



**HOUSING COMMISSION AGENDA**

**Regular Meeting: March 9, 2016**

**Time: 8:00 a.m.**

**HACA Board Room, 22941 Atherton Street, Hayward, CA 94541**

*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, March 3, 2016, 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. CLOSED SESSION</b>	
CONTRACT NEGOTIATIONS WITH SEIU LOCAL 1021 AND THE HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA	
<i>Labor Negotiations Pursuant to Government Code 54957.6</i>	
<b>3. APPROVAL OF THE MINUTES OF THE FEBRUARY 10, 2016 MEETING</b>	<b>ACTION 2</b>
<b>4. PUBLIC COMMENT - On matters not on the Agenda</b>	
<b>NEW BUSINESS</b>	
<b>5-1. Resolution Approving HACA's Annual PHA Plan for Fiscal Year 2016</b>	<b>ACTION 9</b>
<b>5-2. Approve HACA's Section 8 Housing Choice Voucher Payment Standards</b>	<b>ACTION 19</b>
<b>5-3. Scholarship Committee Appointments</b>	<b>ACTION 22</b>
<b>5-4. Disposition Agreement for Kottinger Gardens</b>	<b>INFORMATION 23</b>
<b>5-5. Budget Status Report</b>	<b>INFORMATION 24</b>
<b>5-6. Program Activity Report</b>	<b>INFORMATION 27</b>
<b>6. COMMISSIONER REPORTS</b>	
<b>7. COMMUNICATIONS</b>	
<b>8. ADJOURNMENT</b>	

**MINUTES**  
**February 10, 2016**



Housing Authority of the  
County of Alameda

**HACA AGENDA ITEM NO.: 3.**

22941 Atherton Street, Hayward, CA 94541

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**HOUSING COMMISSION MINUTES  
REGULAR MEETING: FEBRUARY 10, 2016  
HACA BOARD ROOM, 22941 ATHERTON STREET, HAYWARD, CA 94541**

**SUMMARY ACTION MINUTES**

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

**Call to Order**

Chairperson Biddle called the meeting to order at 8:06 a.m.

**Roll Call**

Present: Cmr. Asher, Biddle, Gacoscos, Gerry, Hannon, Iosefa, Peixoto and Steiner

Excused: Cmr. Buckholz

Absent: Cmr. Bacon

**2. APPROVAL OF THE MINUTES OF THE JANUARY 20, 2016 HOUSING COMMISSION MEETING**

Recommendation: Approve the minutes of the January 20, 2016 Housing Commission meeting as presented.

Motion/Second: Hannon/Peixoto.

Ayes: 6; 1 abstention: Cmr. Steiner. Motion passed. **APPROVED AS RECOMMENDED.**

**3. PUBLIC COMMENT**

None.

**4. NEW BUSINESS**

**4-1. PUBLIC HEARING: DRAFT ANNUAL PHA PLAN FOR FISCAL YEAR 2016**

Ron Dion, Deputy Director for Programs, presented the staff report. Mr. Dion reported that staff has prepared a draft of HACA's Annual PHA Plan (Annual Plan) for fiscal year 2016 and is using a new streamlined format recently implemented by HUD. He explained that HACA is only required to submit an Annual Plan for the Section 8 Housing Choice Voucher program since HACA's remaining 72 units in the Public Housing program will be converted to HUD's Rental Assistance Demonstration (RAD) program by the time the Annual Plan submission is due to HUD. Mr. Dion stated that staff will present the draft Annual Plan to the Resident Advisory Board (RAB) for their comments and then present the Annual Plan to the Commission for final approval before the April 15 submission deadline.

Public Hearing: Chairperson Biddle opened the Public Hearing at 8:10 a.m. No comments from the public were received. Chairperson Biddle closed the public hearing at 8:11 a.m.

Commission Discussion: Chairperson Biddle and Christine Gouig, Executive Director, discussed the new format for the Annual Plan. Ms. Gouig called attention to the section in the draft Annual Plan that describes the activities that HACA will be undertaking in the fiscal year that are related to the conversion of HACA's remaining 72 public housing units to the RAD program and HACA's strategies for expanding housing opportunities through the Project-Based Voucher (PBV) program.

*Melissa Taesali, Executive Assistant, stated for the record that Cmr. Iosefa's name was not called during the roll call but that she was present.*

**4-2. RESOLUTION NO. 03-16 AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE THE DISPOSITION AGREEMENT FOR KOTTINGER GARDENS IN PLEASANTON**

Christine Gouig presented the staff report. Ms. Gouig reported that the City of Pleasanton has been working to redevelop the Kottinger Gardens public housing site and that Section 8 vouchers will be used to house existing residents once construction is complete. She explained that the City's housing authority does not operate a Section 8 voucher program and has asked HACA to apply for the Section 8 vouchers on their behalf. This will require that HACA become a party to the disposition agreement. Ms. Gouig indicated that the disposition agreement is not in final form yet and that HUD will make its final changes to the agreement before the February 22 deadline for the project's closing. She also indicated that the disposition agreement has been reviewed by HACA's attorney, Goldfarb & Lipman.

Recommendation: Adopt Resolution No. 03-16 authorizing the Executive Director to execute the disposition agreement for Kottinger Gardens in Pleasanton with any changes that HUD may require.

Commission Discussion: Cmr. Steiner and Ms. Gouig discussed the number of affordable housing units at the project. Cmr. Hannon asked if HUD will make its changes in time for the project's closing. Ms. Gouig explained that the disposition agreement has been through several iterations already and that HUD will finalize its changes by the deadline. Cmr. Hannon requested that staff report back on any substantive change made to the disposition agreement. Cmr. Steiner commented that the City of Pleasanton is pleased with the work that the housing developer, Mid-Peninsula Housing, has done on this project.

Motion/Second: Steiner/Hannon.

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

**4-3. ACTION: AUTHORIZE EXECUTIVE DIRECTOR TO EXECUTE A SERVICES AGREEMENT BETWEEN HACA AND THE PLEASANTON HOUSING AUTHORITY FOR KOTTINGER GARDENS IN PLEASANTON**

Christine Gouig presented the staff report. Ms. Gouig described the services that HACA has provided to the Pleasanton Housing Authority in connection with the Kottinger Place redevelopment project and reported that the City has agreed to pay HACA \$40,000 for these services. She indicated that the City of Pleasanton has signed a Services Agreement and

recommended that the Commission authorize her to execute the Agreement on behalf of HACA.

Recommendation: Authorize the Executive Director to execute the agreement between HACA and the Pleasanton Housing Authority for the performance of services in connection with the redevelopment of Kottinger Place.

Commission Discussion: Cmr. Biddle expressed his appreciation to staff for assisting the City of Pleasanton in this project.

Motion/Second: Hannon/Asher.

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

**4-4. INFORMATION: PROCUREMENT AWARD INFORMATION**

Beverly Brewer, Procurement Analyst, presented the staff report. Ms. Brewer reported that on October 20, 2015, staff issued an Invitation for Bids to remodel three units at the Emery Glen public housing project in Emeryville. She described the scope of work and reported that a contract for remodeling services in the amount of \$32,406 was awarded to B Bros Construction, Inc. and a contract for remodeling services in the amount of \$54,900 was awarded to Bay Cities Construction, Inc. Ms. Brewer stated that funding for this work will come from the Public Housing program budget.

Commission Discussion: Cmr. Gerry asked if new appliances will be installed as part of the remodel and Ms. Brewer stated that they will. Cmr. Steiner and Ms. Gouig discussed the effect of HACA's occupancy rates as a result of these three units being offline.

**4-5. INFORMATION: FINANCIAL STATUS REPORT: 7/1/2015 THROUGH 12/31/2015**

Cathy Leoncio presented the staff report. Ms. Leoncio summarized the income and losses in HACA's programs for the 6 month period from July 1, 2015 to December 31, 2015.

Commission Discussion: Cmr. Biddle and Ms. Leoncio discussed how the change in the funding proration and HACA's lease-up rate can affect HACA's funding from HUD.

**4-6. INFORMATION: PROGRAM ACTIVITY REPORT**

Christine Gouig introduced Linda Evans, Family Self-Sufficiency (FSS) Leadworker. Ms. Evans presented the staff report. Ms. Evans reported on the FSS program's outcomes for 2015. She highlighted some of the accomplishments in the FSS program including the number of graduates, escrow distribution, home purchase, promotions, high school diplomas, GEDs and college degrees.

Commission Discussion: Cmr. Steiner and Ms. Evans discussed the outreach that staff is doing to generate interest in the FSS program.

**5. COMMISSIONER REPORTS**

Comr. Peixoto reported that he attended the ground-breaking ceremony at 808 A Street in Hayward where senior housing will be developed. He indicated that this project is one of two transit-oriented developments (TODs) that the City has approved and explained where the other TOD is located.

Comr. Steiner reported that she is working with a group that is focusing on tackling poverty in the tri-valley and that more affordable developments will be discussed for the tri-valley area.

Comr. Gacoscos reported that she visited the Main Street Village housing project in the City of Fremont and described the supportive services that are provided by Abode Services, on-site, at the project. Ms. Gouig indicated that HACA has 32 PBVs at Main Street and commented that it is great to hear that the project is doing well.

Comr. Gerry asked Chairperson Biddle to call for another vote to approve the minutes of the January 20, 2106 Housing Commission meeting minutes for the record because the Commission meeting agenda incorrectly showed the date of the meeting minutes as "December 16, 2016." Chairperson Biddle called for another vote. There were 7 ayes and 1 abstention: Comr. Steiner. The minutes of the January 20, 2016 meeting minutes were approved as recommended.

**6. COMMUNICATIONS**

Ms. Gouig announced that on February 8 HUD published revised Fair Market Rents (FMR) for Alameda/Contra Costa Counties that reflected a 34.6% increase. She thanked Ron Dion for being the key point person in the work that was done with the other housing authorities in the two counties. Mr. Dion commented that HUD's methodology for computing the FMRs is broken and until this methodology is fixed it is likely that these efforts will need to be repeated in the future. He indicated that the cost for the FMR survey was about \$100,000 and that the cost is being shared among the eight housing authorities and other housing agencies. He praised Ophelia Basgal, HUD's Regional Administrator, for helping to call attention to the issue with HUD's methodology for the FMRs and commented that she is supportive of HUD's reimbursing us for the cost of the survey. Comr. Gerry commented that this is great news and recommended that staff reach out to landlords to let them know about this increase. Ms. Gouig thanked Congresswoman Barbara Lee's staff for their help in raising awareness about the FMRs and indicated that a press release would be issued.

Ms. Gouig announced that Opehlia Basgal, HUD's Regional Administrator and former HACA Executive Director, will be retiring from HUD. She commented that Ms. Basgal's housing authority experience and advice will be missed at HUD.

The Commission returned to the discussion on the FMRs. Comr. Peixoto asked that staff make the issue of HUD's FMR methodology a topic in their discussions with elected representatives and at the NAHRO Legislative Conference and California Association of Housing Authorities' (CAHA) conference.

Ms. Gouig reported that HACA will be closing in March on the RAD conversion of our remaining 72 public housing units.

Mr. Dion reported on his participation in a working group convened by Alameda County Supervisor Wilma Chan to discuss and brainstorm approaches to tackling poverty in Alameda County. He stated that housing was one of the issues that was discussed. Cmr. Steiner and Mr. Dion agreed to meet after the Commission meeting to discuss some of the initiatives the working group talked about. Cmr. Gerry commented that more landlords would participate in the Section 8 program if there were some type of protection or compensation for landlords for tenant evictions. Cmr. Hannon and Ms. Gouig discussed HACA's Housing Quality Standards inspection process. Cmr. Steiner commented that it is important that tenants are aware that they should report unit issues to their landlord and notify HACA. Ms. Gouig indicated that HACA will hold housing assistance payments if a landlord does not correct deficiencies in a unit that are discovered during the inspection and re-inspection processes.

Ms. Gouig announced that the 2016 NAHRO Washington Conference is scheduled for April. Chairperson Biddle commented that this is a good conference to attend. Cmr. Peixoto commented that at this conference there is an opportunity to visit with the elected officials and that it is a great experience. After a brief discussion it was determined that Cmr. Gerry would attend the conference.

**7. ADJOURNMENT**

There being no further business to discuss Chairperson Biddle adjourned the meeting at 9:10 a.m.

Respectfully Submitted,

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Melissa Taesali  
Executive Assistant

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Christine Gouig  
Executive Director/Housing Commission Secretary

**Approved:** 

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Don Biddle  
Housing Commission Chairperson

# **NEW BUSINESS**

**March 9, 2016**

**HOUSING AUTHORITY OF ALAMEDA COUNTY**

**AGENDA STATEMENT**

Meeting: March 9, 2016

Subject: Annual Plan for Fiscal Year 2016

- Exhibits:
- Resolution No. 04-16
  - Draft of HACA's Annual Plan for Fiscal Year 2016

Recommendation: Authorize staff to submit the Plan to HUD

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**Background**

HACA's Annual Plan is a guide to HACA's policies, programs, operations, and strategies for meeting local housing needs for HACA Fiscal Year 2016-2017. Staff brought the draft Plan to you in February for your review and for you to conduct a public hearing. No members of the public asked to be heard.

Staff met with the Resident Advisory Board (RAB) on March 3, 2016. Minutes of the meeting along with staff responses to comments received will be reviewed with your Commission at the March 9 meeting since the RAB meeting occurred after the agenda packet transmittal deadline.

The Plan is due at HUD by April 15. HUD has 75 days to approve it, after which HUD will post the approved Annual Plan on the HUD website.

This iteration of the Plan contains only a couple changes to the draft Plan presented to your Commission at your February meeting. The number of Housing Choice Vouchers listed in item A.1 (and the resulting number of "Total Combined" Units) has been increased by 42 units to a total of 6,228 to account for VASH vouchers were added in December 2015. The number of Housing Choice Vouchers to be project-based has been increased to account for new projects for seniors in Fremont and Dublin as well as generally increased should additional projects for all family groups become available.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO. 04-16**

**RESOLUTION ADOPTING THE HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA (CA067)  
ANNUAL PUBLIC AGENCY PLAN FOR THE JULY 1, 2016 - JUNE 30, 2017 FISCAL YEAR**

**WHEREAS**, the U.S. Department of Housing and Urban Development (“HUD”) requires that housing authorities submit an annual Public Housing Agency Plan (“PHA Plan”); and

**WHEREAS**, the Housing Authority of the County of Alameda (“HACA”) has developed its annual PHA Plan for the fiscal year beginning July 1, 2016; and

**WHEREAS**, the proposed PHA Plan was made available for public inspection, a public hearing to discuss the proposed PHA Plan was held, and the HACA Resident Advisory Board (“RAB”) was given the opportunity to review and comment on the proposed PHA Plan;

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Commission of the Housing Authority of the County of Alameda does hereby adopt the proposed annual PHA Plan as presented and authorizes the Executive Director or her designee to 1) sign and submit the annual PHA Plan to HUD and 2) sign and submit any other documents or information requested by HUD and 3) execute any and all documents that may be required to complete the annual PHA Plan approval process.

