

MINUTES OF THE SPECIAL MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD WEDNESDAY, JUNE 14, 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 6:08 p.m.

I. 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.

II. Report from the Legal Counsel regarding final decisions made during Closed Session at the last meeting on May 22, 2006.

Ms. Jennifer Bell, Legal Counsel, reported that there were no final decisions made during the last Closed Session on May 22, 2006.

III. Modifications to the Agenda

There were none.

IV. New Business

A. Presentation of Housing Insurance Association Poster Award Recipients.

Mr. Gresley said that the Oakland Housing Authority Foundation, in partnership with the Housing Authority Insurance Group (HAIG), sponsors a poster contest. It is a national contest in which some youth in Oakland participated. Mr. Gresley read the mission statement of the Housing Authority Insurance Group to provide an idea of its role. He said there were 28 young members of the community, ages 6 to 14 who participated. Mr. Gresley noted that they have one national award winner, Kasey Dupar, 10 years old, in second place in his division. The theme of the spring 2006 contest was "Safe and Sound at the Playground." Mr. Gresley called upon Ms. Patricia Ison, Director of Property Operations for the presentation of awards. Ms. Ison said that this evening, the Board of Commissioners will honor the local winners and participants in three age categories: 6 to 8 years old; 9 to 11 years old; and 12 to 14 years old. A total of 11 winners were present to receive their awards.

B. Lion Creek Crossings, Phase III (formerly Coliseum Gardens HOPE VI – Primary Site).

1. Briefing on Management, Design and Finances.

Mr. Gresley said staff would give a briefing on the design, management plans, and the financing of Lion Creek Crossings, Phase 3. He asked Deputy Executive Director of Real Estate Neville for a briefing on the overall planning of Phase 3. Mr. Neville first acknowledged consultants and staff who would be helping on the presentations: Mr. Curtis Cayton and Ms. Madeleine Vayas-Mart from Michael Pyatok & Associates; Mr. Carlos Castellanos, Senior Project Manager from EBALDC; Mr. Steve Hoppe, Project Manager from OHA Development Department. Mr. Neville said that the briefings tonight were all about Phase 3. He said the design for Phase 3 was substantially different from Phases 1 and 2, which were similar. Pointing to a site plan, Mr. Neville noted that Phase 3 runs along 66th Avenue to the fire department. He called upon Mr. Curtis Cayton.

Mr. Cayton presented several site plans and elevations. He noted that the Pyatok firm's goal was to construct a three-story building that is safe and maintainable. He noted that there were two sites: the A-2 site has 22 units and outdoor parking, while the C-2 site has 84 units of two-story townhouses, on top of a podium parking garage. This phase includes 23 units that were adaptable and accessible. A discussion with the Commissioners about the choice of building types ensued.

Ms. Madeleine Vayas-Mart addressed the design of the units in more detail. Pointing to the plans and unit configurations, she noted the entrances from the streets, and mentioned that the units have all been designed to have private decks. Ms. Vayas-Mart said the one-bedroom units are 570 square feet; the two-bedroom units are about 800 square feet. The three-bedroom units are about 1225 square feet, and the four-bedroom units are about 1400 square feet. The units feature kitchens with refrigerators, dishwashers and disposals. She said there is no fencing on the larger site, but access to the buildings would be controlled for the residents and authorized guests only. Ms. Vayas-Mart said there are six accessible units served by an elevator. The units above are adaptable. All of the ground level townhouses are visitable and adaptable on the first floors only.

Discussion followed among the Commissioners on the questions of

accessibility to the disabled. Commissioner Brown asked if there are washers and dryers. Ms. Vayas-Mart said there are central laundry facilities in an annex building that includes washers and dryers. Commissioner Pittman asked for the differentiation between adaptable and visitable. Mr. Cayton noted that five percent of the units must be fully accessible to the disabled. This means that the entire unit must be accessible, including wider doors, appropriate space for turnarounds in the bathroom, and special features such as accessible sinks and counters for wheel chair access. Other requirements need to be met for the site or hearing impaired. Additionally, he noted that the visitable units must be reachable without stairs, and include sufficient features to allow a disabled person to access and be accommodated within the unit while visiting. This includes bathroom access on the ground level. He said they are providing flats that are accessible and adaptable throughout the development as they are generally more accessible than the townhouse units. Adaptable units are generally accessible, but can be converted to completely accessible with a modest expense of time and money, should accessibility ever be needed by an occupant.

