

MINUTES OF THE REGULAR MEETING
BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE
CITY OF OAKLAND, CALIFORNIA
HELD MONDAY, NOVEMBER 28, 2005

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 7:08 p.m.

I. Pledge of Allegiance

Mr. Walter Kawecki, Jr., Director of Human Resources, led the Pledge of Allegiance.

II. Roll Call

Commissioners present were Alfred Lee, Robert J. Pittman, Jr., Ramon J. Terrazas and Chair Moses L. Mayne, Jr. Commissioner Jacqueline M. Taylor arrived after the meeting started and Commissioner Joe L. Brown arrived late.

Chair Mayne suggested that, due to the holidays and the change of time, future meetings should start earlier than the usual time of 7:00 p.m. Mr. Jon Gresley, Executive Director, indicated that the Commission could amend the bylaws to change the time of the meetings to an earlier time in the evening upon approval by the Commission. The Commissioners did not have any objection to start the meetings earlier. It was suggested that the Bylaws be amended and approved by the Board at the next meeting. Chair Mayne indicated that the meetings should start at 6:00 p.m. The Commissioners present reached a consensus to change the time. Mr. Gresley was asked to check with the other Commissioners and start working on the amendment of the Bylaws.

III. Approval of Minutes: Regular Meeting of October 24, 2005
Special Meeting of November 9, 2005

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

IV. Modifications to the Agenda

There were no modifications to the agenda.

V. New Business

A. Consideration and approval of recommendation to award a contract for demolition and parking lot improvements at 1450 and 1500 Harrison Street.

Mr. Jon Gresley said that this item was originally bid in January 2005. It involves the demolition of two buildings at 1450 and 1500 Harrison Street. He noted that the City became involved and required a number of changes in the original plan that changed the scope of the work. Because of numerous demolition permit delays, the Contractor and the Authority were unable to reach agreement on an equitable contract amount. Mr. Gresley said that staff re-bid this work in October 2005. The estimated cost for the required improvements (excluding the demolition) is \$109,000. The possible revenue derived from the parking lot, if rented for parking for 37 months, is \$9,500 per month.

Mr. Gresley said the Authority accepted a total of six bids on November 10, 2005. The lowest responsible bidder was Eagles General Construction Co., an Oakland-based firm, with a bid of \$234,450.00. Mr. Gresley recommended that the Board authorize the Executive Director to enter into a contract with Eagles General Construction Co. for \$234,450.00 for the demolition of the two buildings and for the subsequent parking improvements.

Discussion ensued. Commissioner Pittman asked if the estimated revenue of \$9500 per month is based on 100 percent occupancy or if it is a realistic number. Mr. Gresley said it is based on a comparison to the other lots that are being rented to an operator. Commissioner Pittman asked if the \$9500 expected monthly is the price that they would pay for leasing the entire lot. Mr. Gresley said yes. Commissioner Terrazas asked if there is any reason why the Authority was being singled out by the City to make these kinds of improvements. Mr. Gresley did not believe the Authority was being singled out by the City. Chair Mayne noted that Eagles General Construction Co. had previously received a number of bids from the Authority, and then submitted a number of change orders to increase the price of their bids. Mr. Gresley said he was not aware of any.

Commissioner Terrazas moved approval of the recommendation.
Commissioner Lee seconded and the Board voted unanimous approval.

B. Consideration and approval of recommendation to award a contract for architect and engineering services for comprehensive renovations of:

1. 2919 E. 16th Street
2. 2170 E. 28th Street
3. 2056 35th Avenue

Mr. Gresley noted that the Authority's Annual Plan includes a number of scattered sites to receive comprehensive rehabilitation. An RFP was recently issued for architects to do architectural and engineering services for three sites namely, 2919 – E. 16th Street (12 units), 2170 – E. 28th Street (11 units), and 2056 – 35th Avenue (9 units). The Authority advertised for architects and thirteen responses were submitted. An evaluation panel of three Authority staff reviewed and rated the thirteen firms' proposals for qualifications, past performance, and their Section 3 participation. The top three firms were Kodama Diseno, H & Y Architects, Inc., and Muller & Caulfield Architects. The advertisement includes that the Authority would be selecting three firms. The Authority negotiated prices with the three highest-ranked firms.

Kodama Diseno proposed a fee of \$105,000 for the comprehensive rehabilitation of 2919 – E. 16th Street; Muller & Caulfield Architects proposed a fee of \$111,468 for 2170 – E. 28th Street; and H & Y Architects proposed a fee of \$89,850 for 2056 – 35th Avenue. Authority staff recommends acceptance of the proposals of the three firms. Mr. Gresley noted that all of the firms have had prior experience with the Authority. He recommended that the Board authorize the Executive Director to enter into contracts with each of the three firms.