**PASSED, APPROVED, AND ADOPTED** by the Housing Commission of the Housing Authority of the County of Alameda on this \_\_\_\_\_ day of \_\_\_\_\_ 2016, by the following vote:

- AYES:**
- NAYS:**
- ABSTAIN:**
- EXCUSED:**
- ABSENT:**

\_\_\_\_\_  
Don Biddle,  
Housing Commission Chairperson

**Attest:**

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

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

<b>Streamlined Annual PHA Plan</b> <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

**Applicability.** Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

**Definitions.**

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																										
A.1	<p>PHA Name: <u>Housing Authority of the County of Alameda</u>      PHA Code: <u>CA067</u></p> <p>PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer</p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/01/2016</u></p> <p>PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p>Number of Public Housing (PH) Units <u>0</u>      Number of Housing Choice Vouchers (HCVs) <u>6228</u></p> <p>Total Combined <u>6228</u></p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission      <input type="checkbox"/> Revised Annual Submission</p> <p><b>Availability of Information.</b> In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> <b>PHA Consortia:</b> (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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<b>B.</b>	<b>Annual Plan Elements</b>
<b>B.1</b>	<p><b>Revision of PHA Plan Elements.</b></p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last <b>Annual PHA Plan</b> submission?  Y N  <input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs.  <input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.  <input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources.  <input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.  <input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.  <input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.  <input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.  <input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.  <input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) The PHA must submit its Deconcentration Policy for Field Office Review.</p> <p>(c) If the PHA answered yes for any element, describe the revisions for each element below:  <b>Other Policies that Govern Eligibility, Selection, and Admission:</b> Modified as necessary to conform to new or revised HUD regulations.  <b>Financial Resources:</b> Modified to reflect new budget and operating experience since last Annual PHA Plan submission.</p>
<b>B.2</b>	<p><b>New Activities.</b></p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?  Y N  <input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.  <input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.  <input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.  <input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.  <input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.  <input checked="" type="checkbox"/> <input type="checkbox"/> Project Based Vouchers.  <input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization.  <input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p>This Fiscal Year, HACA converted its 72 remaining Public Housing units to Project-Based Vouchers under RAD. It currently has a total of 415 project-based units in addition to the RAD units. HACA is also project-basing 25 units in the city of Dublin and 25 in the city of Fremont in order to expand housing opportunities for homeless veterans in higher-cost opportunity areas. HACA is also project-basing 12 units in the city of Emeryville for families, possibly 15 units in the city of Hayward for families, 30 units in the city of Fremont for the elderly, and 40 units in the city of Dublin for the elderly. HACA may project-base up to 200 additional units in non-impacted census tracts, higher-cost opportunity areas and neighborhoods undergoing revitalization for persons with disabilities, the elderly and families. It has also applied for 50 replacement housing vouchers that it plans to project-base to replace 50 public housing units being disposed of by the City of Pleasanton Housing Authority (Kottinger Place).</p>
<b>B.3</b>	<p><b>Progress Report.</b>  Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan.</p> <p>Goal 5.2.1 Long-term financial viability of HACA's remaining 72 PH units - Accomplished by March 2016 RAD closing.</p> <p>Goal 5.2.2 Expand the supply of assisted housing - Continuing. See B.2 above for progress to date.</p> <p>Goal 5.2.3 Increase access to available assistance through implementation of cloud-based, always-open housing assistance application. Programming is complete; dependent on platform provider (Zoho Creator) correcting language translation limitations in platform.</p> <p>Goal 5.2.4. Validate the cost-effectiveness of the HACA Family Self-Sufficiency (FSS) Program - Ongoing as part of multi-year HUD national assesment with MDRC.</p> <p>Goal 5.2.5 Assist as many qualified families as possible - Ongoing.</p> <p>Goal 5.2.6 Fully implement the Violence Against Women Act - Fully implemented and ongoing.</p>

<p><b>B.4.</b></p>	<p><b>Most Recent Fiscal Year Audit.</b></p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N  <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>The Independent Audit Report for FY 2013-2014 found that one file out of the sampling tested was one month late in its annual HQS inspection. The late inspection occurred due to a change to permitted biennial inspections. HACA implemented a corrective action plan and HUD closed the finding on July 30, 2015.</p>
<p><b>Other Document and/or Certification Requirements.</b></p>	
<p><b>C.1</b></p>	<p><b>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</b></p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>C.2</b></p>	<p><b>Civil Rights Certification.</b></p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>C.3</b></p>	<p><b>Resident Advisory Board (RAB) Comments.</b></p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N  <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p> <p>(This Section will be completed after the RAB has reviewed this draft and before the final Annual Plan is presented to the HACA Housing Commission at its March meeting.)</p>
<p><b>C.4</b></p>	<p><b>Certification by State or Local Officials.</b></p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p><b>D Statement of Capital Improvements.</b> Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>	
<p><b>D.1</b></p>	<p><b>Capital Improvements.</b> Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.</p> <p>HACA will no longer administer public housing after March 2016 as it is converting its remaining 72 public housing units to the RAD program. See HUD Form 50075.2 approved by HUD on April 13, 2015.</p>

# Instructions for Preparation of Form HUD-50075-HP Annual Plan for High Performing PHAs

## A. PHA Information. All PHAs must complete this section.

**A.1** Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **PHA Inventory**, **Number of Public Housing Units and or Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan. ([24 CFR §903.23\(4\)\(e\)](#))

**PHA Consortia:** Check box if submitting a Joint PHA Plan and complete the table. ([24 CFR §943.128\(a\)](#))

## B. Annual Plan.

### B.1 Revision of PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the “yes” box. If an element has not been revised, mark “no.”

**Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA’s strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income), (ii) elderly families and families with disabilities, and (iii) households of various races and ethnic groups residing in the jurisdiction or on the waiting list based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent it pertains to the housing needs of families that are on the PHA’s public housing and Section 8 tenant-based assistance waiting lists. ([24 CFR §903.7\(a\)\(1\)](#)) and 24 CFR §903.12(b). Provide a description of the PHA’s strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent it pertains to the housing needs of families that are on the PHA’s public housing and Section 8 tenant-based assistance waiting lists. ([24 CFR §903.7\(a\)\(2\)\(ii\)](#)) and 24 CFR §903.12(b).

**Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions.** Describe the PHA’s admissions policy for deconcentration of poverty and income mixing of lower-income families in public housing. The Deconcentration Policy must describe the PHA’s policy for bringing higher income tenants into lower income developments and lower income tenants into higher income developments. The deconcentration requirements apply to general occupancy and family public housing developments. Refer to 24 CFR §903.2(b)(2) for developments not subject to deconcentration of poverty and income mixing requirements. ([24 CFR §903.7\(b\)](#)) Describe the PHA’s procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists. ([24 CFR §903.7\(b\)](#)) A statement of the PHA’s policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV. ([24 CFR §903.7\(b\)](#)) Describe the unit assignment policies for public housing. ([24 CFR §903.7\(b\)](#))

**Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA’s anticipated resources, such as PHA operating, capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. ([24 CFR §903.7\(c\)](#))

**Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units, including applicable public housing flat rents, minimum rents, voucher family rent contributions, and payment standard policies. ([24 CFR §903.7\(d\)](#))

**Homeownership Programs.** A description of any homeownership programs (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval. For years in which the PHA’s 5-Year PHA Plan is also due, this information must be included only to the extent that the PHA participates in homeownership programs under section 8(y) of the 1937 Act. ([24 CFR §903.7\(k\)](#)) and 24 CFR §903.12(b).

**Safety and Crime Prevention (VAWA).** A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families. ([24 CFR §903.7\(m\)\(5\)](#))

**Pet Policy.** Describe the PHA’s policies and requirements pertaining to the ownership of pets in public housing. ([24 CFR §903.7\(n\)](#))

**Substantial Deviation.** PHA must provide its criteria for determining a “substantial deviation” to its 5-Year Plan. ([24 CFR §903.7\(r\)\(2\)\(i\)](#))

**Significant Amendment/Modification.** PHA must provide its criteria for determining a “Significant Amendment or Modification” to its 5-Year and Annual Plan. Should the PHA fail to define ‘significant amendment/modification’, HUD will consider the following to be ‘significant amendments or modifications’: a) changes to rent or admissions policies or organization of the waiting list; b) additions of non-emergency public housing CFP work items (items not included in the current CFP Annual Statement or CFP 5-Year Action Plan); or c) any change with regard to demolition or disposition, designation, homeownership programs or conversion activities. See guidance on HUD’s website at: [Notice PIH 1999-51](#). ([24 CFR §903.7\(r\)\(2\)\(ii\)](#))

If any boxes are marked “yes”, describe the revision(s) to those element(s) in the space provided.

PHAs must submit a Deconcentration Policy for Field Office review. For additional guidance on what a PHA must do to deconcentrate poverty in its development and comply with fair housing requirements, see [24 CFR 903.2](#). ([24 CFR §903.23\(b\)](#))

**B.2 New Activities.** If the PHA intends to undertake any new activities related to these elements or discretionary policies in the current Fiscal Year, mark “yes” for those elements, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake these activities, mark “no.”

**Hope VI.** 1) A description of any housing (including project name, number (if known) and unit count) for which the PHA will apply for HOPE VI; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI is a separate process. See guidance on HUD’s website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. (Notice PIH 2010-30)

**Mixed Finance Modernization or Development.** 1) A description of any housing (including name, project number (if known) and unit count) for which the PHA will apply for Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Mixed Finance Modernization or Development is a separate process. See guidance on HUD’s website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>. (Notice PIH 2010-30)

**Demolition and/or Disposition.** Describe any public housing projects owned by the PHA and subject to ACCs (including name, project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD’s website at: [http://www.hud.gov/offices/pih/centers/sac/demo\\_dispo/index.cfm](http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm). (24 CFR §903.7(h))

**Conversion of Public Housing.** Describe any public housing building(s) (including project number and unit count) owned by the PHA that the PHA is required to convert or plans to voluntarily convert to tenant-based assistance; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD’s website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>. (24 CFR §903.7(j))

**Project-Based Vouchers.** Describe any plans to use HCVs for new project-based vouchers. (24 CFR §983.57(b)(1)) If using project-based vouchers, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.

**Other Capital Grant Programs** (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

**B.3 Progress Report.** For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.7(r)(1))

**B.4 Most Recent Fiscal Year Audit.** If the results of the most recent fiscal year audit for the PHA included any findings, mark “yes” and describe those findings in the space provided. (24 CFR §903.7(p))

#### C. Other Document and/or Certification Requirements

**C.1 Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 SM-HP.

**C.2 Civil Rights Certification.** Form HUD-50077 SM-HP, *PHA Certifications of Compliance with the PHA Plans and Related Regulation*, must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction’s initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o))

**C.3 Resident Advisory Board (RAB) comments.** If the RAB provided comments to the annual plan, mark “yes,” submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA’s decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

**C.4 Certification by State or Local Officials.** Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15)

#### D. Statement of Capital Improvements.

PHAs that receive funding from the Capital Fund Program (CFP) must complete this section. (24 CFR 903.7 (g))

**D.1 Capital Improvements.** In order to comply with this requirement, the PHA must reference the most recent HUD approved Capital Fund 5 Year Action Plan. PHAs can reference the form by including the following language in Section C. 8.0 of the PHA Plan Template: “See HUD Form 50075.2 approved by HUD on XX/XX/XXXX.”

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This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the 5-Year and Annual PHA Plan. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 16.64 hours 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. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

<p><b>Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan (All PHAs)</b></p>	<p>U. S Department of Housing and Urban Development Office of Public and Indian Housing OMB No. 2577-0226 Expires 2/29/2016</p>
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**Certification by State or Local Official of PHA Plans  
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Linda Gardner, the Housing and Community Development Director  
Official's Name Official's Title

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the  
Housing Authority of the County of Alameda  
PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of  
 Impediments (AI) to Fair Housing Choice of the  
County of Alameda  
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State Consolidated Plan and the AI.

It is consistent with the Alameda HOME Consortium's FY15- FY19 Consolidated Plan because it meets  
Priority Housing Need #1: Increase the availability of affordable rental housing for extremely low (30%), very  
low (50%) and low (80%) income households. Five Year Objective: Promote the production of affordable  
rental housing by supporting the acquisition, rehabilitation and new construction of units.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, 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, 3802)

<p>Name of Authorized Official Linda Gardner</p>	<p>Title Housing and Community Development Director</p>
<p>Signature </p>	<p>Date Feb. 25, 2016</p>

HACA Board Resolution No.: 04-16

<b>Certifications of Compliance with PHA Plans and Related Regulations (Standard, Troubled, HCV-Only, and High Performer PHAs)</b>	<b>U.S. Department of Housing and Urban Development</b> Office of Public and Indian Housing <b>OMB No. 2577-0226</b> <b>Expires 02/29/2016</b>
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**PHA Certifications of Compliance with the PHA Plan and Related Regulations including  
Required Civil Rights Certifications**

*Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the \_\_\_ 5-Year and/or \_\_\_ Annual PHA Plan for the PHA fiscal year beginning July 1, 2016, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:*

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

Alameda County Housing Authority  
PHA Name

CA067  
PHA Number/HA Code

Annual PHA Plan for Fiscal Year 20\_16\_

5-Year PHA Plan for Fiscal Years 20\_\_\_\_ - 20\_\_\_\_

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I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, 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, 3802).

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Name of Authorized Official	Title
Donald Biddle	Housing Commission Chairperson
Signature	Date
	March 9, 2016

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**AGENDA STATEMENT**

Meeting: March 9, 2016

Subject: Section 8 HCV Payment Standards

Exhibits Attached: None

Recommendation: Approve the Proposed Payment Standards for the HCV Program and the VASH Program

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**BACKGROUND**

A housing authority's payments to landlords to subsidize the rents of Section 8 Housing Choice Voucher (HCV) Program participants are called "Housing Assistance Payments" (HAP). A formula determines the total HAP funding that HUD provides annually to each housing authority. Congress may or may not appropriate sufficient funds to fund 100% of that formula.

A housing authority must manage the HAP funds that it receives from HUD to pay landlords enough so that families can afford modest housing and yet not run out of money before the end of the year when new funding is provided. If a housing authority sets the rents that families are allowed to pay too low for its market area, families won't be able to find suitable housing and/or will have to pay too much of their income (i.e., more than 30% - 40%) for rent. If the housing authority sets rents too high, it will run out of HAP funds and will have to reduce the size of its program, possibly having to terminate the leases of participating families.

The rents that a housing authority allows participating families to pay are determined, in large part, by HUD. Every year, HUD publishes proposed "fair market rents" for each market area in the United States and then publishes the final fair market rents to be effective on October 1 of that year. Fair market rent (FMR) is the rent, including the cost of utilities (except telephone and cable TV), that must be paid in the market area to rent privately owned, decent, safe and sanitary rental housing that is *modest* (i.e., non-luxury). It is not intended that the FMRs enable a participating family to rent every type of unit in a community.

After HUD publishes the FMRs, every housing authority must then adopt one or more "payment standard" schedules based on those FMRs. A housing authority may either adopt a single payment standard amount for its whole FMR area, or a separate payment standard amount for each designated part of the FMR area (e.g., for each city).

