

## HOUSING COMMISSION AGENDA

### Regular Meeting: June 11, 2014

Time: 8:00 a.m.

Nidus Court Recreation Room, 2020 Nidus Court, Union City, CA 94587

*The public is welcome at all Housing Commission meetings. If you wish to speak on a matter NOT on the Agenda, please file a Public Comment card with the Commission Clerk. Upon recognition by the Chairperson during Public Comment, state your name, comments and/or questions. Anyone wishing to address the Commission on an agenda item or on business introduced by the Housing Commission may do so when the Chairperson calls for comments on the agenda item. Please be brief and limit your comments to the specific subject under discussion. NOTE: Only matters within the Housing Commission's jurisdiction may be addressed.*

*To allow the opportunity for all to speak, a time limit of 3 minutes has been set for public speakers wishing to address the Housing Commission. The Chairperson has the discretion to further limit this time if warranted by the number of speakers.*

*The Housing Commission Secretary of the Housing Authority of the County of Alameda has, on Thursday, June 5, 2014 duly distributed this Agenda to the Clerk of the Board of Supervisors for posting in the office of the Alameda County Administration Building and has posted it on the bulletin board of the Housing Authority of the County of Alameda.*

**AMERICANS WITH DISABILITIES:** In compliance with the Americans with Disabilities Act, if special assistance to participate in this meeting is needed, please contact the Housing Authority office at (510) 727-8511. Notification at least 48 hours prior to the meeting will enable the Housing Authority to make reasonable arrangements.

		<u>PAGE</u>
<b>1. CALL TO ORDER / ROLL CALL</b>		
<b>2. APPROVAL OF THE MINUTES OF THE MAY 14, 2014 MEETING</b>	<b>ACTION</b>	<b>2</b>
<b>3. PUBLIC COMMENT</b>		
On matters not on the Agenda		
<b>4. NEW BUSINESS</b>		
4-1. Terminate Contract for Emery Glen Re-Siding Project	<b>ACTION</b>	<b>7</b>
4-2. Resolution Approving Contribution to the Alameda County Employees' Retirement Association (ACERA)	<b>ACTION</b>	<b>11</b>
4-3. Resolution Approving Operating Budget for FY 2014-2015	<b>ACTION</b>	<b>14</b>
4-4. Extend Contract with URS Corp for Construction Management Services	<b>ACTION</b>	<b>28</b>
4-5. Appointment of a Nominating Committee for FY2014-2015 Commission Officers	<b>ACTION</b>	<b>29</b>
4-6. Budget Status Report	<b>INFORMATION</b>	<b>30</b>
4-7. Program Activity Report	<b>INFORMATION</b>	<b>33</b>
<b>5. COMMITTEE REPORTS</b>		
<b>6. COMMISSIONER REPORTS</b>		
<b>7. COMMUNICATIONS</b>		
<b>8. ADJOURNMENT</b>		

# **MINUTES**

**May 14, 2014**



**HOUSING COMMISSION MINUTES  
REGULAR MEETING: MAY 14, 2014  
NIDUS RECREATION ROOM, 2020 NIDUS COURT, UNION CITY, CA 94587**

**SUMMARY ACTION MINUTES**

**1. CALL TO ORDER/ROLL CALL**

**Call to Order**

Vice Chairperson Biddle called the meeting to order at 8:05 a.m.

**Roll Call**

Present: Cmr. Biddle, Haddock, Gacoscos, Natarajan, Reed and Steiner

Entered after Roll Call: Cmr. Iosefa

Excused: Cmr. Apodaca, Asher and Cashmere

Absent: Cmr. Gerry and Peixoto

**2. CLOSED SESSION**

*Conference with Legal Counsel – Anticipated Litigation*

*Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9 (one case)*

The Commission adjourned into a closed session at 8:06 a.m. and reconvened in regular session at 8:34 a.m. Chairperson Reed reported that there were no reportable actions taken during the closed session.

**3. APPROVAL OF THE MINUTES OF THE APRIL 9, 2014 COMMISSION MEETING**

Recommendation: Approve the minutes of the April 9, 2014 meeting as presented.

Motion/Second: Natarajan/Biddle.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

**4. PUBLIC COMMENT - On matters not on the agenda.**

Christine Gouig, Executive Director, announced that two of HACA's newly-appointed Part-Time Property Aides were present at the meeting. Nanci Scheevel, Housing Management Leadworker, introduced Paul Hunt and Francis Perez. Mr. Hunt and Mr. Perez greeted the Commission.

**5. NEW BUSINESS**

**5-1. PRESENTATION: RECOGNIZE CAROL ALVES AS HACA'S SHINING STAR FOR MAY-OCTOBER 2014**

Christine Gouig, Executive Director, introduced Carol Alves as HACA's Shining Star for May-October 2014 and Linda Evans, HACA Communications Committee Chairperson, presented the staff report. Ms. Evans read the comments that were submitted by those who nominated Carol. Chairperson Reed thanked Carol for her hard work and Carol expressed her appreciation for the award. The Commission and the public applauded Carol and Chairperson Reed presented her with a certificate.

**5-2. ACTION: AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Cathy Leoncio, Finance Director, presented the staff report. Ms. Leoncio reported that an audit of HACA's financial statements for the fiscal year that ended on June 30, 2013 was conducted by Patel &

Associates. She summarized the audit report, discussed the outcome of the audit, and described the findings and recommendations resulting from the audit.

Recommendation: Accept the audit for the fiscal year ended June 30, 2014.

Commission Discussion: Cmr. Biddle and Ms. Gouig discussed the auditor's recommendations and findings. Cmr. Natarajan commented that housing authorities are doing more work with less funding and she suggested that the Commission sign a letter advocating for regulatory relief. Cmr. Steiner and Ms. Gouig discussed the Moving to Work (MTW) program. Chairperson Reed expressed appreciation to staff for their hard work. Ms. Gouig praised Ms. Leoncio for her expertise in the area of housing authority financial operations.

Motion/Second: Biddle/Natarajan.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

### **5-3. RESOLUTION NO. 04-14 APPROVING AN AMENDMENT TO HACA'S CAPITALIZATION POLICY**

Cathy Leoncio presented the staff report. Ms. Leoncio reported that staff is proposing to amend HACA's Capitalization Policy in order to incorporate provisions for bulk purchases as recommended by HACA's auditors.

Recommendation: Adopt Resolution No. 04-14 approving an amendment to HACA's Capitalization Policy.

Motion/Second: Biddle/Steiner.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

### **5-4. ACTION: ADJUSTMENTS TO MANAGEMENT SALARIES, BENEFITS AND FURLOUGH DAYS**

Christine Gouig presented the staff report. Ms. Gouig reported that the approval of the Memorandum of Understanding (MOU) with SEIU Local 1021 in March contained provisions for the number of furlough days, the thawing of the wage freeze and cost of living adjustments (COLA) for HACA's SEIU represented employees. She explained that the implementation of furlough days, reductions in benefits, and wage and COLA freezes for management employees is done separately from the represented employees and outside of the MOU. Ms. Gouig further reported that she met with HACA's management employees to discuss furlough days, benefit reductions and wage freezes and described the proposed adjustments that the management employees have agreed to.

Recommendation: Approve the proposed adjustments to management salaries, benefits and furlough days.

Public Comment: Patti Maddon, HACA employee, Santos Quintero, SEIU Local 1021, and Cheri Keeling, HACA employee, commented on labor negotiations and medical benefits, and the adjustments to management salaries, benefits and furlough days.

Commission Discussion: Cmr. Natarajan and Ms. Leoncio discussed the difference in cost for the health benefits that HACA offers to its employees. Cmr. Natarajan and Ms. Gouig discussed the survey process that HACA will use to determine and set the COLA for HACA's management employees. Cmr. Gacoscas and Ms. Gouig discussed the number of furlough days that have been implemented for all HACA employees. Cmr. Biddle commented on the proposed adjustments for the management employees and the reduction in HUD funding. Chairperson Reed asked for clarification on the COLA percentage for management employees. Ms. Gouig described the process that HACA will use to determine the percentage for the management COLA adjustments and clarified that the matter before the Commission does not implement the COLA but allows staff to initiate the process for determining the COLA. Cmr. Natarajan commented on the recent negotiations and equity for all HACA employee groups.

Motion/Second: Natarajan/Biddle.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

**5-5. INFORMATION: QUARTERLY INVESTMENT PORTFOLIO FOR THE QUARTER ENDED MARCH 31, 2014**

Cathy Leoncio presented the staff report. Ms. Leoncio summarized HACA's investments for the quarter. She described a new cash management procedure that HUD has implemented and how this new procedure will impact HACA's future investments.

Commission Discussion: Chairperson Reed and Ms. Leoncio discussed HUD's new cash management procedure.

**5-6. INFORMATION: BUDGET STATUS REPORT**

Christine Gouig presented the staff report. Ms. Gouig reported on the projected deficits in the program budgets and provided an update on the status of the federal budget.

**5-7. INFORMATION: PROGRAM ACTIVITY REPORT**

Daniel Taylor, Special Programs Manager, presented the staff report. Mr. Taylor reported FSS staff has received 28 scholarship applications and that staff is currently working on the application for next year's FSS funding.

Commission Discussion: Chairperson Reed and Cmr. Natarajan discussed the Scholarship Committee.

**6. COMMITTEE REPORTS**

None.

**7. COMMISSIONER REPORTS**

Cmr. Biddle announced that the Emerald Vista project, formerly known as Arroyo Vista, was awarded a national award that will be presented in Washington, D.C.

**8. COMMUNICATIONS**

Ms. Gouig informed the Commission about the passing of Michael Hodges, Leasing Services Leadworker, and commented that his passing was a great loss to the agency. She stated that Michael was greatly respected and well-liked in the agency and said that a grief counselor was brought into the office to counsel employees on this loss.