A discussion followed. Based on past experiences with the firms, Chair Mayne asked if any of their work had resulted in an excess amount of costs for the Authority. Mr. Gresley said staff considered the past experiences of the firms and did not see that problem. Commissioner Lee would like to take a look at the scattered sites and asked if there were different options considered in negotiating with the firms. He asked if the Authority gave the architects some specific guidelines for the budget of each site. He asked how the Authority is handling the whole scattered sites. Mr. Lee is concerned about the lack of a total picture of the scattered sites. Mr. Gresley said the Authority has a rough budget for each of the rehabilitations. The budgets were developed based on original estimates. The Physical Needs Assessment (PNA) was broken down into three phases. The first phase was focused on those sites identified as needing the most immediate rehabilitation. Mr. Gresley indicated that to date, they have done about 20 of the scattered sites. In answer to the second question, he said that when Mr. Rod Roche presented the overall Phases 1 and 2, (excluding Tassafaronga) he estimated a total of \$157 million to do all the rehabilitations. Mr. Gresley said that the Authority receives about \$8 or \$9 million a year. Based on that, it would take more than 20 years to do all of the sites. He continued that right now staff is doing all the priorities that have already been set. Mr. Gresley indicated that he hopes the Authority can come up with a strategy that would allow for the replacement of some of the units.

He discussed some of the possible strategies like bonding against the capital fund. Mr. Gresley believed that the Authority could raise about \$36 million with this method. He indicated, however, that the Authority can only bond against one-third of the expected future stream of capital grant funds. Another strategy to look at is to convert unit to Section 8 and take them out of the public housing program. In this approach the Authority would use the income from Section 8 and gets a loan against future income by project-basing of the units. Mr. Gresley indicated that none of these methods is going to provide the Authority the kinds of resources it would need to do all the remaining 254 scattered sites. He said that the only way to handle the scattered sites is in smaller increments and added that it would be better to do the worst sites now.

Mr. Lee indicated that he was not agreeable to do the worst sites first. He would like to take the value of each of the properties and create a formula on how much money is put in on each property, and find out the net worth of each improvement. Mr. Lee said it may not be worth fixing some of the properties. Mr. Gresley said that this is in the Authority's plan that was adopted by the Board, and staff is following the Board's direction. These were the sites being prioritized through the RAB process recommended by the staff, and incorporated in the Authority's plan for this year. Mr. Gresley noted that the Authority would be working with a consultant to examine the other options. He said that at some point, staff will have an analysis and will make a recommendation, but right now the policy of this Agency is, as expressed in the Annual Plan, to do the seven sites this year. A great effort was invested into evaluating and determining how best to approach these sites. Mr. Gresley noted that, at some point, the Board may want to change the way they approach these sites. He added that they do not have any replacement strategy other than HOPE VI, which is not viable for the scattered sites.

Mr. Lee said that about three or four years ago he wrote a report on the scattered sites and was not looking for the physical needs assessment, but rather the value of the property. Chair Mayne commented that they would approach this in a different way. He said the Commissioners already gave direction to Authority staff on this matter. They need to change the direction by forming a committee to address and review it and bring it back to the Board as to which direction they wanted to go. Chair Mayne said that what is being recommended right now is what the Board had asked staff to do. He said that right now they have to do the worst sites, then to look at all of the sites and determine which sites are valued the most. Commissioner Pittman expressed his agreement with Commissioner Lee's last comments and gave an example. He noted that he has been asking for Phases 1 and 2 PNA copies and has not received them yet. Mr. Gresley asked what specific documents he wants copies of. Mr. Pittman said that he received copies for only 20 properties. He thought that he asked for a

larger look in terms of PNA. Mr. Gresley said that the volume of reports that they have in Phases 1 and 2 are quite large. He would be happy to give Commissioner Pittman or any of the Commissioners a tour of the sites. Commissioner Terrazas said that since the Board already discussed and set policy on these three sites, they have to either approve or disapprove the recommendations. Commissioner Taylor is interested in a tour of the sites. Mr. Gresley will arrange to set up a tour for all the Commissioners.

Chair Mayne asked for a motion. Commissioner Terrazas moved approval of the recommendation. Commissioner Pittman seconded and the Board voted. Commissioners Pittman, Taylor, Terrazas and Chair Mayne voted "Ayes." Commissioner Lee abstained. Commissioner Lee asked for the estimated cost of the rehabilitations, including construction. Mr. Gresley said that one of them is \$1.5 million, the other one for \$1.250 million, and the last one is \$1 million, for a total of \$3, 750,000, plus \$300,000 or an estimated grand total of \$4 million. Commissioner Lee asked for the cost per unit. Mr. Gresley said about \$120,000.