The payment standard establishes the voucher amount for each unit size, i.e., the **maximum** gross rent (rent plus utilities) that will be used by the housing authority to compute the monthly HAP that it will pay the landlord on behalf of the Section 8 family. The **actual** gross rent that the housing authority will use is based on the reasonableness of the rent in comparison to that of similar units in the same neighborhood; it is not automatically the payment standard.

The housing authority may establish the payment standard amount for a unit size at any level between 90% and 110% of the published FMR for that unit size. HUD approval is not required to establish a payment

standard amount in that range (called the “basic range”), but *is* required to establish a payment standard amount that is higher or lower than the basic range.

### **DISCUSSION AND ANALYSIS**

As we discussed at your September 2015 meeting, HUD published the 2015-2016 proposed FMRs in August. The proposed FMRs were 1.4% - 10.66% *lower* than the previous year’s final FMRs for all bedrooms sizes. At your meeting you authorized staff to set our payment standards for the Housing Choice Voucher Program at 110% of the lower proposed FMRs, the highest we could go.

#### Emergency Exception Payment Standards

Given that the rents in our area are among some of the highest in the country, affordable housing providers were stunned that HUD lowered the FMRs. In response to organized opposition to the proposed FMRs on the part of the eight Alameda and Contra Costa County housing authorities, and with the support and intervention of Congresswoman Barbara Lee, HACA received correspondence from HUD on the morning of November 9 acknowledging that the proposed FMRs may not be keeping pace with rents in the Bay Area. HUD stated that it had determined that the one percent vacancy rate in the Oakland FMR area was very low and, therefore, the housing authorities qualified for emergency exception payment standards of up to 125 percent, upon written request. We submitted our request for exception payment standards of 125 percent on the same day we received HUD’s letter.

At your November meeting you authorized staff to implement the emergency exception payment standards for all cities in HACA’s jurisdiction once they were approved by HUD. HUD approved these exception payment standards on December 11, 2015.

#### Rent Survey

Additionally, HACA, along with the other seven housing authorities in Alameda and Contra Costa County, the two counties, several cities and housing providers in the FMR area, procured a consultant to conduct a rental market survey in order to determine what the actual FMRs should be. At your November meeting you authorized staff to implement payment standards for all cities in HACA’s jurisdiction of up to and including 110% of the revised 2015-2016 FMRs that HUD would approve based on the results of the survey. At that time, staff explained that if we believed the revised 2015-2016 FMRs warranted tailoring payment standards city by city (as opposed to being the same for all cities), that staff would bring its proposal to your Commission for approval prior to implementation. Lastly, at your November meeting you authorized staff to implement payment standards for the VASH program for all cities in HACA’s jurisdiction equal to the higher of the current VASH exception payment standards or the new payment standards under the emergency exception payment standards and/or the payment standards based on the revised FMRs resulting from the rental survey.

On February 8, 2016, HUD issued revised FMRs for Alameda and Contra Costa counties, based on the rental market survey we procured. The revised FMRs increased by over 34% for all bedroom sizes from those issued in December 2015, thus demonstrating that HUD’s FMR formula is wholly inadequate in rental markets such as ours.

Staff has analyzed Section 8 program data, including 1) gross rents currently being paid by Section 8 participants, paying close attention to those that moved in the previous year, 2) the number of “overhoused” families (that is, families living in a unit larger than their voucher size), 3) the number of families whose rent exceeds the current payment standard (where the tenant pays the overage), 4) the number of families whose rent exceeds 30 percent of their adjusted monthly income, 5) recently approved increases in

the utility allowances, and 6) the impact on the total tenant rent portion of existing participants. After a thorough analysis of its data, staff proposes the following:

- For the cities of Albany, Castro Valley, Emeryville, Newark and Union City, set the payment standards at 98% of the revised FMR, an amount equal to a 17% increase in the current payment standard.
- For the cities of Dublin and Pleasanton, set the payment standards at 103% of the revised FMR, an amount equal to a 21% increase in the current payment standard.
- For the city of Fremont, set the payment standard at 101% of the revised FMR, an amount equal to a 19% increase in the current payment standard.
- For the cities of Hayward, San Leandro, and San Lorenzo, set the payment standard at 95% of the revised FMR, an amount equal to a 14% increase in the current payment standard.
- Utilize the proposed HCV program payment standards noted in the bullets directly above for the VASH program.

All proposed payment standards are within the basic HUD range of 90 – 110% of FMR and do not require HUD approval. These would remain in effect until October 1 when HUD usually issues new FMRs and we establish new payment standards based on those FMRs. For the next two years the FMRS that HUD issues will be based on our survey data so should reflect the actual rental market in our area.

**RECOMMENDATION**

Staff recommends that your Housing Commission approve the payment standards shown below.

**Payment Standards by City**

City	Unit Size by Bedrooms							
	Studio	1	2	3	4	5	6	7
Albany	\$1,352	\$1,630	\$2,061	\$2,873	\$3,203	\$3,684	\$4,164	\$4,644
Castro Valley (u)	\$1,352	\$1,630	\$2,061	\$2,873	\$3,203	\$3,684	\$4,164	\$4,644
Dublin	\$1,421	\$1,713	\$2,166	\$3,020	\$3,366	\$3,872	\$4,376	\$4,881
Emeryville	\$1,352	\$1,630	\$2,061	\$2,873	\$3,203	\$3,684	\$4,164	\$4,644
Fremont	\$1,394	\$1,680	\$2,124	\$2,961	\$3,301	\$3,797	\$4,291	\$4,786
Hayward	\$1,311	\$1,580	\$1,998	\$2,785	\$3,105	\$3,571	\$4,037	\$4,502
Newark	\$1,352	\$1,630	\$2,061	\$2,873	\$3,203	\$3,684	\$4,164	\$4,644
Pleasanton	\$1,421	\$1,713	\$2,166	\$3,020	\$3,366	\$3,872	\$4,376	\$4,881
San Leandro	\$1,311	\$1,580	\$1,998	\$2,785	\$3,105	\$3,571	\$4,037	\$4,502
San Lorenzo (u)	\$1,311	\$1,580	\$1,998	\$2,785	\$3,105	\$3,571	\$4,037	\$4,502
Union City	\$1,352	\$1,630	\$2,061	\$2,873	\$3,203	\$3,684	\$4,164	\$4,644

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**AGENDA STATEMENT**

Meeting: March 9, 2016

Subject: Scholarship Committee Appointments

Exhibits Attached: None

Recommendation: Appoint Committee Members

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**DISCUSSION**

Each year, the HACA Scholarship Program provides an opportunity for residents of the Public Housing program and participants of the Family Self-Sufficiency (FSS) program to apply for a scholarship that can be used to pay for eligible expenses related to their education. Scholarships, not to exceed \$12,750 in total, are awarded each year by the Scholarship Committee.

Your Commission needs to appoint a Scholarship Committee for 2016 to work with staff on reviewing this year’s scholarship applications and making award recommendations to the Commission for final approval. The Scholarship Committee usually has one meeting via telephone although there is quite a lot of reading involved as the Committee reviews all applications that are submitted.

Former Commissioners Cashmere and Reed and Commissioners Asher, Gacoscos and Hannon comprised the Committee last year. With the exception of the former Commissioners, these Commissioners can be appointed to this year’s Committee, if they wish to serve again, or your Commission may appoint new members.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**AGENDA STATEMENT**

Meeting: March 9, 2016

Subject: Kottinger Gardens

Exhibits: Attachment A: Exhibits A through D to Kottinger Gardens Disposition Agreement

Recommendation: Accept Report

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**Background**

At your meeting last month your Commission unanimously approved a resolution (Resolution 03-16) authorizing the Executive Director to execute the disposition agreement that is required for the Kottinger Place public housing redevelopment in Pleasanton. The Pleasanton Housing Authority, HUD and the developer also are parties to the agreement.

At the time of your meeting the agreement had been reviewed by our development counsel, Goldfarb & Lipman, who approved it. However, the agreement was in substantially final form only, so Resolution 03-16 authorized the Executive Director to sign the agreement with any changes that HUD might require.

**Discussion and Analysis**

Commissioner Hannon asked that any changes be brought back to your Commission as an information item.

The final Disposition Agreement, to which HACA is a party, did not have any substantive changes from the version your Commission saw. The Executive Director signed the Agreement on behalf of HACA on February 24. However, all the exhibits to the Agreement, which were not completed/available at the time of your February meeting, are now final and are attached. HACA is not a party to any of these documents.

Exhibit A – is the legal description of the site on which the current public housing units are located.

Exhibit B – is HUD’s initial approval letter for the project, dated February 26, 2015, and HUD’s amended approval letter, dated February 16, 2016, which supersedes the initial approval letter.

Exhibit C – is the legal description for the merged parcel, i.e., the current public housing site plus two small adjacent parcels that will be merged with the public housing site to form a larger parcel to accommodate a total of 130 units.

Exhibit D – is the Use Agreement for the units that will be built on the existing public housing site and which include HACA’s 50 Project Based Vouchers plus the Use Agreement for the larger merged parcel.

# BUDGET STATUS REPORT

**Housing Authority of Alameda County  
HOUSING CHOICE VOUCHER  
Administrative Budget Status Report FYE 2015-2016  
January 2016**

<b>FY 2016 - HCV OPERATING BUDGET</b>	<b>Budgeted @ 1/31/2016</b>	<b>Actual @ 1/31/2016</b>	<b>OVER (UNDER)</b>	<b>PROJECTED TO 6/30/16</b>	<b>SCH. NO.</b>	<b>2015 BUDGET</b>	<b>2016 BUDGET</b>	<b>DIFFERENCE</b>
<b>INCOME</b>								
Investment Income	429	246	(183)	422	A1	1,680	735	(945)
Misc. Income	188,824	192,610	3,786	330,188	A1	346,000	323,698	(22,302)
Grant Income	0	0	0	0		350,000		(350,000)
Administrative Fee Income	3,760,860	4,003,775	242,915	6,555,980	A	6,697,025	6,447,189	(249,836)
<b>TOTAL INCOME</b>	<b>3,950,113</b>	<b>4,196,631</b>	<b>246,518</b>	<b>6,886,590</b>		<b>7,394,705</b>	<b>6,771,622</b>	<b>(623,083)</b>
<b>EXPENSES</b>								
Administration								
Salaries	(2,213,398)	(2,173,646)	39,752	(3,452,261)	B-1& 2	(4,035,794)	(3,794,397)	241,397
Other Admin.	(897,344)	(890,482)	6,862	(1,526,540)	C-1&2	(1,337,122)	(1,538,303)	(201,181)
Total	(3,110,742)	(3,064,128)	46,614	(4,978,801)		(5,372,915)	(5,332,700)	40,215
General								
Insurance	(118,983)	(112,467)	6,516	(192,800)	E	(203,253)	(203,970)	(717)
Employee Benefits	(1,239,503)	(1,310,807)	(71,304)	(2,124,862)		(2,098,613)	(2,124,862)	(26,250)
Miscellaneous	0	0	0	0		0	0	0
Total	(1,358,485)	(1,423,274)	(64,788)	(2,317,663)		(2,301,865)	(2,328,832)	(26,967)
Total Routine Expenses	(4,469,227)	(4,487,401)	(18,174)	(7,296,464)		(7,674,781)	(7,661,532)	13,248
Capital Expenditures	0	0	0	0	D2	0	0	0
<b>TOTAL EXPENSES</b>	<b>(4,469,227)</b>	<b>(4,487,401)</b>	<b>(18,174)</b>	<b>(7,296,464)</b>		<b>(7,674,781)</b>	<b>(7,661,532)</b>	<b>13,248</b>
Income (Deficit) UNSPECIFIED BUDGET REDUCTION						(280,075)	(889,910)	
<b>NET INCOME (DEFICIT)</b>	<b>(519,114)</b>	<b>(290,771)</b>	<b>228,344</b>	<b>(409,874)</b>		<b>(280,075)</b>	<b>(889,910)</b>	<b>(609,835)</b>

Unaudited Unrestricted Net Assets @ 6/30/15  
 Projected Income (Deficit) @ 6/30/16  
 Projected Unrestricted Net Assets @ 6/30/16

1,892,976
(409,874)
<u>\$ 1,483,102</u>

**Housing Authority of Alameda County  
PUBLIC HOUSING  
Administrative Budget Status Report FYE 2015-2016  
January 2016**

FY 2016 - PH OPERATING BUDGET	YTD BUDGET 1/31/2016	YTD ACTUALS 1/31/16	OVER/ (UNDER) BUDGET	Projected to 6/30/16	SCH. NO.	2015 BUDGET	2016 BUDGET	Difference
<b>INCOME</b>								
Dwelling Rentals	215,561	243,037	27,477	416,635	A-1	349,229	369,533	20,304
Office Rental (Mission Blvd-net)	0	0	0	0	A	0	0	0
Investment Income	525	715	190	1,226	A	665	900	235
Misc. Income	42,753	41,660	(1,092)	73,290	A-1	71,250	73,290	2,040
Transfer of Reserves from Ocean Ave				0				0
Operating Subsidy	129,340	190,291	60,950	221,726	A-1	161,830	221,726	59,896
Asset Reposition Fee	36,646	0	(36,646)	62,822	A-1	175,568	62,822	(112,747)
Capital Grant	108,615	108,615	0	186,197	A-1	204,000	186,197	(17,803)
<b>TOTAL INCOME</b>	<b>533,440</b>	<b>584,319</b>	<b>50,878</b>	<b>961,897</b>		<b>962,542</b>	<b>914,468</b>	<b>(48,074)</b>
<b>EXPENSES</b>								
Administration					B-1&2			
Salaries	(120,803)	(134,786)	(13,983)	(206,144)		(209,968)	(207,091)	2,877
Other Admin.	(45,392)	(60,775)	(15,384)	(130,068)	C-1	(96,513)	(77,814)	18,699
Total	(166,195)	(195,562)	(29,367)	(336,212)		(306,481)	(284,906)	21,576
Tenant Services								
Resident Managers	(3,208)	(350)	2,858	(600)		(5,500)	(5,500)	0
Recreation	0	0	0	0		(7,500)	0	7,500
Total	(3,208)	(350)	2,858	(600)		(13,000)	(5,500)	7,500
Utilities								
Water	(29,214)	(24,150)	5,064	(41,399)		(50,081)	(50,081)	0
Electricity	(11,083)	(7,760)	3,324	(13,302)		(19,000)	(19,000)	0
Gas	(817)	(514)	304	(881)		(1,400)	(1,400)	0
Sewer	(10,500)	(7,256)	3,245	(12,438)		(26,400)	(18,000)	8,400
Total	(51,614)	(39,679)	11,937	(68,021)		(96,881)	(88,481)	8,400
Maintenance					B-2	(70,822)	(71,742)	(919)
Salaries	(41,849)	(44,741)	(2,892)	(68,427)	D	(43,904)	(50,001)	(6,097)
Materials	(29,167)	(21,543)	7,625	(46,485)	D	(358,834)	(209,900)	148,934
Contract Costs	(122,442)	(179,302)	(56,860)	(214,677)		(473,560)	(331,643)	141,918
Total	(193,458)	(245,586)	(52,127)	(329,590)				
General					E	(28,426)	(28,900)	(474)
Insurance	(16,858)	(13,516)	3,343	(25,509)		(25,235)	(28,105)	(2,870)
Tax-In Lieu Of	(16,395)	(16,395)	0	(28,105)		(146,011)	(150,570)	(4,559)
Employee Benefits	(87,832)	(54,464)	33,369	(140,031)		(1,000)	(1,000)	0
Collection Loss	(583)	0	583	(1,000)		(1,000)	(1,000)	0
Miscellaneous	(583)	0	583	(1,000)		(201,672)	(209,575)	(7,903)
Total	(122,252)	(84,374)	37,879	(195,645)				
Total Routine Expenses	(536,727)	(565,551)	(28,821)	(930,068)		(1,091,594)	(920,104)	171,490
Capital Expenditure-exterior renovation of Emery Glen								
<b>TOTAL EXPENSES</b>	<b>(536,727)</b>	<b>(565,551)</b>	<b>(28,821)</b>	<b>(930,068)</b>		<b>(1,091,594)</b>	<b>(920,104)</b>	<b>171,490</b>
<b>NET INCOME (DEFICIT)</b>	<b>(3,288)</b>	<b>18,768</b>	<b>22,057</b>	<b>31,829</b>		<b>(129,052)</b>	<b>(5,636)</b>	<b>123,416</b>