Mr. Pittman asked about how the accessible units could be designed to include washers and dryers within the units. Mr. Cayton said it would depend on the unit and whether there is a large enough space that could be used for plumbing connections. Mr. Neville added that the Authority would like to see individual washers and dryers in the accessible units themselves. If that can't be done, they would likely go back into the drawing board and trace the path that each disabled person will have to navigate to get to the closest laundry room. Mr. Cayton said that he would see what could be done to accommodate that request.

Mr. Neville commented that in this particular phase, all the 37 public housing units are 3 and 4 bedrooms. He said we wanted to have a range of disabled, accessible, adaptable and visible units across a wide range of bedroom sizes and building types, throughout the four phases of the development. Commissioner Terrazas asked if the mix of 3 and 4-bedroom apartments matches the Authority's current needs. Mr. Neville indicated that we mandated that the developer replace our public housing units in exactly the same configuration of bedrooms as existed in the old Coliseum Gardens project.

Mr. Neville introduced Mr. Israel Mata, Regional Manager of Related, for a briefing on the management of affordable housing communities and Lion Creek Crossings. Mr. Mata noted that Related manages about 35,000 units nationwide, and about 30 percent of what they manage are

high-rise units. They have 32 years of affordable housing experience. He said he oversees their affordable housing holdings in California, including San Francisco, Oakland and San Jose. He noted that they have developed and operated similar housing in Los Angeles. Mr. Mata also noted that they have previously worked together with EBALDC to operate a rental project in Oakland. Commissioner Pittman asked about the design of the property in terms of materials and durability. Mr. Mata stated that the Related team uses their experience with design and building materials to build properties to last. Commissioner Pittman noted that Related's management staff is handling the lease up of the property, and asked how Related approaches maintenance of the property from an operational standpoint. Mr. Mata notes that Related will take the lead on management in the first three years, with backup from EBALDC's staff. He notes that they inspect the property on a regular basis; and every year they review the project and submit a budget in August for what needs to be done. Mr. Castellanos also responded to Commissioner Pittman's question regarding the long-term upkeep of the development. He said that from the development side, they take an asset management perspective, and project what might be expected to wear over time. Initially, on the development side, they have put in capitalized replacement reserves for the long-term issues that inevitably occur. He added that they continue to add additional funds into the reserves every year.

Commissioner Terrazas expressed concern about security and would like to know how to secure the project. Mr. Mata said no one can access the areas unless somebody lets them in. The garages are all gated. Commissioner Terrazas asked how the residents would be prevented from disengaging the gate systems. Mr. Mata said there will be cameras in all the entrances. He said that the system they have in place now actually records for two weeks. Mr. Castellanos noted that on Monday they had a very successful first neighborhood watch meeting with the residents of Lion Creek Crossing Phase 1. He said they are going to continue to replicate that in Phases 2 and 3. There is a neighborhood watch block captain in each building. He said there are more volunteers than they actually needed for Phase

Mr. Mata said safety is very important. The residents want to be safe; we just have to give them the tools and the ability to be able to do that. He said that in doing that, they set up the neighborhood watch.

Mr. Neville presented a briefing on finances. He directed the Commissioners to Exhibit F on page 27 and Exhibit G on page 30 of the

Mixed-Finance Amendment evidentiary document. Mr. Neville then acknowledged the presence of the Authority's financial advisor, Mr. Erik Olson of CSG Advisors. Mr. Neville discussed the tax credit investment funds. He highlighted the Tax Credit Equity or private funds, the State commitment of MHP funds, the City of Oakland's commitment of redevelopment and HOME funds and the HOPE VI funds. He said a total of \$47,909,355 is listed as funding sources for Phase 3.

Mr. Neville also steered the Commissioners to pages 12 and 13 of the Rental Term Sheet of the evidentiary documents. He outlined the presence of certain reserves to provide for future fiscal solvency of the project. This includes the Operating Subsidy/ACC/Public Housing Reserve which will protect the project should the HUD subsidy be cut. He also mentioned the capitalized ground lease payment paid to the Authority, and the Operating Reserve, which has been established in the development budget as an operating subsidy for the non ACC units. On page 13, the Replacement Reserve was funded from tax credit equity provided to the project. A Section 8 Reserve was also funded from tax credit equity. There is also the Initial Lease-up Reserve (ACC and non ACC) also funded from tax credit equity.