Ms. Gouig described the legislative advocacy work that has been done by the California Association of Housing Authorities (CAHA) and a copy of the briefing paper that CAHA prepared was distributed to the Commission and to the public. Chairperson Reed and Ms. Gouig discussed some of the studies that have been conducted with respect to the homeless. Cmr. Gacoscos and Ms. Gouig discussed pending legislation that could provide additional funding for housing projects for veterans.

**9. ADJOURNMENT**

There being no further business, Chairperson Reed adjourned the meeting at 9:33 a.m.

Respectfully submitted,

---

Christine Gouig  
Executive Director/Housing Commission Secretary

---

Melissa Taesali  
Executive Assistant

**Approved:** 

---

Ursula Reed  
Housing Commission Chairperson

# **NEW BUSINESS**

**June 11, 2014**

## HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

### AGENDA STATEMENT

Meeting: June 11, 2014

Subject: Termination of Agreement with World Priority, LLC

Exhibits Attached: Resolution 05-14

Recommendation: Adopt the Resolution

---

### BACKGROUND

On June 12, 2013, your Commission awarded a contract for \$411,000 to World Priority, LLC, the low bidder, for certain exterior improvements at the 36-unit Emery Glen public housing complex in Emeryville. The work to be done included: the removal of all dry rot on the exterior, installation of a HardieWrap weather barrier and new Hardie vertical panels, the removal and replacement of all unit entry doors and water heater doors, the removal of all single-glazed windows and patio doors and replacement with dual-glazed windows and doors, installation of Hardie Trim Boards around the windows and doors, and installation of new exterior light fixtures, metal building numbers and window blinds for all windows and patio doors. The contractor began work on July 24 and was projected to be completed by October 31, 2013.

### DISCUSSION AND ANALYSIS

Contractor Failure to Perform. Staff has previously reported to your Commission that World Priority, LLC has failed to perform in accordance with the specifications contained in its contract with HACA. The City of Emeryville building department stopped work on the project in October 2013 when an inspector was on site inspecting the work of another contractor and found that World Priority had not pulled the building permit and because it had received complaints about World Priority working on site during non-approved days and hours. World Priority then pulled the permit and the City removed the stop work order on the condition that the contractor only perform dry rot repairs and call for inspections prior to proceeding with any other work. But additional problems surfaced during the City's inspections of the dry rot repair work when it was discovered that instead of removing the dry rot before new Hardie panels were installed the contractor had installed the panels over the dry rot. In addition, the contractor did not correctly install the required building wrap material for moisture protection and did not install the sheet metal flashing required and specified for the panels' installation.

With respect to the windows and patio doors, it was discovered that the contractor hadn't used the required and specified flashing and had installed the trim without installing the required sheet metal flashing. There was no caulking and nails were used that were not corrosion-resistant, resulting in water intrusion in the units, mold and damage to the insulation and sheetrock walls. In addition, the contractor failed to reinstall the patio doors' hardware for re-use so there was no way either to open or close the doors. In most cases, the water heater doors that were replaced were either oversized or undersized, resulting in them not being able to open or close properly.

In terms of compliance with HUD requirements, World Priority did not submit the certified Davis Bacon payroll reports on time. The last certified payroll reports received are dated December 15, 2013, yet the contractor has continued to work. A labor union representative was on site asking workers if they were being paid prevailing wages, to which the workers replied they did not know what prevailing wages were.

The City of Emeryville can require that a water intrusion analysis be done for projects involving exterior siding. Because World Priority didn't pull the permit, it didn't know of this potential requirement. When it became known, HACA staff contracted with Aquatech Consultancy for such an analysis and Aquatech determined that the work, as installed, would result in water intrusion. Staff and the City of Emeryville building department staff met with World Priority and the City directed World Priority to remove 5% of the Hardie panels to determine if intrusion had occurred and indicated that if it had it would require the removal of another 5%. The contractor removed the first 5% and indeed water intrusion had occurred, typically around the new windows and patio doors. The City further directed the contractor to obtain a letter from the window manufacturer (Ply-Gem), on company letterhead, stating that the use of non-corrosion-resistant nails was acceptable and that Ply-Gem would still provide its warranty. World Priority didn't obtain such a letter, instead providing an email that didn't directly address the issue.

Not surprisingly, the residents have complained about the length of time the work has been underway and the water intrusion in their units. Staff has moved one tenant to another property in Emeryville that HACA owns. We retained Sterling Company to undertake Housing Quality Standards inspections of all the units and Forensic Analytical to determine the presence of mold. We are in the process of obtaining quotes for mold clean-up to be done within the next month but much more work will be required (e.g., replacing sheetrock and cabinets and flooring) to completely restore the units.

Termination Process. Staff does not believe that World Priority has demonstrated the capacity to finish the project as specified. County Counsel has notified the contractor's bonding company that we expect it to assume responsibility for correcting and finishing the work in accordance with the specifications. Likewise, she has notified the contractor's insurer that we will be filing a claim for the interior remediation work that will be required.

At this time staff recommends that your Commission terminate the contract with World Priority pursuant to the default provision in the contract, which states in pertinent part as follows:

*"If the Contractor refuses or fails to prosecute the work, or any separable part thereof, with the diligence that will insure its completion within the time specified in this contract, or any extension thereof, or fails to complete said work within this time, the Contracting Officer may, by written notice to the Contractor, terminate the right to proceed with the work... that has been delayed. In this event, the PHA may take over the work and complete it...and may take possession of and use any materials, equipment, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the PHA resulting from the Contractor's refusal or failure to complete the work within the specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the PHA in completing the work."*

Upon your Commission's adoption of the attached resolution terminating the contract staff will work with County Counsel to develop the notice that will be given to World Priority this week.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO. 05-14**

**TERMINATING CONTRACT WITH WORLD PRIORITY, LLC**

**WHEREAS**, on June 12, 2013, the Housing Commission of the Housing Authority of the County of Alameda (hereinafter "HACA") awarded a contract to World Priority, LLC (hereinafter "Contractor"), in the amount of \$411,000 for the installation of exterior siding and certain other improvements at the Emery Glen public housing complex located in the city of Emeryville; and

**WHEREAS**, HACA and Contractor entered into that certain Agreement (hereinafter "Agreement"), dated July 11, 2013, specifying the scope of work to be performed and the timeline for completion; and

**WHEREAS**, Contractor has failed to perform the work as specified in the Agreement beginning with the failure to obtain a building permit, resulting in a stop work notice being placed on the project by the City of Emeryville; and

**WHEREAS**, after Contractor obtained the building permit it continued not to perform its work as specified in the Agreement, including covering dry rot with the exterior siding panels instead of demolition of the dry rot, failure to install the required building wrap material for moisture protection, and failure to install the sheet metal flashing for the siding panels; and

**WHEREAS**, Contractor installed several water heater doors that were either under or oversized, resulting in said doors not being able to open or close properly; and

**WHEREAS**, Contractor further failed to correctly install the windows and patio doors and hadn't used the required and specified flashing and had installed the trim without the sheet metal flashing, did not caulk the joints and used nails that were not corrosion-resistant, all resulting in water intrusion in the living units, mold and damage to the insulation and sheetrock walls; and

**WHEREAS**, as a result of interior water damage HACA has had to move one tenant out of her home, incurring relocation costs, has retained an inspection company to complete a Housing Quality Standards inspection of the units at Emery Glen and has retained an environmental health consultant to inspect for mold, all of which has resulted in unanticipated costs for HACA; and

**WHEREAS**, the Agreement contains General Conditions for Construction Contracts – Public Housing Programs (hereinafter "Conditions"), as required by the U.S. Department of Housing and Urban Development; and

**WHEREAS**, said Conditions contain a provision providing that HACA may, by written notice, terminate the Contractor for default; and

**WHEREAS**, HACA is desirous of terminating the Agreement between HACA and Contractor for the Contractor's failure to perform in accordance with the plans and specifications as detailed in this resolution;

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Commission of the Housing Authority of the County of Alameda does hereby terminate its Agreement with World Priority, LLC.

**BE IT FURTHER RESOLVED** that the Executive Director of the Housing Authority is hereby authorized to sign and issue the appropriate termination notice to World Priority, LLC and to sign and issue any other documents or notices that may be required in connection with such termination.

**PASSED, APPROVED, AND ADOPTED** by the Housing Commission of the Housing Authority of the County of Alameda on this \_\_\_\_\_ day of \_\_\_\_\_ 2014, by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**EXCUSED:**

**ABSENT:**

---

Ursula Reed  
Housing Commission Chairperson

**Attest:**

---

Christine Gouig  
Executive Director/Housing Commission Secretary

**Adopted:**\_\_\_\_\_

## **HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

### **AGENDA STATEMENT**

Meeting: June 11, 2014

Subject: Contribution to Alameda County Employees' Retirement Association (ACERA) for Fiscal Year 2014-2015

Exhibits Attached: Resolution No. 06-14 Approving 401(h) Account Pursuant to Section 31592 of the County Employee Retirement Law (CERL)

Recommendation: Adopt the Resolution

Financial Statement: \$206,193.54 to be included in FY 2014-2015 Budget

---

### **BACKGROUND**

The Housing Authority is a participating employer in the Alameda County Employees' Retirement Association (ACERA). In 1996, ACERA established a health benefits account, called a 401(h) account, to satisfy the requirements of Internal Revenue Code (IRC) Section 401(h) for providing non-vested, tax-free healthcare to the retirees of participating employers.

In 2006, changes to the IRC regulations required that participating employers establish a separate 401(h) sub-account under the overall ACERA account, and make contributions through ACERA designated specifically for healthcare benefits to fund the 401(h) sub-account. To continue providing HACA retirees with non-taxable health benefits, your Commission adopted a resolution in June 2006 (Resolution No. 14-06) that authorized ACERA to establish and manage a 401(h) sub-account on our behalf.