Unaudited Unrestricted Net Position @ 6/30/15

\$1,519,225

Projected Income/(Deficit) @ 6/30/16

31,829

BUDGETED Unrestricted Net Position Balance @ 6/30/16

\$1,551,054

# PROGRAM ACTIVITY REPORT

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**AGENDA STATEMENT**

Meeting: March 9, 2016

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

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**SECTION 8 HOUSING CHOICE VOUCHERS**

- **Lease-Up:** As of March 1, 2016, the Section 8 Housing Choice Voucher program had 6,015 units under contract. The fiscal year-to-date lease-up average is 96.65% units as of March 1, 2016. The budget authority use average through January 2016 is 103%.
- **Program Utilization:** As of March 1, 2016, the average HAP subsidy was \$1,115 and the average tenant-paid rent portion was \$480 for an average Contract Rent of \$1,597. Amounts vary by \$1 due to rounding.
  - ❖ As of March 1, 2016, HACA had 69 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
  - ❖ As of March 1, 2016, HACA billed other housing authorities, primarily the Oakland Housing Authority, for 409 incoming portability contracts. The number is dropping as HACA absorbs older port-in contracts in order to increase its lease-up, which has been dropping due to skyrocketing rents in the county and the inability of tenants to locate affordable units.
- **Section 8 Contract Report:** A copy of the Contract Report is attached.
- **Fraud / Debt Recovery:** HACA retained \$4,475.42 for the month of January 2016. A total of \$27,587.63 was retained over the last six months.
- **Landlord Rental Listings:** As of March 1, 2016 there were 705 landlords with properties in HACA's jurisdiction utilizing the *GoSection8* rental listing service. There was one new landlord added to the Section 8 program this month. There were only 6 active properties listed as of March 1, 2016.

**FAMILY SELF SUFFICIENCY (FSS)**

In February, the FSS Department held a quarterly Program Coordinating Committee (PCC) meeting. These meetings are a collaborative effort amongst various agencies and organizations to offer guidance and strengthen our FSS program by providing valuable information and program updates.

The FSS department is planning to have 11 different workshops for FSS participants in 2016. In February, the department held a *Managing Your Checking Account* workshop that gave participants an understanding of the importance of a checking account in budget management.

The FSS department held two orientations in February for 30 prospective new participants. Quarterly orientations are planned for the remainder of 2016.

**PUBLIC HOUSING**

- **Occupancy:** As of March 1, 2016, the Public Housing program had 71 of 72 units leased. The program has a 94.60% fiscal year-to-date lease up rate as of March 1, 2016. The three units that were off-line at Emery Glen due to water damage from the incomplete exterior siding project are now back on-line. Two units are occupied and the third has been rented and will be reflected on next month's report.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
Section 8 Contract and HAP Report for the month of February 2016**

City	Certificates		Vouchers		February 2016 TOTAL		February 2015	February 2014
	Number	HAP*	Number	HAP**	Number	HAP		
Albany	0	\$0	27	\$29,970	27	\$29,970	28	33
Castro Valley	11	\$11,605	197	\$218,670	208	\$218,670	219	225
Dublin	3	\$3,165	353	\$391,830	356	\$391,830	351	362
Emeryville	6	\$6,330	120	\$133,200	126	\$133,200	120	117
Fremont	24	\$25,320	1,051	\$1,166,610	1,075	\$1,166,610	1,162	1,272
Hayward	118	\$124,490	1,920	\$2,131,200	2,038	\$2,131,200	2,234	2,428
Newark	3	\$3,165	221	\$245,310	224	\$245,310	241	253
Pleasanton	3	\$3,165	110	\$122,100	113	\$122,100	119	127
San Leandro	16	\$16,880	1,453	\$1,612,830	1,469	\$1,612,830	1,525	1,524
San Lorenzo	0	\$0	200	\$222,000	200	\$222,000	217	230
Union City	4	\$4,220	726	\$805,860	730	\$805,860	776	834
<b>TOTALS</b>	<b>188</b>	<b>\$198,340.00</b>	<b>6,378</b>	<b>\$7,079,580.00</b>	<b>6,566</b>	<b>\$7,079,580.00</b>	<b>6,992</b>	<b>7,405</b>

\*Based on an average February Housing Assistance Payment (HAP) of \$1055 per certificate contract

\*\*Based on an average February Housing Assistance Payment (HAP) of \$1110 per voucher contract

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Average Contract Rent Report for the Month of: February 2016

City	Number of HAP Contracts	Average Contract Rent	Average HAP Paid by HACA	Average Rent Paid by Family	Average Family-Paid Rent as a Percentage of Average Contract Rent
Albany	28	\$1,390	\$1,089	\$301	22%
Castro Valley	177	\$1,592	\$1,119	\$473	30%
Dublin	274	\$1,729	\$1,269	\$461	27%
Emeryville	118	\$1,392	\$949	\$442	32%
Fremont	988	\$1,805	\$1,268	\$536	30%
Hayward	1866	\$1,537	\$1,075	\$462	30%
Newark	219	\$1,995	\$1,369	\$627	31%
Pleasanton	108	\$1,416	\$994	\$422	30%
San Leandro	1439	\$1,530	\$1,067	\$463	30%
San Lorenzo	200	\$1,817	\$1,303	\$514	28%
Union City	540	\$1,879	\$1,328	\$551	29%

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

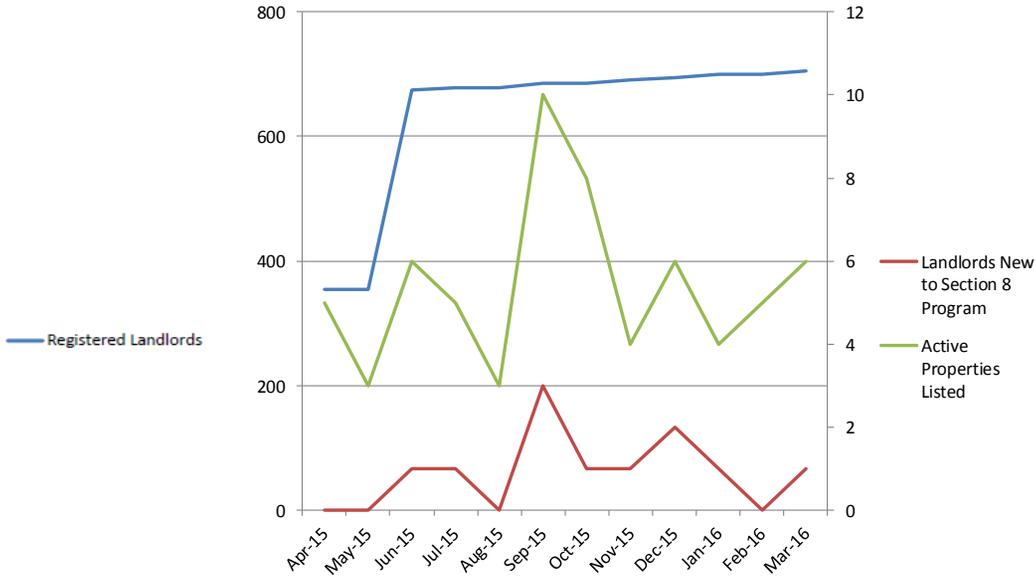
**DEBT COLLECTIONS**  
 2015-2016  
 FYE 06/30/16

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY '16	FEBRUARY	MARCH	APRIL	MAY	JUNE	GRAND TOTALS
<i>DAMAGE CLAIMS</i>	\$200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						\$200.00
<i>FRAUD REPAYMENTS</i>	\$5,070.25	\$3,442.19	\$4,293.91	\$4,363.48	\$5,703.87	\$5,308.76	\$4,475.42						\$32,657.88
<b>TOTALS</b>	<b>\$5,270.25</b>	<b>\$3,442.19</b>	<b>\$4,293.91</b>	<b>\$4,363.48</b>	<b>\$5,703.87</b>	<b>\$5,308.76</b>	<b>\$4,475.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$32,857.88</b>

## Landlord Rental Listing Report

### Monthly

	4/1/2015	5/1/2015	6/1/2015	7/1/2015	8/3/2015	9/1/2015	10/1/2015	11/2/2015	12/1/2015	1/4/2016	2/1/2016	3/1/2016
<b>Registered Landlords</b>	355	355	675	678	678	685	686	691	694	699	700	705
<b>Landlords New to Section 8 Program</b>	0	0	1	1	0	3	1	1	2	1	0	1
<b>Active Properties Listed</b>	5	3	6	5	3	10	8	4	6	4	5	6





**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:** February 29, 2016

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<b>Program Summary</b>	<b>February 2016</b>
Total Clients Under Contract:	144
MDRC:	100
Graduates:	3
Escrow Disbursed:	\$33,345.41
Ports In:	0
Ports Out:	0
Terminations:	1
New Contracts:	3

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

On Wednesday, February 17, 2016, the FSS team held a PCC meeting. The PCC consists of Alameda County agencies, non-profit organizations and FSS participants whose purpose is to offer guidance and strengthen our FSS program. The PCC members provided program updates regarding their respective agencies and shared valuable information. Our next PCC meeting is, tentatively, scheduled for Wednesday, May 18, 2016, at 4:00 p.m. at HACA.

### **FSS Workshops**

On Saturday, February 6, 2016, Safe America Credit Union presented a *Managing Your Checking Account* workshop. Participants were introduced to:

- Understanding the importance of a checking account
- Using a checking account to manage your budget
- Learning how to avoid overdrafts and ChexSystems

### **FSS Orientations**

The FSS program held two orientations for new participants. The first orientation was held on Wednesday, February 24 from 10:00 a.m. until 11:30 a.m. and the second was held on Thursday, February 25 from 6:00 p.m. until 7:30 p.m. A total of 30 persons attended the two orientations. The FSS team is planning to conduct quarterly orientations for the remainder of 2016. The next orientations will be held sometime in May.

### **Upcoming Workshops for the FSS Program in 2016**

The FSS team is projecting the following workshops for the 2016 program year. The dates and times are pending based on confirmations from our service providers and partners that present the workshops.

- Alameda County Child Support
- Auto Land
- College Night – College Options / Financial Aid
- Disaster Preparedness
- Employment Readiness
- Estate Planning
- Gloria Brown – Life Coach
- Household Finances and Budgets
- Money Management for Children
- Safe America Credit Union /Checking and Savings Accounts / Credit Repair
- Section 8 Homeownership

**Case Management Referrals = 24**

**Job Lead Referrals = 186**

# ATTACHMENT A

**EXHIBIT A**  
**DISPOSITION PROPERTY**

**Address:** 240 Kottinger Drive, Pleasanton, CA 94566

**HUD Project No.:** CA081000001

**HUD AMP No.:** CA081000001

Real property in the City of Pleasanton, County of Alameda, State of California, described as follows:

**PARCEL ONE:**

A portion of the lands of the City of Pleasanton, County of Alameda, State of California, acquired by Quitclaim Deed from the United States of America to the Town of Pleasanton, recorded May 12, 1954, in Book 7318 of Official Records, at Page 257, Series No. HA-39482, Alameda County Records.

Beginning in the Northwestern line of said lands, distant thereon North 41° 43' 54" East 5.47 feet from the Westernmost corner thereof; thence along said Northwestern line, North 41° 43' 54" East 495.00 feet; thence leaving said Northwestern line and running on the following courses: South 66° 00' 00" East 324.00 feet; thence South 25° 00' 00" East 180.00 feet; thence South 65° 00' 00" West 192.00; thence North 38° 50' 00" West 112.60 feet; thence South 65° 00' 00" West 141.00 feet; thence North 70° 00' 00" West 30.41 feet; thence South 65° 42' 22" West 129.27 feet; thence along a tangent 58.00 foot radius curve to the left through a central angle of 37° 21' 52" for an arc distance of 37.82 feet; thence South 28° 20' 30" West 15.39 feet to a point lying Northeasterly 5.00 feet distant measured at right angles from a Southwestern line of Plot No. 14 as said Plot is shown upon the "Map of the Pleasanton Homesteads", recorded in Book 6 of Maps, Page 30, Alameda County Records; thence parallel with said line of said Plot No. 14, North 61° 39' 30" West 23.38 feet to the Northwestern line of said Plot; thence along the last named line, North 41° 43' 15" East 2.90 feet to the Southernmost corner of the 6.590 acre tract as shown on said "Map of the Pleasanton Homesteads"; thence along the Southwestern line of said 6.590 acre tract, North 72° 10' 40" West 15.47 feet; thence leaving said Southwestern line, North 61° 39' 30" West 6.67 feet; thence along a tangent 225.00 foot radius curve to the left through a central angle of 10° 31' 10" for an arc distance of 41.31 feet to a point lying Northeasterly 5.00 feet distant, measured at right angles from the Southwestern line of said 6.590 acre tract; thence parallel with the last named line North 72° 10' 40" West 74.65 feet to the point of beginning.

EXCEPTING THEREFROM all uranium, thorium, and all other materials determined pursuant to Section 5(b)(1) of The Atomic Energy Act of 1946 (60 Stat. 761) to be peculiarly essential to the production of fissionable material, contained in whatever concentration, as reserved by the United States of America in Deed recorded May 12, 1954, Book 7318, Page 257, Alameda County Records.

**PARCEL TWO:**

That parcel of land conveyed by the City of Pleasanton to The Housing Authority of The City of Pleasanton in that certain Deed, dated May 3, 1972, recorded September 15, 1972 in Book 3232, Page 964, Document No.72-127108, being that same parcel of land delineated and designated as “Area to be Quitclaimed to Parcel 1 by The City of Pleasanton” upon Parcel Map 861, as said Parcel Map is recorded in Book 72 of Maps, Page 80, Alameda County Records

**PARCEL THREE:**

Easement for ingress and egress over Parcel 2, Parcel Map No. 861, recorded in Book 72 of Maps, Page 80, Alameda County Records, over those portions described in the Deed from the City of Pleasanton, recorded September 15, 1972, in Reel 3232, Image 968, Alameda County Records.