2. Consideration and Approval of Mixed Finance Evidentiary Documents and Authorization to Submit to HUD for Review and Execution.

Mr. Gresley asked Mr. Neville to point out similarities and differences from Phases 1 and 2. Mr. Neville reviewed the approved resolutions of the Board during the predevelopment phase of the Primary Site. He stated that the total of all phases, with the park and the creek, were expected to cost about \$189 million or more at full build-out. Mr. Neville reviewed the evidentiary documents and discussed the ownership structure, and indicated that the projects would be regulated by a number of entities, including HUD, the State, and the City. He said that each one of these mixed finance projects has many sources of financing, and each of the lenders has their own restrictions. Mr. Neville noted the Ground Lease by OHA, the landlord, to the Creek Side Housing Partnership is for 89 years.

The Regulatory and Operating Agreement is another important document which describes the regulation of the overall operation of the public housing within the development. He also noted the HOPE VI Loan Agreement, the Promissory Note and the Deed of Trust, among others, of the evidentiary documents. Mr. Neville said that the OHA planned to loan \$3,350,000 in HOPE VI funds to the Phase 3 development. It is a

55-year loan with zero percent interest. He added that the Local Funds loan is \$475,000, conditionally made at 55-year term with zero percent interest. Mr. Neville also pointed out the Purchase Option and the Right of First Refusal, giving us the option to purchase the property at the end of the 15-year tax credit compliance period. He also mentioned the Property Tax Exemption, Certification Regarding Program Income. Mr. Neville asked for the approval and authorization of the Board to file these evidentiary documents with HUD.

Discussion followed. Commissioner Pittman thanked staff for the preparation of the enormous documents for this project. Commissioner Terrazas asked that if we decide to buy in 15 years, who are we buying it from. Ms. Michelle Brewer, OHA's attorney from Goldfarb & Lipman, said the buildings are going to be owned by the rental partnership, made up of EBALDC, Related and the Investor. The Investor has a 99.9% interest in the buildings that they can take from the tax credit. They have to have title to the buildings, not the land. Essentially, we have to buy the property by assuming the debt and only paying for the tax exposure of the limited partner. She said the debt is large at the end of 15 years, and Authority will assume the debt.

Ms. Brewer said that a portion of the debt is based on residual receipts, where the partnership pays the lender only as much cash flow that might exist after expenses. Chair Mayne asked why you would forgive the loan to yourself when you own it. Ms. Brewer said that the OHA did not own the buildings at the beginning, just the land. The OHA makes a loan to the partnership, which builds the project, and then if the OHA takes over the property we would assume all the debt. Mr. Gresley noted that some of the loan is local funds and some is the HOPE VI loan. Ms. Brewer notes that the OHA has certain management standards in our documents, and that the manager must satisfy these requirements. In the documents such as the Management Plan and the Regulatory and Operating Agreement, the OHA has the right to review the performance of the manager on a quarterly basis and meet with the Board over any management concerns and try to resolve them.

Commissioner Pittman asked whether the Commission would be consulted over the terms of the management, and our policy regarding negotiation with the partnership owners. Ms. Brewer answered in two-fold. Yes, basically it is not a property owned by the OHA, so we do not have direct control of the management. However, through our deal with the partnership, we have the right to require them to force the manager to perform and to cause them to terminate the manager if they do not

perform. Mr. Gresley clarified that because of our procurement rules, we selected an entire team of developers, architects and managers and that we can exercise a certain amount of control through certain legal documents and instruments.

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

C. Briefing on proposed revitalization of Tassafaronga Village.

1. Presentation by David Baker + Partners, Inc. and Staff on preliminary site plans.

Mr. Gresley began the discussion of the current design aspects and the budget as it stands today in our plans to revitalize Tassafaronga Village. He noted that HUD issued a Notice of Funding Availability (NOFA) for HOPE VI, and we intend to apply by July 10th. Mr. Gresley said that this may be the last year of funding under HOPE VI. He said it is a very competitive environment. We have some advantages because of our good performance record, but also some disadvantages. Mr. Gresley said we are committed to proceed with or without HOPE VI funding. He called upon Mr. Neville for the presentation of the architectural design and the financing of the project.