In accordance with Section 31592.4 and Article 5.5 of the CERL, ACERA holds assets in a Supplemental Retirees' Benefits Reserve (SRBR). Once HACA makes its designated 401(h) contribution to ACERA, ACERA will automatically transfer the same amount from the SRBR to HACA's Advance Reserve Account. ACERA has consistently paid supplemental retirement and post-employment health care benefits through the SRBR since 1985.

### **DISCUSSION and ANALYSIS**

Your Commission has authorized HACA's contribution to its 401(h) sub-account every year since 2006. The Segal Company, ACERA's actuary, has determined that HACA's contribution for fiscal year July 1, 2014 – June 30, 2015 is \$206,193.54. ACERA requires that authorization to fund HACA's 401(h) sub-account must be completed by June 30, 2014.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO. 06-14**

**RESOLUTION APPROVING 401(h) ACCOUNT PURSUANT TO SECTION 31592**

**WHEREAS,** in 1996, the Alameda County Employee's Retirement Association ("ACERA") Board of Retirement informed the Board of Supervisors that, by addition of Resolution 96-111, the Board of Retirement had established a health benefits account intended to satisfy the requirements of the Internal Revenue Code ("IRC") Section 401(h) and the regulations thereunder (the "401(h) Account") in order to provide non-vested, tax-free health benefits to eligible County and Participating Employer retirees (collectively, the "Retirees"); and

**WHEREAS,** in 1996, the Board of Supervisors adopted Resolution No. R-96-634, which provided that ACERA could offer such non-taxable benefits if the County designated a portion of its contribution to ACERA for a fiscal year as a contribution to the 401(h) Account; and

**WHEREAS,** under Section 31592.4 and Article 5.5 of the County Employees Retirement Law of 1937 ("CERL"), assets in the Supplemental Retiree Benefit Reserves (the "SRBR") at the end of a fiscal year of ACERA may, in the immediately succeeding fiscal year, be transferred to the Advance Reserves of the Participating Employers, and treated as a contribution to ACERA by the County and as applicable by other Participating Employers to the extent that in the immediately succeeding fiscal year the County and other Participating Employers make contributions to ACERA's 401(h) Account in order to pay for retiree health benefits; and

**WHEREAS,** Section 31592.4 and Article 5.5 of the CERL thus permit the Participating Employers to contribute to a 401(h) Account and pay for retiree health benefits for a fiscal year without increasing the Housing Authority of the County of Alameda's ("Housing Authority") total contributions to ACERA for that fiscal year; and

**WHEREAS,** commencing with the 1996-1997 fiscal year, and for each fiscal year thereafter, the County has directed that a specified portion of its fiscal year contribution to ACERA for that year be contributed to the 401(h) account; and

**WHEREAS,** in 2006 the Housing Authority authorized ACERA to establish and manage a 401(h) sub-account on its behalf to provide tax free health care benefits for its retirees;

**NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:**

1. In fiscal year July 1, 2014 – June 30, 2015, the Housing Authority shall contribute to ACERA \$206,193.54 to be used only for the paying of retiree medical health benefits. This contribution shall be made on the terms and conditions set forth in the Agreement between the Housing Authority and ACERA concerning such contributions, executed on July 25, 2007.
2. This contribution shall be designated, in writing, as being only for the Housing Authority's IRC § 401(h) Account, and such designation shall be made at the time of contribution.

3. Such contribution is contingent on the Board of Retirement immediately transferring, in accordance with Government Code §31592.4, an amount equal to such contribution from ACERA's SRBR account to the Housing Authority's advance reserve account. Such amount shall be treated as a contribution for pension and, therefore, shall be applied to reduce the pension contribution otherwise required by the Housing Authority for the fiscal year beginning July 1, 2014.
4. No party, including any existing or future Housing Authority employee, retiree, spouse, or dependent, shall have any vested rights, contractual rights or other rights in or to any retiree medical benefits or payment or subsidy for any such benefits nor shall any such person or ACERA have any such rights to have the Housing Authority contribute towards paying or subsidizing the cost of any retiree medical benefits provided by ACERA under the 401(h) Account or otherwise. The Housing Authority may modify or terminate, at any time and without any limitation, its decision to contribute to the Housing Authority's 401(h) Account. This modification or termination may occur even if it may affect any employee first hired prior to the date of such modification, any person who retired prior to such date, and/or any person who became a spouse or dependent of an employee or retiree prior to such date.
5. All contributions by the Housing Authority to its 401(h) sub-account shall be governed by requirements of the Internal Revenue Code and all administrative and other applicable rules established by ACERA governing such sub-account and ACERA's 401(h) Account.

**PASSED, APPROVED, AND ADOPTED** by the Housing Commission of the Housing Authority of the County of Alameda on this \_\_\_\_\_ day of \_\_\_\_\_ 2014, by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**EXCUSED:**

**ABSENT:**

---

Ursula Reed  
Housing Commission Chairperson

**Attest:**

---

Christine Gouig  
Executive Director/Housing Commission Secretary

**Adopted:** \_\_\_\_\_

## HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

### AGENDA STATEMENT

Meeting: June 11, 2014

Subject: Operating Budgets for Fiscal Year Ending June 30, 2015

Exhibits Attached:

- Resolution No. 07-14
- HUD-52574 PHA Board Resolution
- Statement of Budgeted Revenues, Expenses and Changes in Net Position FYE June 30, 2015; Supporting Schedules of Expenses

Recommendation: Approve Budgets and Adopt Resolutions

Financial Statement: See below

---

### BACKGROUND

HACA's 2014-2015 fiscal year (FY) will start on July 1, 2014 and end on June 30, 2015. HUD funding, which is provided on a calendar year (CY) basis, is HACA's primary source of income. This requires staff to estimate HUD funding for the second half of our fiscal year.

For CY 2014, the Housing Choice Voucher Program HAP renewal funding is prorated at 99% of renewal needs and the Administrative Fee at 75% of fee eligibility. For Public Housing, funding for the Operating Subsidy is prorated at 89% of eligibility and funding for the Capital Fund is 5% higher than in 2013. The FY 2014-2015 budget assumes these same funding levels for the second half of the fiscal year, although Congress is still debating the FY 2015 HUD budget so the actual amounts aren't yet known.

On April 9, 2014, your Commission approved a successor Memorandum of Understanding (MOU) with SEIU Local 1021, which expires on June 4, 2015. Staff prepared the budgets to reflect the costs of the MOU and management agreements.

Your Commission's Budget/Audit/Negotiations Committee met on May 22, 2014 and reviewed the proposed budgets in detail. The Committee recommends that your Commission approve the budgets as presented.

### DISCUSSION and ANALYSIS

A summary of five program budgets is presented--one each for the Housing Choice Voucher Program, the Public Housing Program, the Housing Development Fund, Park Terrace and Ocean Avenue. An agency-wide summary of changes to net assets is provided as well. Key assumptions and facts are shown under each program below, in bulleted form.

#### Housing Choice Voucher (HCV) Program

At its April 2014 meeting, the board of directors of Preserving Alameda County Housing, Inc. (PACH) approved a grant of \$350,000 to HACA. HACA's HCV budget projects an operating loss of \$630,077 prior to the PACH grant and \$280,077 after. This loss will be covered by the projected HCV operating reserve balance of \$1.9 million.

## Income

- HACA's current actual Housing Assistance Payment (HAP) per unit cost is \$1,075 per month and the proposed budget assumes an annual average 99% lease-up rate. HAP is 100% federally funded by HUD, so any reductions to this funding will have an impact on the families in our HCV program and on our agency's fiscal health.

CY 2014 HAP funding is significantly higher than the previous year when sequestration was applied. At this time, the HAP funding formula for 2015 is unknown. To adhere to our targeted 99% lease up level, HACA will most likely continue to use our Net Restricted Position (formerly known as Net Restricted Assets or HAP reserves). The Net Restricted Position at the beginning of the budget year is projected to be \$4.8 million. By law, neither this nor HAP funding can be used for operating or administrative costs and are restricted to rental subsidy payments only.

- HUD compensates housing authorities for the cost of administering the HCV program through Administrative Fees. Section 8 Administrative Fees are the main source of funding to cover operating costs and are paid on the basis of the number of units leased as of the first day of each month. Each housing authority's eligibility is pro-rated, if needed, to ensure that fees paid do not exceed the funds appropriated by Congress. Due to proration, income from HCV program Administrative Fees is set at 75% of eligibility for the first six months of the fiscal year (July to December 2014) and staff is projecting 75% for the balance of the fiscal year (January to June 2015). If the proration for CY 2015 is less than 75% and/or the number of units leased is less than 99%, our Administrative Fees will be reduced accordingly.
- Other fees earned include: modest fees to administer the CHOICES/FACT, Moderate Rehabilitation and Shelter Plus Care programs and portability fees. The projection for our incoming portability reflects an average of 1,305 contracts that we will bill to other housing authorities (primarily Oakland). We earn only 80% of the prorated Administrative Fees for these contracts. The average fee used in the budget is \$61 per portability unit per month, which is \$16 less per unit than what we earn for our own voucher contracts. There are a few voucher holders (average of 150) of our own that move into other housing authorities' jurisdictions.
- Other income includes the HUD grant for the FSS Program, investment income and the fraud recovery income which, per HUD regulations, is split 50/50 between HACA and HUD.
- The budget reflects the PACH grant of \$350,000 from its reserve funds to offset HACA operating expenses.
- Total overall income increased by 6%.

## Expenses

- Indirect costs associated with more than one program are allocated using the 'percentage of total program unit' method.