Chair Mayne would like to create a Committee to look into addressing the improvements of the scattered sites. Mr. Gresley asked if the Board really wanted to form a Committee. He said that they are going to bring in Rod Solomon, an attorney working with HUD to examine the pros and cons as well as the feasibility of conversion of public housing to Section 8. Staff will work with him in some conference calls to lay out the conversion process, and then determine the viability by comparing it to alternate strategies. Mr. Gresley said that staff may involve our Financial Advisor and Legal Advisor. Once the strategies are laid out, staff would schedule a work session for the full Board. Chair Mayne said there should be a Committee to address the issues. Mr. Gresley suggested that the Committee should meet soon.

Chair Mayne appointed Commissioner Lee to chair the Committee. The appointed members are Chair Mayne and Commissioner Pittman.

VI. Recognition of people wishing to address the Commission

There were none.

VII. Written Communications

Commissioner Pittman raised a question on the Mandela Gateway on the Monthly Status Report. He asked for the remaining number of retail spaces. Mr. Neville said that in the West Block, where the drugstore space is situated, BRIDGE representatives have been working with the community group for about two years now for a possible

cooperative grocery store. A part of that space would be subdivided for the credit union. A Subway sandwich shop, a coffee shop, and possibly a small restaurant are expected to be formed on the remaining minor retail spaces of the Block, coming from Mandela toward 8th Street. In the East Block, there is only one tenant which is the Homeownership Counseling Center. Commissioner Terrazas asked whether staff has approached Washington Mutual for an ATM for the site. Mr. Neville said yes.

Commissioner Pittman asked about the status of the funding for the park at Lions Creek. Mr. Neville said there are enough funds for the replacement park, and still the developers are still looking for other funds. Commissioner Taylor asked how the lottery on the Coliseum Gardens Primary Site was advertised, and were the former residents notified. Mr. Neville said the former residents do not have to go through the lottery. They have first priority and the families who want to return are already grandfathered in. The lottery was for outsiders.

Commissioner Pittman asked if the \$720,000 that is to be derived from the sale of the three properties in West Oakland is already earmarked. Mr. Gresley the sales proceeds go back into the general fund. Commissioner Lee asked how much money is going to be needed for the OHA Service Center Parking Lot. Mr. Gresley said they will get back to the Board on that.

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

Mr. Gresley reported that the Holiday Splendor will be held on Wednesday, December 7, 2005, 5:00 – 8:00 pm at the Lake Merritt Garden Center. Mr. Gresley encouraged the Commissioners to attend.

The Employees Recognition Event will be held on Thursday, December 15, 2005 at 3:00 pm in the Commissioners Room at 1619 Harrison Street. Mr. Gresley said Mr. Richard E. Winnie will be honored at the Reception for his service on the Board. He invited the Commissioners.

On Friday, December 16, 2005, 10:00 am – 3:00 pm, there will be a Special Meeting of the Commission Planning Session at the Waterfront Plaza Hotel, Oakland. Mr. Gresley will be outlining some of the ideas that were discussed with the Committee on the reorganization of the Agency. This Special Meeting will be noticed and packets will be sent out to the Commissioners.

Mr. Gresley showed to the Commissioners a new email newsletter from the local HUD offices for its clients. He directed the Commissioner's attention to Page 5 of the newsletter containing an article promoting the Oakland Housing Authority's Section 8 Homeownership program.

Mr. Gresley does not anticipate needing any meeting in December 2005, other than the Special Meeting on December 16th. The workshop meeting in January 2006 is scheduled for January 11, 2006, and the regular meeting is scheduled for January 23, 2006. The workshop meeting in February 2006 is scheduled for February 8, 2006, and the regular meeting is scheduled for February 27, 2006.

Mr. Gresley informed the Commissioners about a homicide in Lockwood. It involves a domestic dispute between a man and a woman. The woman was seriously injured and the man was fatally stabbed.

Mr. Gresley reported that last Saturday, November 26, 2005, there was a shooting at 3025 MLK, Jr. Way. The shooting appears to have no connection with the Housing Authority.

IX. Reports of Commission Committees

Commissioner Terrazas said that the Reorganization Committee has not met since their report at the last meeting.

Commissioner Lee said that a Closed Session follows this regular meeting for the discussion of the performance of the Executive Director.

X. Announcements by Commissioners

There were none.

XI. Adjournment to Closed Session

Commissioner Pittman moved to adjourn the meeting to a Closed Session. Commissioner Brown seconded and the Board voted unanimous approval.

Closed Session

The Oakland Housing Authority Board of Commissioners convened in Closed Session immediately following the regular meeting. Chair Moses L. Mayne, Jr. presided and called the meeting to order at 8:25 p.m. regarding the following:

- Evaluation of the performance of the Executive Director of the Oakland Housing Authority pursuant to California Government Code §54957.6.

Attendance

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

The Closed Session was adjourned at 9:30 p.m.

Chair

Secretary