Mr. Neville first introduced Mr. Daniel Simon and Mr. Peter McKenzie from David Baker + Partners, Inc. who will be making presentations on the design of Tassafaronga. Mr. Simon reviewed meetings with planning staff of the City of Oakland, with some of the Authority's management staff and the Police Department. Mr. Simon also said that they have been working with residents and the community. Mr. Simon, displayed site plans and elevations and noted the location of the existing City recreation center, the new City school, and the soon-to-be-built City library. He pointed to the location of the pasta factory which the OHA had purchased. On the original site, Mr. Simon reviewed the apartment building that would include 60-units with underground parking. The warehouse building will be renovated into about 30 housing units. The rest of the units are townhouse apartments and 22 townhouses will be developed by Habitat for Humanity, as for-sale homes for first time homebuyers.

Mr. Simon referred to a meeting with OHA Police Department to implement ways of making the community safe in the design process.

The people have individual control of small areas in the site and those areas are separated by relatively low fencing, about 3 to 4 feet, so that areas on the street can be seen through the development. Mr. Simon also said they are working to slow down the speed of traffic within the development by narrowing the streets. He said the other public space that they created in the site plan is one big grand public plaza. It is a public place open to the street. The manager's office will be in the apartment building, and a full-time staff will be assigned there. Mr. Simon said there will be another space which is more private, and it is going to have resident-only access. He noted that accessibility is always a big concern. He said that all of these units will be adaptable. Each building will be served with common laundry, with the exception of six units. Mr. Simon said that all of the ground floors of the townhouses are visitable. All the townhouses have washer/dryer hookups.

Commissioner Pittman asked about maintenance. Mr. Simon said that after discussion with the OHA Maintenance staff, the main concern is trash. He said that in the current plan, there will be a trash room in the apartment building which is only for residents. The townhouses will have individual trash cans. Mr. Simon said there is a certain amount of maintenance that is required and discussed the material components of the units. Commissioner Pittman asked whether the building will be subject to vandalism. Mr. Simon said the materials selected are very strong and durable. Commissioner Pittman asked about the security, and Mr. Simon noted that the design team had been working with OHA Police on defensible space concepts. Commissioner Pittman asked what the Planning Commission's input was. Mr. Simon said that the City Planning Commission was generally supportive, but expressed some concerns that the design team was addressing. For example the planning commission was not enamored with the pasta factory, which is currently an unattractive vacant warehouse. Mr. Pittman asked if there will be any change before the meeting with the City Planning Commission. Mr. Gresley does not believe it will change much between now and then. Mr. Simon said they will revise the plan based on comments and try to get it submitted as part of the HOPE VI application on July 10th, and then we will resubmit to the City, which is due by the end of July.

Commissioner Terrazas asked what the residents have to say about the warehouse building and to the other apartment building. Mr. Simon said the residents had nothing negative to say about the design, and their only concerns were about the laundry and the security. Commissioner Terrazas commented that none of the designs seem warm and fuzzy; they look sterile and cold. Mr. Simon noted that they have done planning of

buildings that make people get out and have lots of activities. He said that this project will look like Linden Court. Mr. Neville pointed out that the drawings are meant to show the design and what the surface might look like. They will look much better when built. He noted that one of the reasons why Baker + Partners won the competition on this project was because of the outstanding job they had done on the Linden Court. Chair Mayne commented that if it is a warm color, it will look friendlier. It was noted that the final colors had not been picked, and that will be reviewed by City Planning. Mr. Gresley asked Ms. Patricia Ison, Director of Property Operations about feedback provided by the community with regard to the project. Ms. Ison said the residents and neighborhood folks who attended expressed no negative views on the project's design.

2. Presentation on the Preliminary Budget Sources and Uses.

Mr. Gresley said that the document included in the packets is very much a projection and not an actual budget. He said that when it is done it will be a different amount of money from different sources. He asked Mr. Neville for a briefing. Mr. Neville said we were planning 169 rental units. He said Habitat for Humanity proposed 22 units and the financing of the for-sale units will not be included in this briefing. He added that this budget presentation relates to the rental project and he noted the sources listed on page 2 of the staff memo. Mr. Neville said that the funds for some of these sources have already been approved. The first one is from the City of Oakland for \$3 million. OHA Section 8 Local Reserves has contributed \$3.5 million, and the Brownfield Cleanup Grant is for \$200,000. He noted that they had not listed the \$75,000 grant which has been approved by the State. Mr. Neville indicated that the other sources that have not been approved are estimated sources of funds, and they are using construction cost figures they have gotten from the Lion Creek Crossings Phase 2 budget.