- The budget includes the costs of implementing the terms of the MOU (expiring June 4, 2015) as well as the agreement with management.
- Employee benefits are budgeted at 52% of salaries. The budget assumes that health care premiums will increase by about 4% as they did in the previous year. It also assumes a 1% increase in the ACERA employer retirement contribution.
- Total administrative cost is 2% more than what was budgeted last fiscal year primarily due to increases in office building expense upon return to the Atherton building, staff training and annual service and maintenance contracts.
- General expenses increased by 10% primarily due to higher employee salaries on which workers' compensation insurance is based.
- Total overall expenses increased by 4%.

### **Public Housing (PH) Program**

The PH Program projects a loss of \$129,052 to be covered by the projected operating reserve balance of \$1.3 million.

#### Income

- Rental income for the remaining 72 PH units is projected at a 94% occupancy rate at an average tenant rent of \$430.
- HUD provides Operating Subsidy on a calendar year basis. Operating Subsidy is determined by formula calculation and is supposed to cover the difference between tenant paid rents and the cost to operate the PH units such as employee salaries and benefits, utilities, maintenance expenses and general costs. Funding is prorated if needed to ensure that funds granted do not exceed the funds appropriated by Congress. The CY 2014 Operating Subsidy was funded at 89% of formula eligibility and the budget as presented reflects that same level for the fiscal year.
- In lieu of Operating Subsidy for disposed of units, HUD provides, for two years, an asset repositioning fee (ARF) to supplement the costs associated with the administration and management of the disposition effort, tenant relocation, and closing down a project. HACA will receive its last year of ARF for the disposition of the 100 Nidus/Dyer units during the 2014-2015 fiscal year.
- HUD provides a Capital Fund grant on a calendar basis. The Capital Fund grant is for capital and management activities, including rehabilitation, renovation and development of public housing. It is determined by formula calculation. The CY 2014 funding is 5% higher than the previous year. For CY 2015, the grant is assumed to be the same as in 2014.
- Other income includes miscellaneous income from tenant maintenance charges, sundry laundry and cable commissions, investment income and property and management fees.
- Total income increased by 3%.

## Expenses

- The budget assumes cost allocation for staff based on the percentage of PH units to total units owned and managed.
- Administrative expense increased from last year due to higher anticipated legal fees, possible relocation costs and an estimated cost for a physical needs assessment study of the units.
- As in the previous year, expenses now include the Mission Blvd. building expenses. The maintenance services expense includes repair contracts to address routine and turnover maintenance. Most expenses decreased with the exception of repair contracts to address contracting costs associated with the Emery Glen siding project issue.
- Costs associated with repair of the interiors of the Emery Glen units are estimated to be \$250,000 but these should be covered by the contractor's insurer.
- Total expenses decreased by 1%.

## **Housing Development Fund, Park Terrace, and Ocean Avenue**

- HACA maintains a Housing Development (Local) Fund for low-income housing development and rehabilitation and management improvements. Its budget projects a loss of \$74,550. The projected reserve balance at the beginning of the budget year is \$11.1 million. The budget assumes that there will be income earned and expenses incurred when staff moves back to our main office building, which the Local Fund owns. There is approximately \$2.2 million of unspent reserve (capital expenditure) that your Commission previously approved for the Atherton remodel project. Unknown at this time is the replacement cost of the housing software.
- Park Terrace consists of nine units in the City of Hayward that are non-HUD assisted and rented to low income families. Park Terrace's budget projects an income of \$44,827. The projected reserve balance at the beginning of the budget year is \$1.1 million.
- Ocean Avenue consists of six units in the City of Emeryville that are non-HUD assisted and rented to low income families. Ocean Avenue's budget projects an income of \$8,691. The projected reserve balance at the beginning of the budget year is \$215,179.

Staff recommends that your Commission adopt the Resolution approving the proposed budget for the fiscal year ending June 30, 2015.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO. 07-14**

**RESOLUTION APPROVING THE OPERATING BUDGET FOR  
JULY 1, 2014 – JUNE 30, 2015 FISCAL YEAR**

**WHEREAS**, the Housing Authority of the County of Alameda operates on a July 1 – June 30 fiscal year and HUD funding is on a calendar year; and

**WHEREAS**, operating budgets for the Housing Authority's various programs must be adopted prior to the beginning of the fiscal year July 1, 2014 – June 30, 2015; and

**WHEREAS**, the Commission's Budget/Audit/Negotiations Committee has reviewed the proposed budgets developed by staff and recommends approval; and

**WHEREAS**, the fiscal year 2015 has continuing challenges including reduced funding, rising costs of operations and the uncertainty of future federal funding; and

**WHEREAS**, the budgets may require a revision once major income and expense uncertainties become known;

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Commission does hereby approve the proposed budgets, budgeted positions and supporting schedules for the various programs as presented.

**PASSED, APPROVED AND ADOPTED** by the Housing Commission of the Housing Authority of the County of Alameda on this \_\_\_\_\_ day of \_\_\_\_\_ 2014 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**EXCUSED:**

**ABSENT:**

**Attest:**

\_\_\_\_\_  
Ursula Reed  
Housing Commission Chairperson

\_\_\_\_\_  
Christine Gouig  
Executive Director/Housing Commission Secretary

**Adopted:** \_\_\_\_\_

**PHA Board Resolution**  
**Approving Operating Budget**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing -  
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026  
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority of Alameda County

PHA Code: CA067

PHA Fiscal Year Beginning: July 1, 2014

Board Resolution Number: 07-14

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

☒ Operating Budget approved by Board resolution on:

06/11/2014

☐ Operating Budget submitted to HUD, if applicable, on:

☐ Operating Budget revision approved by Board resolution on:

☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
---------------------------------	------------	-------

Previous editions are obsolete

form HUD-52574 (04/2013)

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
BUDGET STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

	Housing Choice Voucher		Low Rent Public Housing		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015
<b>Housing Assistance Payments (HAP)</b>												
HUD PHA grants-HAP	73,858,068	81,185,710									73,858,068	81,185,710
HAP expense	77,017,922	79,605,900									77,017,922	79,605,900
Addition to/(Use of) Reserves	(3,159,854)	1,579,810									(3,159,854)	1,579,810
Estimated Net Restricted Asset (NRA) balance at 7/1/14		4,800,000									-	4,800,000
Estimated Net Restricted Asset (NRA) balance at 6/30/15		6,379,810									-	6,379,810
<b>Operating Income</b>												
Rental revenue - tenants	-	-	390,545	349,229	-	143,000	134,496	136,340	70,920	73,577	595,961	702,146
Other revenue -tenants	-	-	5,000	5,000	-	-	300	300	500	500	5,800	5,800
HUD PHA grants	6,582,930	6,697,025	391,211	337,398	-	-	-	-	-	-	6,974,141	7,034,423
Capital Fund grants	-	-	29,560	204,000	-	-	-	-	-	-	29,560	204,000
Other revenue	346,000	346,000	66,250	66,250	5,000	5,000	-	-	500	500	417,750	417,750
Other grant (PACH)	-	350,000									-	350,000
Mission Blvd office-net income	-	-	46,688	-	-	-	-	-			46,688	-
Investment income	3,600	1,680	2,200	665	38,000	20,000	935	606	660	131	45,395	23,082
<b>Total</b>	<b>6,932,530</b>	<b>7,394,705</b>	<b>931,454</b>	<b>962,542</b>	<b>43,000</b>	<b>168,000</b>	<b>135,731</b>	<b>137,246</b>	<b>72,580</b>	<b>74,708</b>	<b>8,115,295</b>	<b>8,737,201</b>
<b>Operating Expenses</b>		6%		3%		74%		1%		3%		7%
Administrative salaries	(3,857,494)	(4,035,794)	(226,217)	(209,968)	-	-	-	-	-	-	(4,083,711)	(4,245,762)
Administrative expenses	(1,313,499)	(1,337,122)	(28,830)	(96,513)	(44,750)	(44,750)	(37,056)	(39,631)	(27,204)	(31,254)	(1,451,339)	(1,549,270)
Tenant service	-	-	(13,000)	(13,000)	-	-	-	-	-	-	(13,000)	(13,000)
Utilities	-	-	(96,881)	(96,881)	-	(45,500)	(500)	(500)	(8,690)	(7,663)	(106,071)	(150,544)
Maintenance salaries	-	-	(69,983)	(70,822)	-	-	-	-	-	-	(69,983)	(70,822)
Maintenance services	-	-	(420,760)	(402,738)	-	(73,000)	(49,588)	(49,588)	(21,500)	(25,600)	(491,848)	(550,926)
General expenses	(182,340)	(203,253)	(72,448)	(55,661)	-	(79,300)	(2,700)	(2,700)	(1,300)	(1,500)	(258,788)	(342,414)
Employee benefits	(2,005,896)	(2,098,613)	(154,024)	(146,011)	-	-	-	-	-	-	(2,159,920)	(2,244,624)
<b>Total</b>	<b>(7,359,229)</b>	<b>(7,674,782)</b>	<b>(1,082,143)</b>	<b>(1,091,594)</b>	<b>(44,750)</b>	<b>(242,550)</b>	<b>(89,844)</b>	<b>(92,419)</b>	<b>(58,694)</b>	<b>(66,017)</b>	<b>(8,634,660)</b>	<b>(9,167,362)</b>
		4%		1%		82%		3%		11%		6%
<b>Budgeted Income (Loss)</b>	<b>(426,699)</b>	<b>(280,077)</b>	<b>(150,689)</b>	<b>(129,052)</b>	<b>87,750</b>	<b>(74,550)</b>	<b>45,887</b>	<b>44,827</b>	<b>13,886</b>	<b>8,691</b>	<b>(519,365)</b>	<b>(430,161)</b>
Unrestricted Net Position - est. beginning balance at 7/1/2014		1,911,413		1,296,412		11,122,814		1,065,666		215,179		15,611,484
Unrestricted Net Position - budgeted bal. at 6/30/15		1,631,336		1,167,360		11,048,264		1,110,493		223,870		15,181,323
Unexpended portion of previously approved use of reserves:												
Office building remodel					3,898,566	2,175,236						

