gresley outlined the only document in the packet. It was a notice from the Environmental Protection Agency about negotiating with the Authority for a \$200,000 grant that will benefit our efforts at Tassafaronga. It is the result of Phil Neville's and Bridgette Galka's work. Dr. Terrazas asked if we are expecting the \$200,000, or could it be that they would give us only \$50,000. Mr. Gresley said that this will likely be \$200,000.

IX. Executive Director's Report Regarding Matters of Special Interest to the Commission Occurring Since the Last Meeting of the Commission

Mr. Gresley mentioned a status report in the packet. He said the paving at the Service Center is done and is lined. He also mentioned that there are currently two people from HUD conducting a survey of our procurement operations. He said that some of their concerns have been tied to the Commission's recent decision to have competitive selection for contractors. He indicated that staff explained to them that this is within our authority under MTW, but they don't know what MTW is. Mr. Gresley doesn't think that is their primary concern. They describe a survey as something less than an audit. It's a welcome opportunity because we do need to be held accountable to standards. We aren't perfect and something may have slipped by us. He indicated that his experience tells him that HUD auditors never give you a 100% clean bill of health. They are going to justify their positions and find something to be critical about. We may never know what sparked this, but we are working with them. He said that he is sure whatever they come up with will be helpful to us.

Chair Mayne asked if we typically leave something glaring so they can feel instantly their trip is justified. It's inevitable that there will be differences of opinion. Mr. Gresley responded that the key to him is not whether they substituted their judgment for ours, it is if they find an instance where either we have unintentionally violated a federal rule that we weren't aware of, or if they find that we as staff have not followed a rule that you set for us. That's where he thinks they can be helpful. They may help us make sure we're doing it right. In addition, this serves as a warning to people that we are subject to audit. If anyone out there is tempted to do something wrong, they know that periodically we get reviewed and it may get caught. It's a part of the checks and balances of our system.

Commissioner Pittman raised a question about the two for-cause evictions in the Executive Director's report. He asked if we are moving forward with a new, more concrete way of doing this – if the two are just the start of something bigger? Mr. Gresley said the short answer was “yes.” Commissioner Lee asked if the Authority is developing a structural way to deal with this procedure. Mr. Gresley said there would be an update in a closed session in July or August, depending on if the Board decides to take a recess one month this year.

Commissioner Pittman said the other two boards he serves on take an August break, and because of that he has planned a two-week vacation that month. In light of the fact that most commissions respect the August recess that most of government takes, he would ask that we do the majority of the business we have so that nothing major comes up in August. Commissioner Lee commented that he would approve anything that could streamline the process, especially since the Board went from one monthly meeting to two, and in addition has subcommittees. In addition, he requested that the monthly report reflect what RFPs are out, so that the people who are interested could go to the web site and see what they are about. It would also be nice if we could put other information in our web site. For example, he just learned that there is going to be a public meeting at Tassafaronga. He knows some people who might be interested in that. The Board could support staff just by knowing those types of things.

Commissioner Lee expressed his disappointment in the e-partner implementation and the fact that it has turned into a three-year project. Mr. Gresley said we have accelerated our role this year and have said we're not going to wait any longer. We are now actively engaged with them. They'll have their folks here the last week of May.

Mr. Lee then asked about the voice-mail implementation. Mr. Gresley explained that it is improving. We've got new features now and it's being laid out, not at all the sites at once. Mr. Lee asked what happens if someone calls in with a complaint. Mr. Gresley said that eventually they will be forwarded to a customer service line that's managed out of our Union Street property. They get a tracking number. The complaints are tracked and reported on. Mr. Lee had a member of the public call twice about a specific incident. In two weeks the person has not gotten a return call. When Mr. Gresley offered to find out what had happened Mr. Lee noted that that isn't the point. Mr. Gresley said there are always going to be problems and some things will fall through the cracks. He said he needs to be able to research the particular incident in order to figure out what the problem is and why it fell through the cracks. Then we can fix it. Mr. Lee did not want to tell what the problem was. Mr. Gresley responded by saying that we can't begin to correct the problem without knowing where to look.