Mr. Neville acknowledged the presence of Ms. Bridget Galka, Project Manager of the Development Department, and Mr. Erik Olson from CSG Advisors. He asked Ms. Galka and Mr. Olson for any input they have. He said the project is for 169 rental units that will cost an estimated \$52 million. Mr. Olson explained the gap of the anticipated sources of funds. Mr. Neville said that Commissioner Alfred Lee had previously asked us to give him a detailed budget. He said that with Lion Creek Crossings, the construction costs are \$230,000 per unit, (these are hard costs) and the total project costs are \$305,000 per unit.

Chair Mayne asked how soon we will know if the HOPE VI project is approved. Mr. Gresley said at the earliest, in September.

D. Briefing on architectural plans for rehabilitation of scattered site properties.

Mr. Gresley said he asked staff to arrange to have briefings on the current scattered site plans. He said that these are all sites that were included in our 2006 MTW Plan. These are all sites in the process of design at various stages. All of the architects have been selected, and all of them have been working on these projects for some time. Mr. Gresley acknowledged that after the discussion of the commission a few weeks ago concerning accessibility, adaptability, and visitability, staff began working with the architects to determine how to make the units more accommodating for persons with disabilities. He called upon Ms. Sharon H. Cossey, Deputy Executive Director for Housing Operations, to introduce each of the sites.

Commissioner Pittman said that the 35 units, one accessible, one may be, one of two ground floors might possibly be visible, are not even nine percent and under the HUD's standards. Mr. Gresley responded that these are very small sites, and that they meet HUD's requirement that five percent of the renovated units be made accessible. He said that the size and location of the scattered sites made it difficult to make more of the units accessible.

1. **1445 – 50th Avenue.** Ms. Cossey said that the first of these four sites are coming back to the Board in the summer months for awarding the construction contracts. The first site is 1445 - 50th Avenue, which has 6 three-bedroom apartments. She said the City has already granted a construction permit and the project is to be put out to bid the following week. She noted that we will be doing basic work that needs to be done to make these units habitable. The redesign of the site has been examined to determine if any of the units could be made accessible within the site footprint at a reasonable cost. She called upon Mr. Efren Gutierrez of Gutierrez Associates Architects to brief the Board for the architectural design for the site.

Mr. Gutierrez said it is a 6-unit apartment building, three stories with six parking spaces. He said we will install a new electrical system, new lighting, new cabinets, resurface the bathtubs, upgrade the washer/dryer areas. New windows will be put in, and the building exterior will be painted. Mr. Gutierrez said we are also doing landscaping. He said it will basically be a brand new unit, and the two lower units will be visitable. Mr. Gresley clarified that to qualify as a new accessible unit; one of the parking spaces would have to be eliminated to provide an accessible parking space. Ms. Cossey elaborated that in order to make one of the apartments accessible; it would require major structural changes and possibly change the bedroom sizes of the units. Mr.

Gutierrez said we will have vinyl for the floors, except for the kitchen. Commissioner Terrazas would like to get a picture of how it looks now, before we start the repairs.

2. **2011 7th Avenue.** The property is a three-story, six-unit complex with three bedrooms in each unit. Ms. Cossey said that the Board has already approved a construction budget in the 2006 MTW Plan. The Authority has selected Charles Lewis Associates for the design and construction of this site, and the design is 80% complete. Ms. Cossey introduced Mr. Charles Lewis. Mr. Lewis said the ground floor units will be visitable and adaptable. Mr. Lewis said that in order to meet standards for crime prevention through environmental design, the landscaping had been redesigned and a transparent fence was being incorporated. He provided a description of how the interior would be redesigned. Commissioner Terrazas asked if this building is occupied now. Mr. Gresley said no.