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
Budgeted Positions  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Classification	Full-Time Equivalent (FTE)	Monthly Salary Range	
		Minimum	Maximum/Control
Account Specialist	5	\$3,701	\$4,398
Accountant	1	\$5,502	\$7,425
Administrative Clerk *	11	\$3,539	\$4,191
Deputy Director for Programs	1	\$8,794	\$11,871
Deputy Director for Operations ***	1	\$8,538	\$11,525
Eligibility Leadworker	2	\$4,360	\$5,234
Eligibility Technician	15	\$3,924	\$4,663
Executive Assistant	1	\$4,516	\$6,096
Executive Director	1	\$10,711	\$14,463
Finance Director	1	\$8,370	\$11,299
FSS Coordinator	3	\$4,175	\$5,007
FSS Leadworker (HO/FSS)	1	\$4,592	\$5,507
Housing Inspector	2	\$4,042	\$4,848
Housing Management Assistant	1	\$4,175	\$5,007
Housing Management Leadworker	1	\$5,339	\$6,555
Housing Specialist	8	\$4,637	\$5,564
Human Resources Analyst	1	\$5,637	\$7,612
Information Technology Manager	1	\$7,966	\$10,753
Leasing Services Leadworker	2	\$5,003	\$6,073
Maintenance & Modernization Manager	1	\$6,376	\$8,609
Maintenance Worker II	3	\$5,254	\$5,386
Network Administrator	1	\$5,778	\$7,801
Procurement Analyst	1	\$5,106	\$6,893
Program Integrity Officer	1	**	
Programs Manager	1	\$7,505	\$10,133
Property Aide (Part Time)	4		
Secretary	1	\$3,624	\$4,414
Senior Administrative Analyst	1	\$6,221	\$8,403
Special Programs Manager	1	\$6,635	\$8,958
<b>Total</b>	<b>74</b>		

\*One position is on a hiring freeze and another is less than full-time.

\*\*Service contract with the Alameda County District Attorney's office.

\*\*\*Service contract with Appleone Employment Services for 36 hrs. per week for 14 weeks.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
Schedule of Administrative Expenses  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Administrative Expenses	Housing Choice Voucher		Low Rent Public Housing		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015
Legal Fees	60,000	60,000	2,744	50,000					2,000	2,000	64,744	112,000
Staff Training	14,400	27,400	103	0							14,503	27,400
Mileage Payments	8,000	8,000	4,172	1,681							12,172	9,681
Conference Travel	16,857	20,894									16,857	20,894
Auditing Fees	21,000	21,000	2,266	2,493							23,266	23,493
Office Bldg. Expenses	84,000	143,000									84,000	143,000
Office Supplies	65,000	55,000	1,228	989							66,228	55,989
Copier expense	10,000	10,000									10,000	10,000
Non-Cap Furn & Eqpt	3,000	3,000	175	-							3,175	3,000
Admin. Vehicles	15,000	16,000									15,000	16,000
Publications-	15,000	15,000	-	-							15,000	15,000
Recruitment exp	5,000	5,000									5,000	5,000
Membership Dues	27,000	27,000	-	-							27,000	27,000
Telephone	30,000	30,000	1,247	828							31,247	30,828
Contract/Consultant Svcs	465,465	452,404	73	12,710			1,000	3,575		4,050	466,538	472,739
Computer Software Svcs	149,869	190,942	2,559	1,868							152,428	192,810
Computer svcs-disaster	6,504	4,524									6,504	4,524
Non-Cap Furn & Eqpt-MIS	94,493	37,315									94,493	37,315
Leases or Rentals	12,000	12,000	1,816	1,440							13,816	13,440
Equipment Maintenance	13,000	13,000									13,000	13,000
Postage	106,022	106,022	1,000	1,000							107,022	107,022
Printing	52,821	52,821	981	171							53,802	52,992
Commission Meetings	6,600	6,600	1,100	807							7,700	7,407
Miscellaneous	7,200	7,200	9,366	22,525	32,000	32,000	500	500	1,500	1,500	50,566	63,725
Wait List Expense	25,268	13,000	-	-							25,268	13,000
			-								-	-
Scholarship expense					12,750	12,750					12,750	12,750
Fee for service					-	-	35,556	35,556	23,704	23,704	59,260	59,260
TOTAL	1,313,499	1,337,122	28,830	96,512	44,750	44,750	37,056	39,631	27,204	31,254	1,451,339	1,549,269
		2%		70%		0%		6%		13%		6%

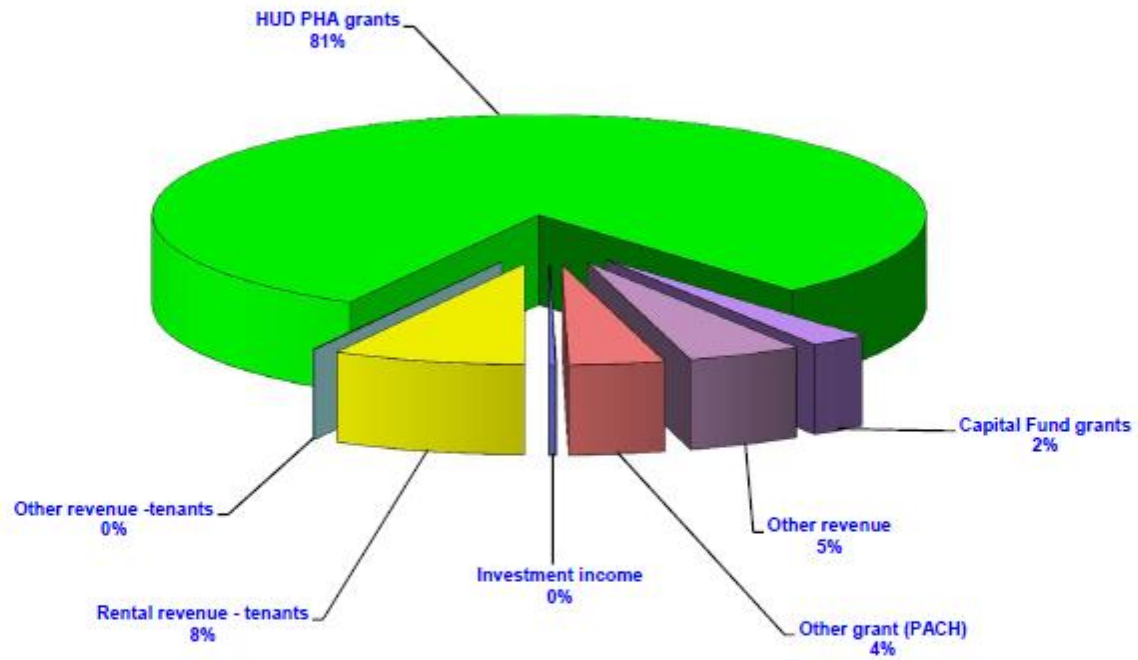
HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
Schedule of Maintenance Expenses  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

Maintenance Expenses	Housing Choice Voucher		Low Rent Public Housing		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015
Materials												
Grounds & Gardening			-	-							-	-
Paint & Supplies			2,068	2,068							2,068	2,068
Repair Parts			25,735	25,735			1,000	1,000	500	500	27,235	27,235
Appliances & Fixtures			20,087	10,000			2,388	2,388	1,500	1,700	23,975	14,088
Locks and Keys			2,676	4,100						600	2,676	4,700
Miscellaneous			1,374	2,000							1,374	2,000
Maintenance & Contracts												
Vehicles			1,580	1,580							1,580	1,580
Garbage Service			60,214	50,000	-	8,000			1,300	1,300	61,514	59,300
Repair Contractors			243,876	243,876	-	21,000	10,000	10,000	15,000	17,500	268,876	292,376
Communications			-	-							-	-
Equipment Repair/Rental			511	511							511	511
Window Coverings			2,840	2,840			1,200	1,200	1,000	1,000	5,040	5,040
Condo Fees			-	-			35,000	35,000			35,000	35,000
Landscape Services			39,027	39,027	-	9,000			1,200	2,000	40,227	50,027
Maintenance Shop			20,772	21,000							20,772	21,000
Miscellaneous			-	-	-	35,000			1,000	1,000	1,000	36,000
TOTAL	-	-	420,760	402,737	-	73,000	49,588	49,588	21,500	25,600	491,848	550,925
				-4%		100%		0%		16%		11%