APN: 094-0095-033-03

**EXHIBIT B**  
**APPROVAL LETTER**



OFFICE OF PUBLIC HOUSING

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center  
 77 W. Jackson Blvd., Room 2401  
 Chicago, Illinois 60604-3507  
 Phone: (312) 353-6236 Fax: (312) 886-6413

FEB 26 2015

Mr. Steven Bocian  
 Executive Director  
 Pleasanton Housing Authority  
 123 Main Street  
 Pleasanton, CA 94566

Dear Mr. Bocian:

The Department has reviewed the Pleasanton Housing Authority's (PHA) application for the disposition of 1 non-dwelling and 18 dwelling buildings containing 50 units and the disposition of 3.30 acres of underlying land at Kottinger Place, CA081000001. The Special Applications Center (SAC) received this application on December 16, 2014, via the Public and Indian Housing Information Center (PIC), Application DDA0005788. Supplemental information was received through January 21, 2015.

### Field Office and FHEO Certification

The Environmental Assessment was performed by Nelson Fihalo, City Manager under 24 CFR Part 58 on September 23, 2013, and was signed off on by the San Francisco HUB on October 23, 2013.

The San Francisco HUB provided a certification stating that the submission accurately describes the current physical condition of the project proposed for disposition, and that the reasons provided by the PHA to justify the proposed action are correct and factual.

The PHA is a Qualified PHA, as defined by the Housing and Economic Recovery Act of 2008 and therefore is not required to submit an Annual Plan to HUD. In accordance with PIH Notice 2012-7, 24 CFR part 970, and Section 18 of the U.S. Housing Act of 1937, the PHA has certified that that the PHA has discussed the disposition actions proposed in application DDA0005788 at its annual public hearing on October 21, 2014.

On February 25, 2015, the San Francisco Fair Housing and Equal Opportunity Center (FHEO), Program Compliance Branch, recommended the disposition approval. An advance draft of this approval letter was sent to the PHA for their comments on January 27, 2015. The PHA responded with comments.

FHEO provided the following guidance as part of this disposition approval:

- The PHA will undertake efforts to affirmatively further fair housing by conducting outreach to housing providers with units in mixed neighborhoods as well as to those with accessible units, and thereafter compile a listing for distribution to residents who opt for a voucher to relocate as a result of this application. The Section 8 HCV housing provider listing should be analyzed to ensure there are units located outside of areas of racial/ethnic minority concentration.
- The PHA will undertake efforts to affirmatively further fair housing by analyzing the racial, ethnic, and disability demographics of applicants and participants in comparison to their representation in the service area (county) and develop marketing plans to ensure affirmative outreach to groups least likely to apply and participate.
- Under Section 504 regulations at 24 CFR 8.28, the PHA is obligated to analyze its Section 8 housing provider referral list to ensure that it contains units that are fully accessible and units with accessible features for persons with physical impairments in order to meet the needs of persons affected by the disposition. The PHA should have a procedure in place to assist persons with disabilities, who need fully accessible units or units with accessible features, and provide adequate notice of the services it will provide upon request, including the name of a Section 504 Coordinator (24 CFR 8.53 and 8.54).
- The PHA must have a minimum of 5% of units accessible to persons with mobility impairments and 2% of units accessible to persons with hearing/visual impairments in compliance with UFAS standards, and there should be a range of bedroom sizes distributed throughout. Under 24 CFR 8.27, the PHA is required to ensure that information about the availability of accessible units reaches persons with disability, in order to maximize the utilization of accessible units by those whose disability requires the accessibility features of a particular unit.

**Description of Development**

The PHA proposed the disposition of 1 non-dwelling building, 18 dwelling buildings containing 50 dwelling units and disposition of 3.30 acres of underlying land at Kottinger Place, CA081000001. Details of the proposed disposition are as follows:

<b>Kottinger Place, CA081000001</b>					
DOFA: 05/01/1973					
Bedroom Size	0-BR	1-BR	2-BR	4+BR	Total
Existing Units	32	16	2	0	50
Proposed Units	32	16	2	0	50
Number of Dwelling Buildings Existing					18
Number of Dwelling Buildings Proposed					18
Number of Non-Dwelling Buildings Existing					1
Number of Non-Dwelling Buildings Proposed					1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments					50

**History of the Development**

The PHA has not received any Inventory Removal approvals from HUD for Kottinger Place, CA081000001.

**Reason for Action (Justification) Disposition**

The PHA proposed the disposition based on 24 CFR § 970.17(c), where the statute requires the PHA to certify that disposition is appropriate for reasons that are in the best interests of the residents and the PHA, are consistent with the goals of the PHA and the PHA Plan, and are otherwise consistent with the Housing Act.

The PHA submitted data to support the fact that these buildings and units are obsolete. The Total Development Cost (TDC) limit for the units proposed for disposition is calculated below. The Department used the TDC applicable at the time of submission of this disposition application.

TDC per Notice PIH-2014Year: 2014			
Type of Structure: Semi-Detached Area :Oakland			
Bedroom Size	Number of Unit	TDC/Unit	Total Cost
0-BR	32	\$178,816	\$5,722,112
1BR	16	\$235,208	\$3,763,328
2-BR	2	\$281,865	\$563,730
TOTAL			\$10,049,170

The PHA provided an estimate for itemized rehabilitation costs, based upon the existing conditions of the units. The PHA estimated a total of 5,755,885 in rehabilitation costs, which is 57.28 percent of the TDC limit.

The walkways, parking lot, and unit entrances do not meet current State accessibility requirements, making it difficult and, in certain situations, impossible for elderly residents using a walker or wheelchair to move around the site. Accessibility throughout the site is a top priority for the residents and Housing Authority.

Emergency vehicle and fire truck access to the site is currently limited and in some places does not meet the fire department’s requirement that the truck, when parked, is within 150 feet of a dwelling unit. For these reasons and the rehabilitation costs provided in HUD-52860-B, the Housing Authority considers Kottinger Place obsolete, justifying the disposition and allowing for the implementation of a plan that will allow the Housing Authority to better serve the existing residents and provide for additional affordable homes for residents on the Housing Authority’s waitlist and throughout the community. After the disposition, tax credit equity will be used to demolish the units, and then 103 units affordable at 80% of AMI, of which 50 will receive project-based vouchers, will be constructed on the site. Another 28 units will be constructed off-site on two adjacent City-owned parcels.

We concur with the PHA's determination that the disposition of these obsolete units is in the best interest of the residents and the PHA, because it will enable financing to be obtained for new construction of Section 8 units and other affordable units.

### **Appraisal**

The PHA submitted an estimate of the Fair Market Value (FMV) of the property as vacant land with the application. The FMV of \$5,253,000 was estimated by the Ritter Associates brokerage. As required by 24 CFR § 970.19(d), we have determined that this method of valuation for this below FMV transaction is acceptable to establish an estimate of the value of the subject properties.

### **Negotiated Sale**

The PHA proposed the disposition via a negotiated sale at less than FMV to the City of Pleasanton for \$1.00.

### **Commensurate Public Benefits**

The PHA has indicated that, after disposition, it intends to use the property on which this development was located for the new construction of 103 affordable and fully-accessible one- and two-bedroom senior units in place of the current 50 units. All units will be financed using Low-Income Housing Tax Credits (LIHTC) and 50 of the units will be further subsidized with a long-term project-based Section 8 voucher contract.

Therefore, although the negotiated sale price is less than FMV, because of the benefits arising from the negotiated sale, it is in the best interest of the public housing residents and the PHA, and will result in a commensurate public benefit, as required in 24 CFR § 970.19.

### **Use of Proceeds**

According to the Office of the Chief Financial Officer, there is no debt on Kottinger Place, CA081000001. The PHA will not realize proceeds from this disposition.

### **Future Use of Property**

The PHA has indicated that, after disposition and demolition, it intends to use the property on which this development was located for the new construction of 103 affordable and fully-accessible one- and two-bedroom senior units in place of the current 50 units. All units will be financed using Low-Income Housing Tax Credits (LIHTC) and 50 of the units will be further subsidized with a long-term project-based Section 8 voucher contract.

### **Demolition Cost**

The application states that it will cost approximately \$721,504, to demolish the subject units/buildings at Kottinger Place, CA081000001. The demolition will be funded using equity raised from the 9 percent LIHTC syndication.

### **Relocation**

When the application was developed and transmitted to the Department, 50 units proposed for disposition were occupied. The PHA has submitted certification regarding relocation as required by the 24 CFR § 970.21(e) (f). The PHA estimated the relocation cost for the residents to be \$2,465,000, which includes moving expenses, counseling/advisory services, and rent for temporary housing during an estimated 11-month construction period before the new units will be available. The Pleasanton Housing Authority proposes to fund the relocation expenses with funds from the City of Pleasanton's Lower-Income Housing Fund. According to the City of Pleasanton's Municipal Code, the City's Lower-Income Housing Fund can be used for activities to implement the City's adopted housing element. Activities may include, but are not limited to, land acquisition, construction, and rehabilitation. The housing resources offered will be comparable units in the immediate area.

### **Resident Consultation**

1. Project(s) Specific Resident Organization(s): N/A
2. PHA-wide Resident Organization: N/A
3. Resident Advisory Board (RAB) in accordance with 24 CFR § 903.13: Kottinger Place Resident Advisory Board (KPRAB)

24 CFR § 970.9(a) requires that an application for disposition be developed in consultation with the tenants of the project involved, any tenant organization at the project involved and any PHA-wide organizations that will be affected by the activity.

The Pleasanton Housing Authority and Mid Pen Housing Corporation have met with the 50 Kottinger Place households on a regular basis to ensure all residents are aware of the proposed development, and have the opportunity to provide feedback, which has been incorporated into the redevelopment plans. Since April, 2012, the Pleasanton Housing Authority's extensive resident outreach included the following:

- Held two group meetings at the Kottinger Place community room to present and discuss the proposed Inventory Removal Application and redevelopment plans with approximately 50 percent of the affected residents in attendance;
- Held one group meeting at the Pleasanton Gardens community room across the street from Kottinger Place to receive resident feedback to incorporate in the plans with approximately 50 percent of the affected residents in attendance;

- Conducted individual meetings with residents to better understand their needs and answer questions about the planned redevelopment, reaching approximately 80 percent of the affected residents;
- Circulated a survey for residents to fill out in order to gather more specific feedback from approximately 80 percent of the affected residents.

All meeting invites and materials were translated into Chinese, Polish, and Korean and translators were provided at every resident meeting. The last of the meetings was held on September 20, 2013.

### **Offer for Sale to the Resident Organization**

24 CFR § 970.9(b) (1) of the regulation requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR Part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The PHA has chosen not to provide an opportunity based on the exception found in 24 CFR § 970.9(b) (3).

(ii) “A PHA seeks disposition outside the public housing program to privately finance or otherwise develop a facility to benefit low-income families (e.g., day care center, administrative building, mixed-finance housing under 24 CFR Part 905 subpart F, or other types of low-income housing)” We concur with the PHA’s determination that it has complied with the requirements of 24 CFR § 970.9.

### **Mayor/Local Government Consultation**

As required by 24 CFR § 970.7(a) (14), the application includes a letter of support from the Honorable Jerry T. Thorne, Mayor of the City of Pleasanton, dated November 20, 2013.

### **Board Resolution**

As required by 24 CFR § 970.7(a) (13), the PHA’s Board of Commissioners approved the submission of the application for disposition of the proposed property on October 21, 2014, via Resolution Number 2014-4. The last resident consultation was on September 20, 2013. The consultation with the local government took place on November 20, 2013.

### **Other Requirements**

The Department reminds the PHA that pursuant to 24 CFR § 970.21(c)(2), if any of the following types of federal financial assistance is used in connection with the demolition and disposition of public housing, the project is subject to section 104(d) of the Housing and Community Development Act of 1974, 42 U.S.C. 5304(d) (as amended), including the relocation payment provisions and the anti-displacement provisions, which require that comparable replacement dwellings be provided within the community for the same number of occupants as could have been housed in the occupied and vacant, occupiable low- and moderate-income

units:

- Community Development Block Grant (CDBG) program, 42 U.S.C. 5301 et seq. (including loan guarantees under section 108 of the Housing and Community Development Act of 1974, 42 U.S.C. 5308 et seq.); or
- HOME program, 42 U.S.C. 12701 et seq.

Please contact the HUD San Francisco HUB for additional guidance, if applicable.

**Approval**

The following approval is conditioned on the PHA obtaining the tax credit financing necessary for the construction of the 103 units on the site. We have reviewed the application and find it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR Part 970, including requirements related to resident consultation, relocation, and the opportunity to purchase the property by a resident organization. Based upon our review, and finding that the requirements of 24 CFR Part 970 and Section 18 of the Act have been met, the proposed disposition of 1 non-dwelling and 18 dwelling buildings containing 50 dwelling units and 3.30 acres of underlying land at Kottinger Place, CA081000001, as described in the application and identified below, is hereby approved.

<b>Kottinger Place, CA081000001</b>			
Buildings: 1 non-dwelling, 18 dwelling, Units: 50, Acres: 3.30			
Total Units to be Redeveloped <u>103</u>	Less than 80% of Area Median Income		Market Rate
	ACC	Non-ACC	
Rental	0	103	0
Acquiring Entity	City of Pleasanton, a municipal corporation		
Method of Sale	Sale at less than FMV		
Sale Price	Donation		
Purpose	Development of 103 Low Income Housing Tax Credit (LIHTC) Units, including 50 Section 8 Units		

The PHA shall ensure that 103 housing units are developed on the property and operated as affordable and reserved for families at or below 80 percent of AMI for a period of not less than 30 years.

These use restrictions requiring that the City of Pleasanton develop and operate the properties as 103 units affordable at incomes at or below 80 percent of AMI for 30 years, must be enforced by use agreements, or other legal mechanisms as determined by the HUD San Francisco HUB. Such use restriction documents must be recorded in a first priority position against the properties, prior to any financing documents or other encumbrances, and remain in effect even in the event of default or foreclosure on the properties.

- The City of Pleasanton shall maintain ownership and operation of the property during the use restriction period. The owner shall not convey, sublease or transfer the property approved for this disposition without prior approval from the PHA and the Department at any point during the period of use restriction;
- The use restrictions shall be covenants that run with the land, and shall bind and inure to the benefit of the parties, their successors and assigns, and every party now or hereafter acquiring any right, title, or interest therein or in any part thereof.
- The PHA is responsible for monitoring and enforcing these use restrictions during the period they are in effect.

Notwithstanding this approval, the PHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated temporarily.

### **Operating Subsidy**

Please be aware that in accordance with 24 CFR § 990.114, the disposition of these units will affect PHA's operating subsidy eligibility significantly. Please contact your financial analyst at the HUD San Francisco HUB for additional guidance about this.