Dr. Terrazas asked if there is an internal audit mechanism we use to gauge our performance in handling complaints. Do we look at the activity that has come through on the complaint side to measure our performance? Mr. Gresley said we have a complaint log and we can review that, but we do not have an internal audit. It's a management tool. We have a report of complaints and we can look at the follow up on them. When you say audit, it carries another meaning. He noted that we are in the process of recruiting an internal auditor. This is something that may or may not be assigned to the internal auditor. We do have a management report to track complaints.

Dr. Terrazas pointed out that we do have a number of mission-critical processes in place that we need to monitor to make sure we are doing the work. He would consider this to be a mission-critical aspect of our operation because we are working with the public and we need to give them access to people and information that will allow them to fix whatever problem they see.

Mr. Mayne asked if the Board could receive copies of the complaint log. Mr. Gresley said it might be possible, but we might have to redact some information. That's because it essentially gets out into the public domain when it is given to the Commission. Jennifer Bell said she had never seen a copy of it, and would take a look at it and confer with Mr. Gresley. Mr. Mayne suggested it could be looked at in a closed session. Mr. Gresley clarified that there isn't just one log of all complaints. For example, we don't have a log of all maintenance complaints; we have a work order system for tracking those. But if you're talking about complaints that come in about a property or complaints about an employee, those kinds of things are tracked on a complaint Log. Chair Mayne asked if we have a complaint log and work log. Mr. Gresley indicated that we have a work order system and a work order tracking system. Jennifer Bell asked if the Board would like to see complaints about the particular properties or information about the particular types of complaints. Chair Mayne said what he is looking for is when a complaint comes in, how long the turn-around time is, if it is being addressed, and how many of them are falling through the cracks? Is the system working where if

someone calls in it is being recorded? A discussion followed concerning the Authority's various points of contact for requests and complaints. Chair Mayne suggested the Commission might need to have a closed session to see where all this is coming in and how it's being handled, so we can talk about policy and how we might want it to work better. Jennifer Bell indicated that depending on the content, it might or might not be possible to cover this item in closed session. She indicated that she would talk to staff and find out what these logs say. Then we can talk about how to make a presentation to the Commission without violating the Brown Act or privacy.

Mr. Pittman is most interested in complaints that are property-specific. He is interested in seeing if there are many complaints on a particular sites or lots of unanswered crime complaints on a particular site. The only way to learn that is to look at the different logs and see how those are tallying up and what they look like. Then we can look at policy and procedure as we put the new system in place and just make sure that we are maintaining the public trust.

Mr. Lee said he started a log of the problems he had when he called different Authority offices when he first joined the Board. He continued that Mr. Gresley said it was a training issue and that we didn't have a phone system. Now we have the phone system and it's three years later and there is a perception that if you know the Executive Director or his office, the problem will get fixed. I'd like to see us as being a friendly agency. Our agency could be the first housing authority, it might cost us a lot of money, to really be responsive to our customers. He said he knows our agency is not any different from any other housing authority, but what he'd like to see is that we really have a responsive perception. Someone can call Maintenance or Section 8 and get an answer. The person doesn't have to go through the Executive Office.

Mr. Gresley pointed out that the Authority has the same goal the Commissioners have – of providing excellent customer service. Part of the difficulty in getting this done is a function of resources. Historically we haven't had the resources we have today, and we don't know if we will have them in the future. But while we have them we need to make use of them to provide a higher level of service and make sure we satisfy ourselves that we are doing everything we can, and we're working at that. We are building the infrastructure and we're also going to be looking at training staff.

Commissioner Lee said the reason the Board voted for the reorganization was a big part of this – that's an extra million dollars we're spending on this process. That's why he was asking for the new Human Resources Director to provide the Commission with the job descriptions of these positions. He'd like to see these reflected on somebody's job description. Somebody has to take ownership for this.

X. Reports of Commission Committees

There were no reports.

XI. Announcements by Commissioners

There were no announcements.

XII. Adjournment

Commissioner Lee moved to adjourn the regular meeting. Commissioner Pittman seconded and the Board voted to adjourn to the closed session at 9:05pm.

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 9:15 p.m. regarding the following:

- Conference with Legal counsel pursuant to California Government Code §54956.9: Automobile accident; Gerald Pighini, et al. v. Oakland Housing authority, et al., Alameda County Superior Court, Case No. RG 05 247671.

Attendance

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

The Closed Session was adjourned at 10:00 p.m.

Chair

Secretary