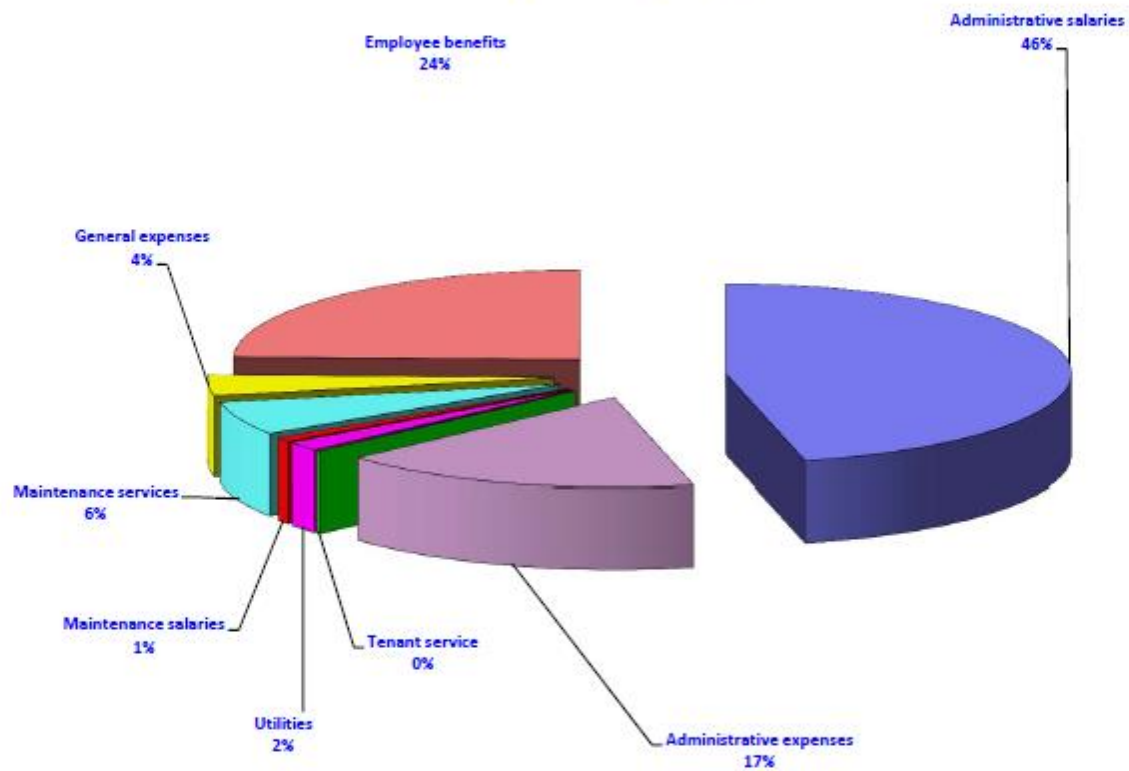
HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
Schedule of General Expenses  
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

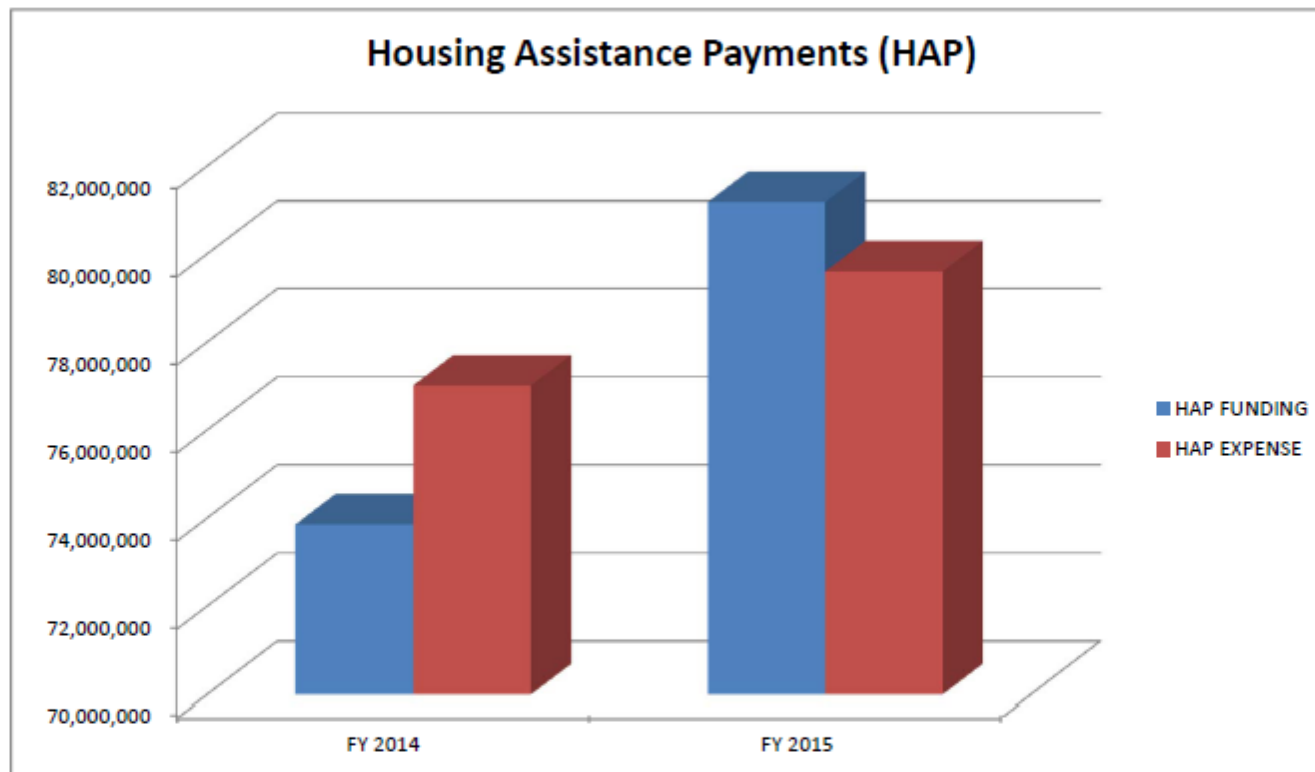
General Expenses	Housing Choice Voucher		Low Rent Public Housing		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015	Approved 2014	Proposed 2015
General Liability Insurance	30,000	30,000	-	-							30,000	30,000
Auto Insurance	5,000	5,000	1,500	1,800			200	200			6,700	7,000
Worker's Compensation	120,340	141,253	27,081	12,626							147,421	153,879
Unemployment	27,000	27,000	3,000	3,000							30,000	30,000
Property Insurance	-	-	9,500	11,000	-	3,200	1,500	1,500	1,300	1,500	12,300	17,200
Payment in Lieu of Taxes			29,366	25,235							29,366	25,235
Collection Loss			1,000	1,000							1,000	1,000
Miscellaneous			1,000	1,000	-	70,000	1,000	1,000			2,000	72,000
Property Mgmt Fee						6,100						
TOTAL	182,340	203,253	72,447	55,661	-	79,300	2,700	2,700	1,300	1,500	258,787	336,314
		10%		-30%		100%		0%		13%		23%

### Operating Income



## Operating Expenses





## **HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

### **AGENDA STATEMENT**

Meeting: June 11, 2014

Subject: Amendment to Contract with URS Corporation for Construction Management Services for the Office Renovation Project

Exhibits Attached: None

Recommendation: Amend contract with URS Corporation for an additional amount not to exceed \$70,000

Financial Statement: Authorize \$ 70,000 from the Local Fund

---

### **BACKGROUND**

At the January 2009 Housing Commission meeting, your Commission awarded a contract to URS Corporation for construction management services for the Housing Authority Office Renovation project. You authorized staff to negotiate a contract with URS with an estimated amount of \$315,000. The total amount of the current contract is \$322,076.

Because the office remodel project was bid twice, there was some necessary duplication in work on the part of URS. URS assisted staff by providing two independent cost estimates. It attended two mandatory pre-bid conferences and coordinated the responses to bidders during both bidding processes. It also prepared two cost analyses and helped pare down the project cost between the bidding periods to insure that the second bid would come in at an acceptable amount. Staff projects that this additional work will ultimately result in there being a shortfall in the URS contract as the project approaches completion.

### **DISCUSSION AND ANALYSIS**

URS has provided outstanding services to HACA in getting the office remodel project back out to bid, in getting a bid at an acceptable amount, and in managing the work to keep it on schedule and within budget. Your Commission awarded the construction contract to Sausal Corporation in an amount not to exceed \$5,096,410. To date, the construction costs, including change orders, are \$4,782,291. It is likely that the project will be completed under the not-to-exceed limit, due in large part to the work of URS.

URS bills HACA in arrears. Through the end of March, HACA has paid URS \$232,327, leaving an approximate \$89,748 balance in the contract. Construction is anticipated through October 2014, so seven months of services are yet to be billed.

Staff requests that an additional amount, not to exceed \$70,000, be added to the URS contract. We do not anticipate reaching this amount but since construction will likely continue for another five months, there may yet be some unforeseen conditions. This would make the amended contract amount not to exceed \$402,076. Funding will come from HACA's Local Fund.

## **HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

### **AGENDA STATEMENT**

Meeting: June 11, 2014

Subject: Nominating Committee for Officers

Exhibits Attached: None

Recommendation: Appoint a Nominating Committee

---

### **DISCUSSION AND ANALYSIS**

Your Commission must appoint a Nominating Committee to select candidates for the positions of Chairperson and Vice-Chairperson. The current Chairperson is Ursula Reed and Don Biddle is the Vice-Chairperson. While the Bylaws stipulate that the Chairperson can serve no more than two (2) successive full terms, they do not specify the number of terms the Vice-Chairperson can serve. Chairperson Reed has served two successive terms.

At the July meeting, the Nominating Committee will be asked to present the candidates it has selected and an election will be held. The newly-appointed officers will take office immediately and the new Chairperson will chair the July meeting.