3. **2919 E. 16th Street.** This property is a twelve-unit complex, with three bedrooms in each unit. Ms. Cossey said this property has considerable structural and roofing defects. Kodama Diseno Architects were selected to design this property with an estimated construction budget of \$1,629,000. Ms. Cossey said staff would come back to the Board in August for approval of the construction contract. She said the buildings have inherent limitations, including its grade; making it difficult to make the apartments visitable for persons with disabilities without substantial redesign work and significant costs. Mr. Eduardo Caceres from Kodama Diseno indicated that the current plan is to make one unit accessible to persons with disabilities. Mr. Caceres showed a picture of the existing condition of the property and discussed the redesign work that will be performed on the units. Chair Mayne asked why all the units could not be made accessible. Mr. Caceres explained that there is one unit that is feasible to be made accessible, and another unit may be made accessible. Chair Mayne asked how much it would cost to make the other unit feasible. Mr. Caceres estimated that the cost may be \$50,000 to \$60,000. Mr. Gresley said that one of the calculations we have to go through was the Total Development Cost (TDC) limit. He said that if we want to make another unit accessible we have to squeeze something else out of our budget. Chair Mayne believes that that is a choice that has to be presented to the Board.

4. **2170 E. 28th Street.** Ms. Cossey said the site is an 11-unit complex, all with three-bedroom units. It has severe structural defects, poor site drainage and poor design for surveillance. She acknowledged the presence of a representative from Muller & Caulfield Architects. Ms. Cossey said that Muller & Caulfield has been looking at various ways to make the units accessible. Mr.

Barry Nann, Interim Director of Facilities Management, introduced Ms. Ruth Knapp from Muller & Caulfield. Ms. Knapp discussed the general scope of work to be done. The plan includes re-grading to improve drainage and accessibility to units, new concrete walkways to units, site fencing, safety lighting, new concrete block garbage bin “garages”, re-surface driveway, landscaping and new patio. Ms. Knapp said we will remodel the exterior surfaces and interior finishes improving the longevity of the rental properties. This entails replacement of all exterior doors and windows, interior doors, repainting exterior stucco, new flooring with sheet vinyl and carpet, replacement of kitchen cabinets, plumbing fixtures and appliances, wall heaters, re-wiring outlets and replacement of all light fixtures, new roofing, and replacing smoke detectors.

Ms. Knapp discussed drainage and sewage, which is a huge problem. The plan includes a new location for sewer connection, a new telephone and electrical cabinet, and a new gas meter cabinet. We will also replace water heaters. Ms. Knapp said the current plan converts two of the townhouses into one accessible flat with a non-accessible second floor unit above. The work includes combining the first floor of two adjacent townhouse units into one accessible flat, reducing the number of bedrooms from 3 bedroom townhouses to 2 bedroom flats. There will be accessible kitchen cabinet design, addition of new unit heater air intakes and re-framing entry stairs from the existing townhouse units to access the apartment on the 2nd floor.

Ms. Knapp continued and said that Authority staff has given the architect the direction to go with the tub in lieu of the shower, to be more family-friendly. Ms Knapp checked with the City about this project. The City responded it was voluntary and we can set our own level of accommodation. Ms. Knapp said that that might be an issue for the Authority staff to discuss in terms of accommodation. Mr. Gresley asked for clarification if we ought to have showers for accessibility. Ms. Knapp said yes. In terms of feasibility of other conversions, there are groups of units that are back to back in case the Authority would like to fund the additional work, and there are probably three other pairs of units that might be conceivable to make that change, and the estimated increase in cost to do that for a pair of units is in the neighborhood of \$91,000. Ms. Knapp also discussed the site plans.

Chair Mayne asked about any consideration for security. Ms. Knapp said the plan calls for lights at the second story. She said cameras are not proposed to be installed. Mr. Gresley said we are using cameras at some locations now, and we may want to have the flexibility of moving cameras around.

E. Consideration and approval of Proposed Award of Section 8 Project Based

Assistance to five developments that have received City of Oakland funding.

Mr. Gresley said we have an opportunity for our Section 8 program to have an impact on affordable housing in Oakland. He said project-based vouchers are used as a tool to encourage development of affordable housing. He asked Mr. Joseph Villarreal, Deputy Executive Director for Program Administration, to present five projects that we are recommending to be awarded project-based Section 8.

Mr. Villarreal noted that staff is looking for the Board's approval to award five of these projects. He reminded the Commissioners that a year ago, they amended our policies to use the City's process to award Project-based Section 8. Mr. Villarreal directed the Board to the chart and noted that in the past the Board had approved 128 project-based vouchers. The Altheim Phase 1, Madison Apartments, and Seven Directions were awarded in conjunction with the City's affordable housing NOFA. Fox Courts was part of the Uptown Project, which was also awarded in conjunction with the City.