### **Housing Choice Vouchers**

The Pleasanton Housing Authority must submit an application to the HUD San Francisco HUB Office of Public Housing, if it is to receive Section 8 vouchers in connection with the units proposed for disposition. The PHA should submit its application in response to HUD Notice 2014-5, or HUD's current Notice outlining the application procedures.

### **Terminating Annual Contributions Contract**

This action will remove all ACC units from the PHA's inventory, and will terminate that relationship with the Department. The PHA must comply with the below requirements regarding Operating Fund, Capital Fund, disposition of Equipment, and audit, and make its accounts available for review by the HUD San Francisco HUB Office of Public Housing.

### **Operating Fund**

After the transfer of title occurs, the PHA may spend no more of its Operating Funds, other than for purposes related to the close-out its public housing inventory, such as audit requirements. Although the PHA is eligible to receive asset repositioning fees (ARF) under 24 CFR § 990.190, if it does not expend the ARF funds it receives within 180 days of the closing of the property proposed for disposition (and all related close-out activities), it must return the remaining ARF funds, along with all other unexpended Operating Funds (including operating reserves) to HUD.

### **Capital Fund**

Because the PHA indicated the property proposed for disposition will be demolished after disposition, after the date of this approval, the PHA may only expend Capital Funds at the property to close out contract obligations or to address imminent health and/or safety issues that arise prior to the disposition of the property. Within 180 days after the disposition is complete, the PHA must return any remaining Capital Funds to the Department. The PHA is not eligible to receive Demolition Disposition Transition Funds (DDTF) pursuant to 24 CFR § 905.10(i), unless it plans to develop additional public housing units.

### **Equipment**

Within 180 days of the date of this approval, the PHA must submit a master list of its equipment that was acquired in whole or in part with public housing funds from the 1937 Act to the HUD San Francisco HUB Office of Public Housing, along with a plan for how it intends to dispose of this property in accordance with 24 CFR § 85.32(c). The PHA's plan for disposition of equipment is subject to the approval of the HUD San Francisco HUB Office of Public Housing. However, if the PHA does not receive a response to its plan from that Office within 30 days, the plan is deemed approved and the PHA may proceed with its implementation.

### **Audit Requirements**

Within 180 days of completion of disposition of the property, the PHA must have an independent audit conducted on the close-out of its public housing inventory. This audit must address Operating Funds (including operating reserves), Capital Funds, and Equipment. The PHA must provide a copy of this audit to the HUD San Francisco HUB Office of Public Housing. Pursuant to Operating Fund rules, the PHA may use Operating Funds to pay for this audit.

### **Capital Fund Financing Program**

As of December 16, 2014, the (PHA) did not have HUD approval of a Capital Fund Financing Program (CFFP) proposal.

### **PIC and Monitoring**

In accordance with 24 CFR § 970.35 of the regulation, your agency is required to inform the HUD San Francisco HUB of the status of the project. When the disposition has taken place, please submit a report to the HUD San Francisco HUB confirming the action and certifying compliance with all applicable requirements. Files must be maintained which are sufficient for audit purposes and must be made available upon request.

The PHA must enter the "actual" dates of disposition directly into the Inventory Removals sub-module in IMS-PIC, for the HUD San Francisco HUB approval, so that the status of the units and acres of land in PIC is changed to "removed from inventory."

It is the San Francisco HUB's responsibility to monitor this activity based on its latest risk assessment. The San Francisco HUB must verify that the actual data is being entered by the PHA as the actions occur to ensure the Department is not over paying in operating subsidy, and the Capital Fund formula data is correct. The PHA should work with the San Francisco HUB to close this program out seamlessly.

The HUD San Francisco HUB has been informed of this approval. Its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition.

As the PHA starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, the HUD San Francisco HUB stands ready to assist you.

Sincerely,

  
for Tamara S. Gray  
Director

Cc: San Francisco HUB



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center  
 77 W. Jackson Blvd., Room 2401  
 Chicago, Illinois 60604-3507  
 Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC AND INDIAN HOUSING

February 16, 2016

Nelson Fialho  
 Executive Director  
 Pleasanton Housing Authority  
 123 Main Street  
 Pleasanton, CA 94566

Dear Mr. Fialho:

THIS APPROVAL AMENDS, RESTATES AND SUPERSEDES THE DEPARTMENT'S APPROVAL DATED FEBRUARY 11, 2016 FOR THIS APPLICATION.

The U.S. Department of Housing and Urban Development's (Department), Special Applications Center (SAC) received the following: (1) a letter dated January 13, 2016 from Frances Reisner, Housing Specialist, at the Housing Authority of the City of Pleasanton (PHA), (2) a letter dated January 13, 2016 from Frances Reisner, Housing Specialist, at the Housing Authority of the City of Pleasanton (PHA) and Christine Gouig, Executive Director, Housing Authority of the County of Alameda (HACA); and (3) supplemental emails dated January 20, 2016 and February 2, 2016 from Abigail Goldware on behalf of the PHA, requesting that HUD amend its disposition approval dated February 26, 2015 for 1 non-dwelling and 18 dwelling building/s containing 50 units and the disposition of 3.30 acres of underlying land at Kottinger Place, CA081000001 (PIC application DDA0005788) as follows:

Kottinger Place, CA081000001			
Buildings: 19, Units: 50, Acres: 3.30			
Total Units to be Redeveloped	Less than 80% of Area Median Income		
<u>103</u>	ACC	Non-ACC	Market Rate
Rental	0	103	0
Acquiring Entity	City of Pleasanton, a municipal corporation		
Method of Sale	Sale at less than FMV		
Sale Price	Donation		
Purpose	Development of 103 Low Income Housing Tax Credit (LIHTC) Units		

In its current request, the PHA is asking that HUD amend its disposition approval to reflect the following:

- (1) the City of Pleasanton (City) plans to ground lease the property to a LIHTC entity named Kottinger Gardens Phase 1 Associates, L.P. for \$1 per year for a term of no less than 60 years;
- (2) if and when the PHA dissolves (or HUD terminates its ACC with the PHA), the City will assume responsibility for monitoring and enforcing the use restrictions that will be recorded against the property;
- (3) To correct the acreage at the property (pursuant to the title report) from 3.30 acres to 3.464 acres; and
- (4) To satisfy the relocation requirements of Section 18 of the 1937 Act and 24 CFR part 970, the PHA proposes to give the residents of Kottinger Place the following two options:
  - (A) The resident can choose to be relocated through the following 4 steps:
    - When the ACC is terminated, the resident may remain in his/her current public housing unit and continue to pay the same rents as public housing;
    - Immediately following the construction financing closing and LIHTC syndication the resident will move temporarily off-site during an estimated 11-month construction period to comparable apartment units in Alameda County (or, if requested by the resident, the resident may move in with a family or friend during this temporary period, in which case the resident will be provided with a housing payment to assist with housing costs during this interim period). During this time, the resident will continue to pay the same rent as for public housing and Kottinger Gardens Phase 1 Associates, L.P. will pay for the rent differential between what the resident pays in rent and the market cost of the temporary apartment. Kottinger Gardens Phase 1 Associates, L.P. will pay for moving expenses from the resident's current unit to the temporary units and back to the site once redeveloped;
    - Once construction is complete, the resident will be provided with a new PBV Section 8 unit in the new redeveloped project; and
    - In the event construction of the new units does not occur, all residents would receive a Section 8 tenant-based voucher and the PHA and HACA will work with the residents to ensure they find a unit to lease; or
  - (B) The resident can choose to be relocated with a Section 8 tenant based voucher provided by HACA (in which case relocation would not be considered complete until the resident is actually leased up in a unit with that voucher)<sup>1</sup>.

In the letter dated January 13, 2016 from the PHA, the City, and HACA, the parties indicated the following:

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<sup>1</sup> PHA is a Section 9-only PHA so the vouchers will be provided through an agreement between PHA and HACA. HUD acknowledges that the PHA and HACA have entered into an agreement regarding Section 8 vouchers and the HACA will be submitting (or has submitted) a tenant-protection voucher application based on this disposition.

- The PHA has confirmed that all existing residents are eligible to participate in the Section 8 Voucher Program (e.g. no residents are over-income);
- The PHA, the City, and HACA are all in agreement to the relocation plan for the existing public housing tenants. Specifically, all parties agree that the existing residents will be provided with a Section 8 tenant-based voucher (and assistance with finding a unit, including counseling and moving costs paid for by the City) if the development does not proceed as planned (and a PBV HAP contract is not signed) by July 1, 2017;
- The PHA plans to close-out its public housing program after the disposition of this property. The PHA does not own any other non-dwelling public housing real property. The PHA has no personal property or equipment (e.g. office equipment, cars) that was acquired or operated with 1937 Act Funds. The PHA has \$129,741.14 in Capital and Operating Funds (including operating reserves);
- The PHA understands it will not receive any Demolition and Disposition Transition Funding (DDTF) under 24 CFR part 905 and agrees with HUD’s initial determination that the PHA should not receive any Asset Repositioning Fee (under 24 CFR 990.190); and
- The City, the PHA, and HACA will comply with the terms and conditions of any amended disposition approval that HUD may issue.

**Approval**

The Department approves the requests outlined above and reflected in the table below. :

<b>Kottinger Place, CA08100001</b>			
Buildings: 19, Units: 50, Acres: 3.464			
Total Units to be Redeveloped <u>131 units on 3 parcels<sup>2</sup></u>	Non-ACC LIHTC		
	LIHTC	Section 8 PBV	Manager Unit
Rental	80	50	1
Method of Disposition & Acquiring Entities	Transfer to City of Pleasanton, a municipal corporation in fee simple for less than fair market value (FMV) then to Kottinger Gardens Phase 1 Associates, L.P. via a ground lease with a term of no less than 60 years at less than FMV		
Disposition Price	Transfer of Fee Simple at \$1 Ground Lease at \$1 per year (for at least the first 30 years of the Ground Lease)		
Purpose	Development of 130 Low Income Housing Tax Credit (LIHTC) Units and 1 on-site manager’s unit. Of the 130 LIHTC Units, 50 will have a Section 8 Project-Based Voucher		

<sup>2</sup> The 131 units will be developed on 3 parcels of land: (1) a 3.464 acre parcel of public housing property located at 240 Kottinger Drive that is the subject of this disposition approval; (2) a 0.509 acre parcel located at 4138 Vineyard Avenue that is currently owned by the City of Pleasanton; and (3) a 0.571 acre parcel located at 4133 Regalia Court currently owned by the City of Pleasanton.

### Conditions

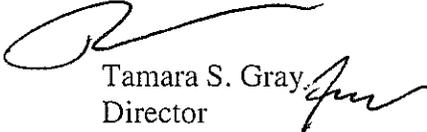
- (1) This approval requires that a use agreement (in a form acceptable to the San Francisco Office of Public Housing) be recorded on this property (and the 1.08 acres of contiguous property currently owned by the City) (in total approximately 4.544 acres) that assures that the property will be developed as one manager unit and 130 units of housing and operated as rental housing that is reserved for and affordable to residents who earn 80% or less of area median income (AMI) in accordance with the LIHTC program and that no fewer than 50 of these 130 units be operated under the Section 8 project-based voucher program for a period of not fewer than thirty (30) years. The use agreement must be recorded in a first priority position against the property, prior to any financing documents or other encumbrances, and remain in effect even in the event of default or foreclosure on the properties. Kottinger Gardens Phase 1 Associates, L.P., the City, the PHA, and HUD must all be parties to the Use Agreement;
- (2) As a condition of the disposition approval and prior to releasing the Declaration of Trust (DOT) on the property, the City, the PHA, Kottinger Gardens Phase 1 Associates, L.P., and HACA must enter into a Disposition Agreement with HUD in a form required by the San Francisco Office of Public Housing that solidifies the terms of the disposition approval, as amended;
- (3) The City shall maintain ownership and operation of the property during the use restriction period. The City shall not convey fee title of the property without prior approval from HUD at any point during the 30-year use restriction period;
- (4) Within 1 year of the disposition (fee title transfer) from the PHA to the City, the City must ground lease the property to Kottinger Gardens Phase 1 Associates, L.P. to facilitate the LIHTC syndication and the construction and operations of the new improvements on the property. The ground lease must be subordinate to the use agreement;
- (5) The PHA is responsible for monitoring and enforcing these use restrictions during the period they are in effect. In the event the PHA is dissolved and the PHA entity no longer exists, the City shall be responsible for monitoring and enforcing these use restrictions during the period they are in effect;
- (6) The PHA shall comply with the relocation plan outlined in request #4 of this letter. The PHA shall not transfer the property to the City (and HUD will not release the DOT against the property) until all residents who choose to receive a Section 8 tenant-based voucher under request #4(B) are actually leased up in a new unit and all residents who choose to be relocated under request #4(A) have an identified location for their temporary housing units. The PHA, the City, and/or Kottinger Gardens Phase 1 Associates, L.P. are responsible for securing and placing residents into their temporary housing units (if applicable) and otherwise complying with the relocation plan outlined in request #4(A) for residents who choose this form of relocation;

- (7) If residents are not leased up in an on-site new construction PBV unit by July 1, 2017 (which requires the units to be developed and the PBV HAP contract to be signed), HACA must offer all existing residents a Section 8 tenant-based voucher by July 15, 2017. HACA is responsible for providing assistance to the existing residents to find a unit in which they can use their Section 8 tenant-based voucher (e.g. permanent replacement unit) including providing any necessary counseling to residents. The City will be responsible for paying for actual and reasonable moving and relocation costs for the residents' lease-ups into the permanent replacement units with their Section 8 tenant-based vouchers. Residents are not considered to be actually relocated until they are under lease with a Section 8 voucher.
- (8) The Fair Housing Provisions of the original approval are revised to state that, if, at any point, a resident is provided with a Section 8 tenant based voucher to satisfy the relocation requirements of this amended approval (e.g. at the time of the initial disposition or after July 1, 2017 if residents are not relocated into PBV units), HACA must do the following:
- (a) undertake efforts to affirmatively further fair housing by conducting outreach to housing providers with units in mixed neighborhoods as well as to those with accessible units, and thereafter compile a listing for distribution to residents who opt for a voucher to relocate as a result of this application. The Section 8 HCV housing provider listing should be analyzed to ensure there are units located outside of areas of racial/ethnic minority concentration. In addition, HACA must undertake efforts to affirmatively further fair housing by analyzing the racial, ethnic, and disability demographics of applicants and participants in comparison to their representation in the service area (county) and develop marketing plans to ensure affirmative outreach to groups least likely to apply and participate;
  - (b) pursuant to Section 504 regulations at 24 CFR § 78.28, analyze its Section 8 housing provider referral list to ensure that it contains units that are fully accessible and units with accessible features for persons with physical impairments in order to meet the needs of persons affected by the disposition. HACA should have a procedure in place to assist persons with disabilities, who need fully accessible units or units with accessible features, and provide adequate notice of the services it will provide upon request, including the name of the Section 504 Coordinator (24 CFR § 8.53 and § 8.54). In addition, under 24 CFR 8.27, HACA is required to ensure that information about the availability of accessible units reaches persons with disabilities, in order to maximize the utilization of accessible units by those whose disability requires the accessibility features of a particular unit.
- (9) In addition to the requirements in the original disposition approval regarding terminating the ACC and all other applicable federal requirements, the PHA must comply with additional instructions provided by HUD (San Francisco Office of Public Housing and/or guidance issued by HUD Headquarters through a PIH Notice) regarding the close-out of its Section 9 ACC program, including close-out of its

Capital Fund, Operating Fund, and the disposition of non-dwelling property and equipment (if any). As part of the close-out process, the PHA must provide a written certification to HUD from its Board of Directors that the PHA has followed all of HUD's applicable close-out requirements and a legal opinion that specifically states that the PHA retains no public housing property (real or personal); the PHA has no outstanding litigation, claims, audits or debt obligations; and there are adequate assurances in place to ensure compliance with HUD approvals that contain requirements that have not been fully satisfied (e.g. in this instance, that the City will be responsible for monitoring and enforcing the use restrictions). In addition, beginning on the date 90 days following the removal of the disposition of this property (e.g. date units/property are put into RMI status in PIC), the PHA must submit an SF-425, on a quarterly basis, to the HUD San Francisco Office of Public Housing, until such time that HUD terminates the ACC with the PHA.