# **BUDGET STATUS**

## **REPORT**

**Housing Authority of Alameda County**  
**HOUSING CHOICE VOUCHER**  
**Administrative Budget Status Report FYE 2013-2014**  
**April 2014**

<b>FY 2014 - HCV OPERATING BUDGET</b>	<b>Budgeted @ 4/30/2014</b>	<b>Actual @ 4/30/2014</b>	<b>OVER (UNDER)</b>	<b>PROJECTED TO 6/30/14</b>	<b>SCH. NO.</b>	<b>2013 BUDGET</b>	<b>2014 BUDGET</b>	<b>DIFFERENCE</b>
<b>INCOME</b>								
Investment Income	3,000	1,568	(1,432)	1,882	A1	3,600	3,600	0
Misc. Income	288,333	292,343	4,010	334,419	A1	208,000	346,000	138,000
Administrative Fee Income	5,485,775	5,242,249	(243,526)	6,397,196	A	6,905,311	6,582,930	(322,381)
<b>TOTAL INCOME</b>	<b>5,777,108</b>	<b>5,536,161</b>	<b>(240,948)</b>	<b>6,733,497</b>		<b>7,116,911</b>	<b>6,932,530</b>	<b>(184,381)</b>
<b>EXPENSES</b>								
Administration								
Salaries	(3,214,578)	(3,085,974)	128,604	(3,647,061)	B-1& 2	(4,362,145)	(3,857,494)	504,651
Other Admin.	(1,094,582)	(1,032,489)	62,094	(1,238,986)	C-1&2	(1,161,477)	(1,313,499)	(152,022)
Total	(4,309,161)	(4,118,463)	190,698	(4,886,047)		(5,523,622)	(5,170,993)	352,629
General								
Insurance	(151,950)	(114,097)	37,852	(136,917)	E	(201,590)	(182,340)	19,250
Employee Benefits	(1,671,581)	(1,718,681)	(47,101)	(2,062,418)		(2,224,694)	(2,005,897)	218,797
Miscellaneous	0	0	0	0		0	0	0
Total	(1,823,531)	(1,832,779)	(9,248)	(2,199,335)		(2,426,284)	(2,188,237)	238,047
Total Routine Expenses	(6,132,691)	(5,951,242)	181,449	(7,085,382)		(7,949,906)	(7,359,229)	590,676
Capital Expenditures	0	0	0	0	D2	0	0	0
<b>TOTAL EXPENSES</b>	<b>(6,132,691)</b>	<b>(5,951,242)</b>	<b>181,449</b>	<b>(7,085,382)</b>		<b>(7,949,906)</b>	<b>(7,359,229)</b>	<b>590,676</b>
Income (Deficit) Unfunded 2012 FSS (1/2 year) - Use of Reserve						(158,607)		
Income (Deficit) UNSPECIFIED BUDGET REDUCTION						(674,387)	(426,699)	
<b>NET INCOME (DEFICIT)</b>	<b>(355,583)</b>	<b>(415,081)</b>	<b>(59,498)</b>	<b>(351,884)</b>		<b>(832,994)</b>	<b>(426,699)</b>	<b>406,295</b>

Unrestricted Net Assets @ 6/30/13  
Projected Income (Deficit) @ 6/30/14  
Projected Unrestricted Net Assets @ 6/30/14

\$ 2,478,875  
**(351,884)**  
\$ 2,126,991

**Housing Authority of Alameda County**  
**PUBLIC HOUSING**  
**Budget Status Report FYE 2013-2014**  
**April 2014**

FY 2014 - PH OPERATING BUDGET	YTD BUDGET 4/30/2014	YTD ACTUALS 4/30/14	OVER/ (UNDER) BUDGET	Projected to 6/30/14	SCH. NO.	2013 BUDGET	2014 BUDGET	Difference
<b>INCOME</b>								
Dwelling Rentals	325,454	270,323	(55,131)	324,388	A-1	533,610	390,545	(143,065)
Office Rental (Mission Blvd-net)	38,907	0	(38,907)	0	A	0	46,688	46,688
Investment Income	1,833	1,138	(695)	1,365	A	2,200	2,200	0
Misc. Income	59,375	68,111	8,736	81,733	A-1	135,764	71,250	(64,514)
Transfer of Reserves from Ocean Ave				0		500,000		(500,000)
Operating Subsidy	171,645	446,735	275,088	205,974	A-1	380,579	205,974	(174,605)
Asset Reposition Fee	154,364	0	(154,364)	185,237	A-1	199,020	185,237	(13,783)
Capital Grant	24,633	0	(24,633)	29,559	A-1	258,378	29,559	(228,819)
<b>TOTAL INCOME</b>	<b>776,212</b>	<b>786,306</b>	<b>10,093</b>	<b>828,256</b>		<b>2,009,551</b>	<b>931,454</b>	<b>(1,078,096)</b>
<b>EXPENSES</b>								
Administration					B-1&2			
Salaries	(188,514)	(182,985)	5,529	(216,255)		(233,093)	(226,217)	6,876
Other Admin.	(24,025)	(42,527)	(18,502)	(51,032)	C-1	(116,368)	(28,830)	87,538
Total	(212,539)	(225,512)	(12,973)	(267,287)		(349,461)	(255,047)	94,414
Tenant Services								
Resident Managers	(4,583)	(1,050)	3,533	(5,500)		(5,500)	(5,500)	0
Recreation	(6,250)	0	6,250	(7,500)		(7,500)	(7,500)	0
Total	(10,833)	(1,050)	9,783	(13,000)		(13,000)	(13,000)	0
Utilities								
Water	(41,734)	(29,333)	12,401	(35,199)		(74,000)	(50,081)	23,919
Electricity	(15,833)	(11,045)	4,789	(13,254)		(19,000)	(19,000)	0
Gas	(1,167)	(1,162)	5	(1,395)		(2,600)	(1,400)	1,200
Sewage	(22,000)	(11,629)	10,371	(13,955)		(47,600)	(26,400)	21,200
Total	(80,734)	(53,169)	27,567	(63,803)		(143,199)	(96,881)	46,318
Maintenance					B-2			
Salaries	(58,319)	(60,822)	(2,502)	(71,880)		(69,983)	(69,983)	(0)
Materials	(43,285)	(21,385)	21,900	(25,662)	D	(63,960)	(51,942)	12,018
Contract Costs	(307,348)	(406,727)	(99,379)	(338,072)	D	(594,158)	(368,818)	225,340
Total	(408,953)	(488,934)	(79,981)	(435,615)		(728,101)	(490,743)	237,357
General					E			
Insurance	(34,235)	(27,241)	6,995	(32,689)		(80,712)	(41,081)	39,631
Tax-In Lieu Of	(24,472)	(24,471)	1	(29,366)		(39,041)	(29,366)	9,675
Employee Benefits	(128,353)	(75,773)	52,580	(90,928)		(154,569)	(154,024)	545
Collection Loss	(833)	0	833	0		(1,000)	(1,000)	0
Miscellaneous	(833)	(4,726)	(3,893)	(5,671)		(1,000)	(1,000)	0
Total	(188,727)	(132,211)	56,517	(158,653)		(276,322)	(226,472)	49,850
Total Routine Expenses	(901,786)	(900,876)	912	(938,358)		(1,510,083)	(1,082,143)	427,940
Capital Expenditure-exterior renovation of Emery Glen						(500,000)		500,000
<b>TOTAL EXPENSES</b>	<b>(901,786)</b>	<b>(900,876)</b>	<b>912</b>	<b>(938,358)</b>		<b>(2,010,083)</b>	<b>(1,082,143)</b>	<b>927,940</b>
<b>NET INCOME (DEFICIT)</b>	<b>(125,574)</b>	<b>(114,569)</b>	<b>11,006</b>	<b>(110,102)</b>		<b>(533)</b>	<b>(150,689)</b>	<b>(150,156)</b>

Unrestricted Net Assets @ 6/30/13  
Projected Income/(Deficit) @ 6/30/14  
Projected Unrestricted Net Assets @ 6/30/14

\$1,378,834  
(110,102)  
\$1,268,732

# **PROGRAM ACTIVITY**

## **REPORT**

## HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

### AGENDA STATEMENT

Meeting: June 11, 2014

Subject: Programs Activity Report

Exhibits Attached: Section 8 Contract Report; Section 8 Average Contract Rent Report; Fraud Payments Report; Landlord Rental Listing Report; FSS Program Monthly Report

Recommendation: Receive Report

Financial Statement: None

---

#### **SECTION 8 HOUSING CHOICE VOUCHERS**

- **Lease-Up:** As of June 1, 2014, the Section 8 Housing Choice Voucher program had 6,106 units under contract. The fiscal year-to-date lease-up average is 99.12% units. The budget authority use average through April 2014 is 104.4%.
- **Program Utilization:** As of June 1, 2014, the average HAP subsidy was \$1,042 and the average tenant-paid rent portion was \$418 for an average Contract Rent of \$1,460.
  - ❖ As of June 1, 2014, HACA had 142 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
  - ❖ As of June 1, 2014, HACA billed other housing authorities, primarily the Oakland Housing Authority, for 1,135 incoming portability contracts. HACA receives only 80% of the HUD-authorized Administrative Fee for billed incoming portability contracts.
- **Section 8 Contract Report:** A copy of the Contract Report is attached.
- **Fraud / Debt Recovery:** HACA retained \$5,502.24 in fraud and debt recovery payments for the month of April 2014. A total of \$20,280.36 was retained over the last six months.
- **Landlord Rental Listings:** As of June 2, 2014, there were 1,643 landlords with properties in HACA's jurisdiction utilizing the *GoSection8* rental listing service. There were no new landlords added to the Section 8 program this month. There were 4 active properties listed as of June 2, 2014.

#### **FAMILY SELF SUFFICIENCY (FSS)**

The FSS Department has had a busy month. The Department is half way to its goal of 200 participants for the FSS study. Two orientations are scheduled this month in order to continue to increase the number of participants in the study. Additionally, the FSS Department took

advantage of a visit from the Alameda County Registrar of Voters to provide information to Section 8 participants about the FSS program and solicit interest.

The FSS Department held a workshop on budgeting and checking account fundamentals that was well received. The presenter, a representative of Safe America Credit Union, even acknowledged that she learned some financial secrets from FSS participants.

The FSS Department met with its Program Coordinating Committee (PCC) last month. The PCC assists HACA in securing commitments of public and private resources for the operation of the FSS program. At last month's meeting the PCC provided staff with valuable information and suggestions to increase program performance and participant outcomes.

Last month we told you that the FSS Department would submit our application in response to HUD's Notice of Funding Availability for FSS Program Coordinators. HACA successfully submitted the application, which is now under HUD review. We anticipate that award announcements will be made by September 30, 2014.