Lion Creek Crossings and Mandela Gateway are our own projects. The Altheim is an assisted living facility for seniors. The first phase, which was funded last year, is the renovation of original residential buildings, and the second phase is new construction. There are 5 studios and 15 one-bedroom senior units that will become project-based voucher units in the second phase out of 81 total units.

The Orchards on Foothill include 63 one-bedroom apartments affordable to seniors out of 64 units. Mr. Villarreal said the units are located in the Lower San Antonio district near the Fruitvale neighborhood. Currently the site is a vacant industrial property. He said that six of the units are fully accessible, and the remainder of the units are adaptable. Mr. Villarreal said there will be a half-time equivalent service coordinator on site. There is also a mental health facility within a mile of the Unity Council Center.

Jack London Gateway - Phase 2 is an EBALDC project. Mr. Villarreal said there will be 6 studios and 7 one-bedroom units out of 55 total units. The 55 units are mixed studios and one-bedroom units. The units are accessible. There is a 14,000 square foot retail facility that will also be included. He said the site now is a large parking lot, much of which will be converted into housing.

Foothill Plaza is an Oakland Community Housing (OCHI) project. Mr. Villarreal said we would get 2 one-bedroom units and 11 two-bedroom units out of 54 total units. The project is a rehabilitation of existing affordable housing

that has fallen into disrepair. He said that permanent financing from Citibank combined with low-income tax credits and the proposed City funding will enable the newly renovated project to remain affordable for 55 years.

Mr. Villarreal said that if tonight's motion was approved, there would be a total of 129 more project-based voucher units, bringing the grand total of project-based units to 257. He introduced Mr. Doug Lee, Leased Housing staff, who coordinated the project with the City and with HUD. He also introduced Mr. Jeff Angell from the City of Oakland.

Commissioner Pittman commented that this is a great project that gives a lot more affordable housing. Commissioner Pittman asked how this would impact our programs. Mr. Villarreal said that if this is approved, 257 of our almost 11,000 Section 8 vouchers will be project based. He said that, as we did when Mandela came on board, we just have to plan to make sure we have vouchers available, but some of these projects would not come on board for a few years. Mr. Villarreal said that we have to track the number of vouchers we have and how many people we have to call from the wait list as part of this calculation. He said there would be a minimal impact given the relatively small number of project-based vouchers. Mr. Gresley stated that if we look at these sponsorships, they are all organizations that are dedicated to affordable housing. These organizations are motivated to provide quality housing at affordable rates, which is different than the general private market. The private market is more motivated to make money. Because of this, Mr. Gresley speculated that in the long run rents will increase at a slower pace at these properties than will be true in the general market. Mr. Gresley believes that in the long run, the more units we can project-base at developments sponsored by such organizations will lead to a more viable program.

Commissioner Terrazas asked about the mechanics of actually getting into one of these units for clients who already have a voucher. Mr. Villarreal said that these projects will utilize site-based wait lists. So, both families who currently have vouchers and families on the wait lists, have the same chance to get in. Beyond that, with the exception of The Orchards, all of these projects have many other units that are affordable. These units can be accessed with or without a voucher. We will likely have voucher holders in units that are not project-based as well as in the project-based units. Low-income families with no access to a voucher will fill the remainder of the units. Commissioner Terrazas asked if we are monitoring the list. Mr. Gresley said we will monitor the process, not the list. Commissioner Terrazas asked if we would be exposed to potential liability if there is some foul-up in the process of getting people off the list into one of these units if they do not meet the requirements. Ms. Jennifer Bell, Legal Counsel, said there are lots of layers of protection that the

Authority would have. Mr. Villarreal added that we are still the entity issuing the vouchers, and the sponsors have to meet our guidelines.