The Department will not release the DOT on the property until the Use Agreement is recorded<sup>3</sup>, and the City, the Pleasanton Housing Authority, Kottinger Gardens Phase 1 Associates, L.P., and HACA execute the Disposition Agreement as described above. All other conditions of the original approval dated February 26, 2015 that were not specifically addressed in this letter remain as stipulated. Notwithstanding, in the event that there are any inconsistencies or ambiguities between this letter and HUD's previous approval, this letter shall control. HUD's San Francisco Office of Public Housing has been informed of this amendment. If you have any questions regarding this amendment, please contact [SACTA@hud.gov](mailto:SACTA@hud.gov).

Sincerely,

  
 Tamara S. Gray  
 Director

Cc: Christine Gouig, Executive Director, HACA  
 Jerry Thorne, Mayor, City of Pleasanton  
 San Francisco Office of Public Housing

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<sup>3</sup> Prior to the release of the DOT, HUD's Use Agreement will be recorded against the 3.464 acres approved for disposition. After the DOT is released, and the Grant Deed conveying the 3.464 acres approved for disposition from the PHA to the City and the lot line adjustment are recorded, the Use Agreement will be recorded again against the entire newly created parcel, which would include the 3.464 acres of property approved for disposition as well as portions of the two adjacent parcels already owned by the City. The lot line adjustment will occur concurrently with (i.e. immediately following) the release of the DOT.

**EXHIBIT C**  
**MERGED PARCEL**

[See Attached]

**MERGED PARCEL LEGAL DESCRIPTION**

**Commencing** at an angle point on the centerline of Kottinger Drive being North 61°39'30" West, 751.14 feet from the intersection of Kottinger Drive and Amaral Circle as shown on said Parcel Map (72 M 80);

Thence along the centerline of Kottinger Drive, South 61°39'30" East, 63.00 feet;

Thence leaving said centerline and perpendicular to last said course, North 28°20'30" East, 25.00 feet to the southerly corner of Parcel 1 as shown on said Parcel Map (72 M 80), said point being also the **True Point of Beginning** of this description;

Thence along the southwesterly line of said Parcel 1 the following three (3) courses:

- 1) North 61°39'30" West, 44.59 feet to the beginning of a tangent curve to the left, having a radius of 225.00 feet;
- 2) Along said tangent curve, through a central angle of 10°31'10", an arc length of 41.31 feet;
- 3) North 72°10'40" West, 74.65 feet to the westerly corner of said Parcel 1;

Thence along the northwesterly line of said Parcel 1, North 41°43'54" East, 292.25 to the southerly corner of the lands described in Exhibit "A" of a certain Grant Deed filed for record on June 01, 2011 as Document No. 2011159157 of Official Records of Alameda County;

Thence along the southwesterly line of said lands, North 48°16'06" West, 67.49 feet to the westerly corner of said lands;

Thence along the northwesterly line of said lands, North 41°43'54" East, 300.44 feet to the northwesterly corner of said lands;

Thence along the northerly line of said lands, South 88°01'00" East, 87.78 feet to the northeasterly corner of said lands described in said Document No. 2011159157 being also the northwesterly corner of Parcel 2 as shown on said Parcel Map (72 M 80);

Thence along the northeasterly line of said Parcel 2, South 88°01'00" East, 125.51 feet;

Thence leaving said northeasterly line, South 18°56'39" West, 194.31 feet to the northeasterly line of Parcel 1 as shown on said Parcel Map (72 M 80);

Thence along the northeasterly and southeasterly line of said Parcel 1 the following nine (9) courses:

- 1) South 66°00'00" East, 143.68 feet;
- 2) South 25°00'00" East, 180.00 feet to the easterly corner of said Parcel 1;
- 3) South 65°00'00" West, 192.00 feet;
- 4) North 38°50'00" West, 112.60 feet;
- 5) South 65°00'00" West, 141.00 feet;
- 6) North 70°00'00" West, 30.41 feet;
- 7) South 65°42'22" West, 129.27 feet to the beginning of a tangent curve to the left, having a radius of 58.00 feet;
- 8) Along said curve through a central angle of 37°21'52", an arc length of 37.82 feet;
- 9) South 28°20'30" West, 15.39 feet to the **True Point of Beginning**.

**EXHIBIT D**  
**FORM OF USE AGREEMENT**

RECORDING REQUESTED BY:

Housing Authority of the City of Pleasanton  
City of Pleasanton, City Clerk  
P.O. Box 520  
Pleasanton, CA 94566

WHEN RECORDED MAIL TO:

Housing Authority of the City of Pleasanton  
Attn: Nelson Fialho, Executive Director  
P.O Box 520  
Pleasanton, CA 94566

NO FEE REQUIRED  
PER GOVERNMENT CODE SECTION 27383

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(SPACE ABOVE THIS LINE FOR RECORDER’S USE)

**USE AGREEMENT  
KOTTINGER PLACE**

This Use Agreement (this “**Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_, is by and among the U.S. Department of Housing and Urban Development (“**HUD**”), with an address of 1 Sansome Street, 12<sup>th</sup> Floor, San Francisco, California, 94104, the Housing Authority of the City of Pleasanton, a public body corporate and politic organized under the laws of the State of California (“**PHA**”), with an address of 123 Main Street, Pleasanton, CA 94566, the City of Pleasanton, a municipal corporation organized under the laws of the State of California (“**Owner**”), with an address of 123 Main Street, Pleasanton, CA 94566 and Kottinger Gardens Phase 1 Associates, L.P, a California limited partnership (“**Lessee**”) with an address of 303 Vintage Park Drive, Suite 250, Foster City, CA, 94404.

**RECITALS**

WHEREAS, PHA owned and operated one (1) non-dwelling building and eighteen (18) dwelling buildings containing fifty (50) dwelling units (collectively, the “**Existing Units**,” or singularly, an “**Existing Unit**”) and three and four hundred and sixty-four thousandths (3.464) acres of underlying land at Kottinger Place, CA081000001, more particularly described in that certain Declaration of Trust recorded in the official records of the County of Alameda (the “**Declaration of Trust**”), and as further described in Exhibit A, attached hereto and incorporated herein (the “**Disposition Property**”);

WHEREAS, PHA owned and operated the Disposition Property as low-rent public housing with financial assistance provided by HUD under the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 et. seq. (the “**Act**”);

WHEREAS, construction and/or operation of the Disposition Property was financed in part by HUD;

WHEREAS, PHA requested HUD approval of the conveyance of the Disposition Property and HUD has, as documented in the letter from HUD to PHA dated February 26, 2015, as thereafter amended on February 16, 2016 (as amended, the “**Approval Letter**”), attached hereto as Exhibit B and incorporated herein, agreed to such sale on the terms and conditions set forth in the Approval Letter, that certain Disposition Agreement dated concurrently herewith, and this Agreement (collectively, the “**HUD Disposition Approval**”);

WHEREAS, it is anticipated that the PHA will ultimately be dissolved and that Owner will succeed certain of its responsibilities;

WHEREAS, HUD has approved the conveyance of the Disposition Property to Owner for the purchase price of One and No/100ths Dollar (\$1.00);

WHEREAS, Owner is the owner of two parcels of land adjacent to the Disposition Property (the “**Adjacent Parcels**,” or singularly an “**Adjacent Parcel**”), and it is contemplated that Owner will merge the Disposition Property with one Adjacent Parcel and a portion of the other Adjacent Parcel through a lot-line adjustment in order to create a new parcel containing approximately four and five hundred and forty-four thousandths (4.544) acres of underlying land, encompassing all of the Disposition Property and a portion of the Adjacent Parcels, more particularly described in Exhibit C, attached hereto and incorporated herein (the “**Merged Parcel**”);

WHEREAS, Owner will lease the Merged Parcel to Lessee in accordance with that certain Ground Lease (Phase I of Kottinger Gardens Development Project) to be executed by and between Owner and Lessee (the “**Ground Lease**”);

WHEREAS, HUD has conditioned its approval for the transfer of the Disposition Property as set forth in the HUD Disposition Approval and on the further condition that the Merged Parcel be developed with one manager’s unit, and one-hundred thirty (130) housing units (the “**New Units**,” or singularly, a “**New Unit**”) operated as affordable and reserved for households at or below eighty percent (80%) of Area Median Income for a minimum of thirty (30) years from the date Lessee receives a Certificate of Occupancy for all of the New Units (the “**Restricted Period**”); and

WHEREAS, HUD has conditioned its approval for the transfer of the Disposition Property as set forth in the HUD Disposition Approval and on the further condition that fifty (50) of the New Units (the “**PBV Units**,” or singularly, a “**PBV Unit**”) will be developed and operated as assisted housing under HUD’s Section 8 project-based voucher program in accordance with Section 8(o) of the Act, 24 C.F.R Part 983, and the applicable Housing Assistance Payments Contract (the “**HAP Contract**”) for the duration of the Restricted Period.

WHEREAS, in connection therewith and in accordance with the terms of the Ground Lease, the Lessee will demolish the existing buildings located on the Disposition Property and construct the New Units, which include the PBV Units.

## AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**1. Use Requirement.** Each of the Lessee and the Owner, for itself and for its successors and assigns, hereby covenants and agrees for the benefit of PHA and HUD that (i) the Disposition Property shall be used exclusively for the development of the New Units, which will be operated as affordable and reserved for households at or below eighty percent (80%) of Area Median Income for the duration of the Restricted Period, and (ii) the PBV Units will be operated as assisted housing under HUD's Section 8 project-based voucher program in accordance with Section 8(o) of the Act, 24 C.F.R Part 983, and the HAP Contract for the duration of the Restricted Period (collectively, the "**Use Requirement**").

**2. Exceptions to the Use Requirement.** The following events shall not constitute a breach of the Use Requirement:

**A. Vacant Units.** If one or more of the New Units are left vacant for a commercially reasonable period (i) while one tenant is moving out of a New Unit and before another has moved in to such New Unit, (ii) while waiting for a new qualifying tenant for a New Unit in the event there are no tenants immediately available to move in after the previous qualifying tenant vacates, or (iii) while a New Unit is being renovated and/or repaired.

**B. Casualties.** If one or more of the New Units are damaged or destroyed by fire or other casualty and the use of such New Unit(s) in conformance with the Use Requirement ceases during a period of repairs and/or reconstruction; provided that (i) Owner and/or PHA are timely notified of the casualty; (ii) Lessee uses commercially reasonable efforts to cause the New Unit(s) to be repaired or restored to substantially the same condition as existed prior to the event causing damage or destruction, (iii) the New Unit(s) are actually repaired or restored within two (2) years after the date of the casualty, or such longer period as may be approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iv) the New Unit(s) are thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

**C. Takings.** If the New Units are taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**"), or if any other portion of the Disposition Property in which one or more of the New Units are located, which property is necessary for a tenant's occupancy of one of the New Units, has been subject to a Taking; provided that (i) HUD and/or PHA is timely notified of the Taking; (ii) Owner and/or Lessee apply funds received as a result of the Taking to the acquisition and development of replacement residential units that will be operated in accordance with the Use Requirement, (iii) the replacement units are acquired or developed within two (2) years after the date of the Taking, or such longer period as may be

approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iv) the replacement units are thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

**D. Termination of HAP Contract.** It shall not constitute a breach of the Use Requirement should HUD cease to provide assistance payments for the PBV Units, either through a project-based Section 8 housing assistance payment contract with HUD or any future subsidy program intended to supplant the Section 8 program. In the event that HUD should cease to provide assistance payments for the PBV Units, such units must continue to be operated as affordable housing at less than eighty percent (80%) of the area median income, as published by HUD from time to time, for the remainder of the Restricted Period, as required by Section 1 of this Agreement.

**3. Events of Default.** In the event the Use Requirement ceases to be satisfied prior to the expiration of the Restricted Period:

**A. Notices of Violation.** Owner and/or PHA shall give to Lessee written notice of the failure (a “**Notice of Violation**”). Lessee shall have thirty (30) calendar days after the date on which a Notice of Violation is received in accordance with Section 8 below to cure the failure; provided that, if such Lessee uses commercially reasonable efforts to cure the failure within the prescribed thirty (30) day period and is unable to do so, HUD may approve in writing an extension of an additional thirty (30) calendar days to cure the failure, such approval not to be unreasonably withheld, conditioned or delayed.

**B. Events of Default.** Owner and/or PHA are hereby authorized, and shall take whatever investigative steps they deem necessary to ensure compliance. If, after receiving a Notice of Violation, the failure is not corrected to the satisfaction of Owner and/or PHA within the prescribed amount of time, Owner and/or PHA may declare a default under this Section 3 (an “**Event of Default**”) without further notice.

**C. Remedies.** In an Event of Default by Lessee, to the extent permitted by applicable law, Owner and/or PHA shall have the right to seek specific performance of the Use Requirement and/or to enjoin any violation of the Use Requirement in a court of competent jurisdiction. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law or in equity.

**D. Recapture of Federal Funds.** In the event that any of the New Units cease to be used in accordance with the Use Requirement prior to the expiration of the Restricted Period, any federal funds applied to that New Unit (or those New Units) shall, subject to the limitations set forth in the Disposition Agreement, be eligible for recapture from and/or repayment by Owner and/or PHA to HUD and shall be treated as federalized assets subject to all federal requirements (the “**Repayment Obligation**”).

**E. Rights of Lenders.** PHA, Owner and/or HUD, as applicable (each, an “Agency”), shall endeavor as a courtesy to each lender providing financing to the Disposition Property, as set forth in the notice provisions in Section 8 below (collectively, the “Lenders,” or singularly, a “Lender”), to deliver to Lenders a copy of any written notice provided to Lessee

and/or an assignee or successor thereto under this Agreement; provided, however, that the failure to provide such notice shall not subject such Agency to any liability or result in the derogation of any rights of either Agency to enforce the terms of this Agreement. Each Lender shall have the right, but not the obligation, to cure any default identified in such notice within thirty (30) calendar days after the date on which the original Notice of Violation is received by Lessee in accordance with this Section 3; provided that, if such Lender uses commercially reasonable efforts to cure the failure within the prescribed thirty (30) day period and is unable to do so, HUD may approve in writing an extension of an additional thirty (30) calendar days to cure the failure, such approval not to be unreasonably withheld, conditioned or delayed. Any cure of any default by Lessee under this Agreement by a Lender shall be treated the same as if offered by Lessee.