#### **PUBLIC HOUSING**

- **Occupancy:** As of June 1, 2014, the Public Housing program had 68 of 72 units leased and had a 92.71% fiscal year-to-date lease up rate.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Contract and HAP Report for the month of: May 2014

	Certificates		Vouchers		May 2014 TOTAL			
City	Number	HAP*	Number	HAP**	Number	HAP	May 2013	May 2012
Albany	0	\$0	31	\$32,271	31	\$32,271	36	39
Castro Valley	11	\$9,691	219	\$227,979	230	\$237,670	238	246
Dublin	2	\$1,762	362	\$376,842	364	\$378,604	355	299
Emeryville	6	\$5,286	114	\$118,674	120	\$123,960	114	118
Fremont	28	\$24,668	1,210	\$1,259,610	1,238	\$1,284,278	1,326	1,427
Hayward	112	\$98,672	2,265	\$2,357,865	2,377	\$2,456,537	2,547	2,586
Newark	3	\$2,643	247	\$257,127	250	\$259,770	281	283
Pleasanton	4	\$3,524	122	\$127,002	126	\$130,526	133	156
San Leandro	18	\$15,858	1,496	\$1,557,336	1,514	\$1,573,194	1,463	1,415
San Lorenzo	2	\$1,762	230	\$239,430	232	\$241,192	236	222
Union City	5	\$4,405	809	\$842,169	814	\$846,574	841	773
<b>TOTALS</b>	<b>191</b>	<b>\$168,271.00</b>	<b>7,105</b>	<b>\$7,396,305.00</b>	<b>7,296</b>	<b>\$7,564,576.00</b>	<b>7,570</b>	<b>7,564</b>

\*Based on an average May Housing Assistance Payment (HAP) of \$881 per certificate contract.

\*\*Based on an average May Housing Assistance Payment (HAP) of \$1041 per voucher contract.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**Section 8 Average Contract Rent Report for the Month of: May 2014**

<b>City</b>	<b>Number of HAP Contracts</b>	<b>Average Contract Rent</b>	<b>Average HAP Paid by HACA</b>	<b>Average Rent Paid by Family</b>	<b>Average Family-Paid Rent as a Percentage of Average Contract Rent</b>
Albany	32	\$1,325	\$1,038	\$287	22%
Castro Valley	217	\$1,408	\$994	\$414	29%
Dublin	359	\$1,625	\$1,230	\$395	24%
Emeryville	114	\$1,232	\$857	\$375	30%
Fremont	1,217	\$1,594	\$1,120	\$474	30%
Hayward	2,287	\$1,389	\$994	\$394	28%
Newark	249	\$1,836	\$1,305	\$531	29%
Pleasanton	122	\$1,366	\$969	\$396	29%
San Leandro	1,498	\$1,384	\$993	\$391	28%
San Lorenzo	229	\$1,707	\$1,243	\$464	27%
Union City	812	\$1,600	\$1,140	\$460	29%

\*Some rents may vary by \$1 due to rounding

**DEBT COLLECTIONS**

2013-2014  
FYE 06/30/14

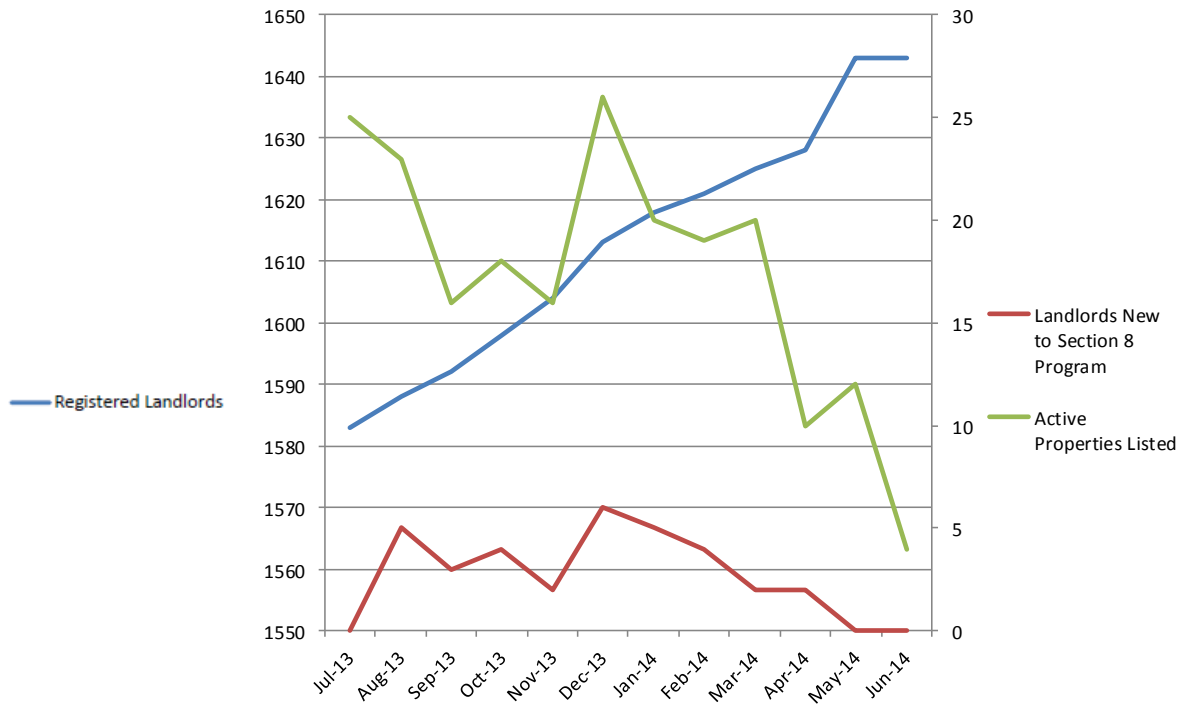
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	GRAND TOTALS
<i>DAMAGE CLAIMS</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100.00	\$400.00			<b>\$500.00</b>
<i>FRAUD REPAYMENTS</i>	\$1,738.00	\$2,321.84	\$555.05	\$27,855.45	\$1,145.16	\$2,273.22	\$1,569.75	\$5,094.28	\$ 4,695.71	\$5,502.24			<b>\$52,750.70</b>
<b>TOTALS</b>	<b>\$1,738.00</b>	<b>\$2,321.84</b>	<b>\$555.05</b>	<b>\$27,855.45</b>	<b>\$1,145.16</b>	<b>\$2,273.22</b>	<b>\$1,569.75</b>	<b>\$5,094.28</b>	<b>\$4,795.71</b>	<b>\$5,902.24</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$53,250.70</b>

t

# Landlord Rental Listing Report

## Monthly

	7/1/2013	8/5/2013	9/3/2013	10/1/2013	11/1/2013	12/2/2013	1/2/2014	2/3/2014	3/3/2014	4/1/2014	5/1/2014	6/2/2014
Registered Landlords	1583	1588	1592	1598	1604	1613	1618	1621	1625	1628	1643	1643
Landlords New to Section 8 Program	0	5	3	4	2	6	5	4	2	2	0	0
Active Properties Listed	25	23	16	18	16	26	20	19	20	10	12	4





**To:** Christine Gouig, Executive Director  
**From:** Daniel Taylor, Special Programs Manager  
**Re:** **FSS Program Summary**  
**CC:** Ron Dion, Linda Evans, Phyllis Harrison, Mary Sturges, Eli Isaacs  
**Date:** May 30, 2014

---

#### **Program Summary**

Total Clients Under Contract:  
MDRC:  
Graduates:  
Escrow Disbursed:  
Ports In:  
Ports Out:  
Terminations:  
New Contracts:

#### **May 2014**

135  
26  
6  
Pending  
0  
0  
2  
7

#### **FSS PROGRAM NEWS:**

##### **MDRC FSS Study**

FSS is progressing toward the participant study goal of 200 by October 2014. Our current numbers are:

FSS Group: 51 (26 have signed contracts of participation)  
Control Group: 50  
**Total: 101**

##### **Alameda County Registrar of Voters Office**

A representative from the Registrar of Voters office came to HACA on Monday May 12, 2014 from 9:30 a.m. - 2:00 p.m. Section 8 participants signed up to work the polls, registered to vote and updated their addresses. As people were doing this the FSS team used the opportunity to give them information regarding the FSS program. Some took the brochure to review later but many completed the FSS interest form and were informed about upcoming orientations.

##### **Workshop**

On Saturday May 17, 2014, the FSS team held a *Building a Better Budget and Checking Account Fundamentals* workshop at our Nidus senior housing recreation room. A representative of Safe America Credit Union gave the presentation. The discussion included:

- Establishing and achieving budget goals
- How to overcome obstacles to start budgeting
- Checking accounts and the different types

- Avoiding trouble with your checking account
- Tips to preventing Identity theft

The attendees were very engaged during the workshop. The presenter admitted that the group actually taught her a couple of financial secrets.

### **Program Coordinating Committee (PCC)**

On Wednesday, May 21, 2014, FSS staff held a PCC meeting. The PCC serves as an advisory board for the FSS program. The meeting was very productive. The Committee provided staff with valuable information and suggestions for increased program performance and participant outcomes.

### **2015 FSS NOFA**

The 2015 FSS grant application, which funds our four staff coordinators, has been completed and submitted to HUD. The application deadline was May 29, 2014. HACA received confirmation that our application was received, validated and retrieved by HUD. HUD anticipates that award announcements will be made before September 30, 2014. The FSS team would like to thank Jennifer Cado, Senior Administrative Analyst, for her expert assistance with the application.

### **Next FSS Orientations**

- Wednesday, June 18, 2014  
10:00 a.m. to 12:00 p.m.
- Thursday, June 19, 2014  
6:00 p.m. to 8:00 p.m.

### **Referrals**

Case Management: 45