Chair Mayne asked how far we are on these projects in getting approved by the City. Mr. Villarreal said all the projects have been approved by the City. Mr. Gresley asked Chair Mayne if he meant the award of funds. Chair Mayne said yes. Mr. Villarreal then said they have not been all approved yet. Chair Mayne asked what the funding would be after this is approved. Mr. Villarreal asked if he meant the project-based voucher funding. Chair Mayne said yes. He said they don't get the project-based voucher funding until construction is finished, and have received all required clearances such from the City. Some projects will not be funded for quite some time and others will be funded soon. Chair Mayne asked if our commitment was sufficient in terms of showing HUD that these funds are obligated. Mr. Gresley said we utilize regular vouchers to fund these projects. Through attrition, about 30 to 60 vouchers turn over every month and it is that turnover that will be used to provide the project-based vouchers.

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

F. Briefing on backlog of roof replacements at OHA properties.

Mr. Gresley noted that his intention was to bring back to the Board at the next meeting a recommendation to amend our annual plan and budget for 2007 to include roof replacements. He said that we have 254 scattered sites and about 70 percent of our scattered sites' roofs are original from between 1968 and 1972. He said we have been patching roofs and, little by little, we have been replacing roofs. Mr. Gresley reported that the Authority had about \$200,000 in our budget with \$88,000 left for roofs this year. He said that some of that money would pay for roof replacements out for bid or being completed now. He said we have about \$250,000 in next year's budget for replacement of roofs. Mr. Gresley said that staff estimated a current need to spend at least another \$1.3 million. He indicated that staff would bring to the Board at the next meeting a proposal to spend \$1.4 million additional to what we have already budgeted. He called upon Ms. Cossey for additional input.

Ms. Cossey said that last year we kept a lot of roofing contractors very busy to help us patch our leaks. She said we had a number of transfers in limited stays in hotels that cost the Authority an exorbitant amount. Ms. Cossey said it is absolutely essential that we look at these roofs and do as many as we can. She introduced Mr. Jeff Muegge, Construction Project Manager of the Facilities Management Department. Mr. Muegge said we have 254 sites and, excluding

the larger sites, we have 437 buildings. Most of them are 40 plus years old, and only 30 percent of our roofs are pitched. He said that in the past three years, he has completed about nine roof replacements per year. Before that the average was less, about 5 to 6 roofs a year. He said every year we were doing approximately 30 buildings for roof repairs. Of those 30 buildings, many of the repairs are requested during the winter months. Mr. Muegge said that what they are having now is a catch-up period. He said that right now they are looking at 33 sites for roof replacements for the coming year. Of those 33 sites, there are 29 buildings.

Discussion followed. Chair Mayne asked if we are changing from flat-top roofs to pitched roofs. Mr. Muegge said no, because the cost is exorbitant. He said essentially, he is bringing a flat-top roof back to where it should have been in the original construction. Chair Mayne asked for the life expectancy of the roofs. Mr. Muegge said that on the average, we get 20 years. Mr. Gresley asked how the new materials could be compared to the original materials. Mr. Muegge said that the original materials were better than the materials today.

Mr. Gresley indicated that \$1.4 million should be set aside for roof replacements. He said repairs will be bid.

V. Recognition of people wishing to address the Commission.

There were no speakers.

VI. Executive Director's Report

Mr. Gresley said staff has been working on the phone system. He said he has received an email from Commissioner Lee indicating that he had seen a flyer about phone changes sent to all the Section 8 landlords.

Mr. Gresley passed out brochures from the Police Department.

Mr. Gresley said that we had Chinese housing experts visiting us on Monday. Ms. Cossey, Mr. Neville and other staff hosted the Chinese delegation. He said that Ms. Cossey received an email from the delegation, expressing their appreciation and thanks.

Chair Mayne thought it would be helpful for the Commissioners to be notified by staff if anyone of them wants to attend when people from other places are invited to come.

VII. Adjournment to Closed Session.

The meeting was adjourned at 9:45 pm. to a closed session.

Closed Session

The Oakland Housing Authority Board of Commissioners convened in Closed Session at 1619 Harrison Street, Oakland, California on the above date. Chair Moses L. Mayne, Jr. presided and called the meeting to order at 9:51 p.m. regarding the following:

- Conference with its real estate negotiators regarding acquisition of real property situated at 1711 and 1745 14th Avenue, Oakland, CA.
- Conference with its real estate negotiators regarding acquisition of real property regarding an office building located at 1801 Harrison Street, Oakland, CA 94612.
- Conference with Legal Counsel – Anticipated Litigation: one potential case.

Attendance

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

The Closed Session was adjourned at 10:49 p.m.

Chair

Secretary