**4. Actions Requiring the Prior Written Approval of HUD.** Owner shall not convey, assign, transfer, sublease, pledge, hypothecate, encumber or otherwise dispose of the Disposition Property or any interest therein or permit the conveyance, assignment, transfer, sublease, pledge or encumbrance of the Disposition Property during the Restricted Period without the prior written approval of HUD. Notwithstanding the foregoing, Owner and/or Lessee need not obtain the prior written approval of HUD for (i) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (iii) entering into residential agreements with tenant families.

**5. Third Party Beneficiaries.** HUD shall have the same enforcement rights and remedies available to Owner and/or PHA under Section 3 of this Agreement, in addition to all other remedies available to HUD under statute, at law or in equity. No person or entity, other than the parties to this Agreement, has any rights or remedies under this Agreement.

**6. Termination of Use Requirement.** Upon the expiration of the Restricted Period, the Use Requirement shall cease and terminate, and the Disposition Property shall be deemed released of the Use Requirement and this Agreement without the requirement of any further writing between the parties herein. Notwithstanding the foregoing, upon expiration of the Restricted Period, HUD agrees to execute and deliver to Owner such documents as Owner shall reasonably request releasing and confirming the release of the Use Requirement and this Agreement from title to the Disposition Property and clearing title to the Disposition Property from any cloud created by the Use Requirement or this Agreement.

**7. Successors and Assigns.** Recordation of this Agreement shall constitute the agreement by PHA, Lessee and Owner to be bound by and to comply with the restrictions set forth in this Agreement. The benefits and burdens of this Agreement touch and concern and run with the land and are binding upon and shall inure to the benefit of the respective successors and assigns of the parties to this Agreement. Wherever the term "Owner" is used herein such term shall be construed to include any successor owner to title to the Disposition Property (each, a "**Successor Owner**") and wherever the term "Lessee" is used herein such term shall be construed to include any successor lessee under the Ground Lease ("**Successor Lessee**"). Notwithstanding the foregoing, no party other than PHA shall exercise the rights and privileges reserved herein to PHA, or bear the obligations imposed herein on PHA, unless such party shall receive and record in the official records of the county where the Disposition Property is located

a written assignment of all or a portion of such rights, privileges and obligations. Notwithstanding the foregoing, in no event shall the beneficiary of any deed of trust encumbering the Disposition Property or any other purchaser at foreclosure (the “**Holder**”) have any liability for sums which are due and payable under this Agreement prior to such Holder’s acquisition of title to the Disposition Property. This Agreement shall extend to and be binding upon the Holder only in the event that the Holder acquires ownership of the Disposition Property.

**8. Notices.** All notices under this Agreement shall be in writing and shall be served by (a) personal service or receipted courier service, (b) by registered or certified first class mail, return receipt requested, or (c) nationally-recognized overnight delivery service, addressed to HUD, PHA, Lessee or Owner, as appropriate, at the addresses for such parties set forth in the initial paragraph of this Agreement. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service, if sent pursuant to clause (b) shall be deemed received five (5) business days following deposit in the mail, and/or if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section 8. Lenders may be provided courtesy copies of notices under this Agreement in accordance with the delivery methods of this Section 8. Lenders’ respective address(es) for such notice purposes are:

MUFG Union Bank, N.A.  
200 Pringle Avenue, Suite 355  
Walnut Creek, CA 94596

**9. Business Day.** A business day is any calendar day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of California. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a day other than a business day, the time for such performance will be extended to the next succeeding business day. Each time period under this Agreement shall exclude the first day and include the last day of such time period.

**10. Amendments.** This Agreement may be amended only by a written instrument signed by the parties to this Agreement. Notwithstanding the foregoing, the parties may not amend, modify, rescind, revoke and/or terminate this Agreement without the prior written approval of HUD.

**11. Subordination.** Any mortgage liens shall be subject and subordinate to this Agreement. This Agreement shall survive foreclosure and bankruptcy.

**12. Fair Housing and Civil Rights Requirements.** With regard to the Disposition Property, Owner shall comply with all applicable fair housing and civil rights requirements including the obligations to affirmatively further fair housing and adhere to the site selection and neighborhood standards set forth in 24 CFR §§ 1.4(b)(3) and 941.202, as applicable.

**13. Federal Accessibility Requirements.** With regard to the Disposition Property, Owner shall comply with all applicable federal accessibility requirements under the Fair Housing Act and the implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and the implementing regulations at 28 CFR Parts 35 and 36, respectively.

**14. Impairment of HAP Contract.** The terms and provisions of this Agreement shall continue in full force and effect except as expressly stated herein. Any conflicts between this Agreement and any HAP Contract shall be resolved by HUD, at its sole and absolute discretion.

**15. Execution of Other Agreements.** PHA, Owner, and Lessee each covenant and agree that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements.

**16. Subsequent Statutory Amendments.** If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, PHA, Owner, and Lessee each agree to execute modifications to this Agreement as necessary to conform to the statutory amendments. In the alternative, at HUD's sole and absolute discretion, HUD may implement any such statutory amendment through rulemaking.

**17. Reimbursement of Attorney Fees.** Lessee shall reimburse PHA, Owner and/or HUD for all attorneys' fees and expenses reasonably incurred by PHA, Owner or HUD, respectively, in connection with the enforcement of PHA's, Owner's and HUD's rights under this Agreement, including, but not limited to, all such fees and expenses for trial, appellate proceedings, out-of-court workouts, mediation and settlements, and for enforcement of rights under any state or federal statute, including, but not limited to, all such fees and costs relating to any bankruptcy and/or insolvency proceedings of such Successor Owner and/or Successor Lessee, as applicable, such as in connection with seeking relief from stay in a bankruptcy proceeding or negotiating and documenting any amendment or modification of this Agreement.

**18. Incorporation of Recitals.** The above recitals are incorporated herein by reference.

**19. Governing Law.** This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of California, and the laws of the United States of America.

**20. No Negotiation.** This Agreement is not subject to negotiation by PHA, Owner, Lessee, or any lender with a secured interest in the Disposition Property.

**21. Severability.** The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

**22. Counterpart Signatures.** This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

**23. Attached Exhibits.** The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A – Legal Description of the Disposition Property

Exhibit B – Approval Letter

Exhibit C – Legal Description of the Merged Parcel Property

[This space intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have caused their names to be subscribed hereto, on the first date herein above written.

PHA and Owner each hereby certify that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

**PHA:**

Housing Authority of the City of Pleasanton,  
a public body corporate and politic

By: \_\_\_\_\_  
Nelson Fialho

Its: Executive Director

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

**STATE OF CALIFORNIA**

**COUNTY OF ALAMEDA)**

On \_\_\_\_\_, **20**\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**OWNER:**

The City of Pleasanton,  
a municipal corporation

By: \_\_\_\_\_  
Nelson Fialho

Its: City Manager

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

**STATE OF CALIFORNIA**

**COUNTY OF ALAMEDA)**

On \_\_\_\_\_, **20**\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared **Nelson Fialho**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_

Notary Public

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**HUD:**

U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

By: \_\_\_\_\_

Jesse Wu

Its: Acting Director and Authorized  
Agent  
San Francisco Office of Public  
Housing

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

STATE OF HAWAII )  
 ) ss.:  
CITY & COUNTY OF HONOLULU )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

\_\_\_\_\_  
(Print or Type Name of Notary)

\_\_\_\_\_  
(Signature of Notary)

Notary Public, State of Hawaii  
My Commission Expires:

<b>NOTARY CERTIFICATION STATEMENT</b>	
Document Identification or Description: _____	
Doc. Date: _____ or <input type="checkbox"/> Undated at time of notarization.	
No. of Pages: _____	Jurisdiction: _____ Circuit (in which notarial act is performed)
Signature of Notary	Date of Notarization and Certification Statement
Printed Name of Notary	(Official Stamp or Seal)

**LESSEE:**

Kottinger Gardens Phase 1 Associates, L.P.,  
a California limited partnership

By: Kottinger Gardens Phase 1 LLC, a  
California limited liability company,  
its general partner

By: MP Preservation, Inc., a  
California nonprofit public  
benefit corporation, its sole  
member

By: \_\_\_\_\_  
Matthew O. Franklin,  
Assistant Secretary

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

**STATE OF CALIFORNIA**

**COUNTY OF SAN MATEO )**

On \_\_\_\_\_, **20**\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared **Matthew O. Franklin**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**EXHIBIT D**  
**FORM OF MERGED PARCEL USE AGREEMENT**

RECORDING REQUESTED BY:

Housing Authority of the City of Pleasanton  
City of Pleasanton, City Clerk  
P.O. Box 520  
Pleasanton, CA 94566

WHEN RECORDED MAIL TO:

Housing Authority of the City of Pleasanton  
Attn: Nelson Fialho, Executive Director  
P.O. Box 520  
Pleasanton, CA 94566

NO FEE REQUIRED  
PER GOVERNMENT CODE SECTION 27383

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(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**USE AGREEMENT  
KOTTINGER PLACE**

This Use Agreement (this “**Agreement**”) dated as of \_\_\_\_\_, 20\_\_\_, is by and among the U.S. Department of Housing and Urban Development (“**HUD**”), with an address of 1 Sansome Street, 12<sup>th</sup> Floor, San Francisco, California, 94104, the Housing Authority of the City of Pleasanton, a public body corporate and politic organized under the laws of the State of California (“**PHA**”), with an address of 123 Main Street, Pleasanton, CA 94566, the City of Pleasanton, a municipal corporation organized under the laws of the State of California (“**Owner**”), with an address of 123 Main Street, Pleasanton, CA 94566 and Kottinger Gardens Phase 1 Associates, L.P, a California limited partnership (“**Lessee**”) with an address of 303 Vintage Park Drive, Suite 250, Foster City, CA, 94404.

**RECITALS**

WHEREAS, PHA owned and operated one (1) non-dwelling building and eighteen (18) dwelling buildings containing fifty (50) dwelling units (collectively, the “**Existing Units**,” or singularly, an “**Existing Unit**”) and three and four hundred and sixty-four thousandths (3.464) acres of underlying land at Kottinger Place, CA081000001, more particularly described in that certain Declaration of Trust recorded in the official records of the County of Alameda (the “**Declaration of Trust**”), and as further described in Exhibit A, attached hereto and incorporated herein (the “**Disposition Property**”);

WHEREAS, PHA owned and operated the Disposition Property as low-rent public housing with financial assistance provided by HUD under the U.S. Housing Act of 1937, as amended, 42 U.S.C. 1437 et. seq. (the “**Act**”);

WHEREAS, construction and/or operation of the Disposition Property was financed in part by HUD;

WHEREAS, PHA requested HUD approval of the conveyance of the Disposition Property and HUD has, as documented in the letter from HUD to PHA dated February 26, 2015, as thereafter amended on February 16, 2016 (as amended, the “**Approval Letter**”), attached hereto as Exhibit B and incorporated herein, agreed to such sale on the terms and conditions set forth in the Approval Letter, that certain Disposition Agreement dated concurrently herewith, and this Agreement (collectively, the “**HUD Disposition Approval**”);

WHEREAS, it is anticipated that the PHA will ultimately be dissolved and that Owner will succeed certain of its responsibilities;

WHEREAS, HUD has approved the conveyance of the Disposition Property to Owner for the purchase price of One and No/100ths Dollar (\$1.00);

WHEREAS, Owner is the owner of two parcels of land adjacent to the Disposition Property (the “**Adjacent Parcels**,” or singularly an “**Adjacent Parcel**”), and it is contemplated that Owner will merge the Disposition Property with one Adjacent Parcel and a portion of the other Adjacent Parcel through a lot-line adjustment in order to create a new parcel containing approximately four and five hundred and forty-four thousandths (4.544) acres of underlying land, encompassing all of the Disposition Property and a portion of the Adjacent Parcels, more particularly described in Exhibit C, attached hereto and incorporated herein (the “**Merged Parcel**”);

WHEREAS, Owner will lease the Merged Parcel to Lessee in accordance with that certain Ground Lease (Phase I of Kottinger Gardens Development Project) to be executed by and between Owner and Lessee (the “**Ground Lease**”);

WHEREAS, HUD has conditioned its approval for the transfer of the Disposition Property as set forth in the HUD Disposition Approval and on the further condition that the Merged Parcel be developed with one manager’s unit, and one-hundred thirty (130) housing units (the “**New Units**,” or singularly, a “**New Unit**”) operated as affordable and reserved for households at or below eighty percent (80%) of Area Median Income for a minimum of thirty (30) years from the date Lessee receives a Certificate of Occupancy for all of the New Units (the “**Restricted Period**”); and

WHEREAS, HUD has conditioned its approval for the transfer of the Disposition Property as set forth in the HUD Disposition Approval and on the further condition that fifty (50) of the New Units (the “**PBV Units**,” or singularly, a “**PBV Unit**”) will be developed and operated as assisted housing under HUD’s Section 8 project-based voucher program in accordance with Section 8(o) of the Act, 24 C.F.R Part 983, and the applicable Housing Assistance Payments Contract (the “**HAP Contract**”) for the duration of the Restricted Period.

WHEREAS, in connection therewith and in accordance with the terms of the Ground Lease, the Lessee will demolish the existing buildings located on the Disposition Property and construct the New Units, which include the PBV Units.

## **AGREEMENT**

NOW THEREFORE, in consideration of the promises and covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**1. Use Requirement.** Each of the Lessee and the Owner, for itself and for its successors and assigns, hereby covenants and agrees for the benefit of PHA and HUD that (i) the Merged Parcel shall be used exclusively for the development of the New Units, which will be operated as affordable and reserved for households at or below eighty percent (80%) of Area Median Income for the duration of the Restricted Period, and (ii) the PBV Units will be operated as assisted housing under HUD's Section 8 project-based voucher program in accordance with Section 8(o) of the Act, 24 C.F.R Part 983, and the HAP Contract for the duration of the Restricted Period (collectively, the "**Use Requirement**").

**2. Exceptions to the Use Requirement.** The following events shall not constitute a breach of the Use Requirement:

**A. Vacant Units.** If one or more of the New Units are left vacant for a commercially reasonable period (i) while one tenant is moving out of a New Unit and before another has moved in to such New Unit, (ii) while waiting for a new qualifying tenant for a New Unit in the event there are no tenants immediately available to move in after the previous qualifying tenant vacates, or (iii) while a New Unit is being renovated and/or repaired.

**B. Casualties.** If one or more of the New Units are damaged or destroyed by fire or other casualty and the use of such New Unit(s) in conformance with the Use Requirement ceases during a period of repairs and/or reconstruction; provided that (i) Owner and/or PHA are timely notified of the casualty; (ii) Lessee uses commercially reasonable efforts to cause the New Unit(s) to be repaired or restored to substantially the same condition as existed prior to the event causing damage or destruction, (iii) the New Unit(s) are actually repaired or restored within two (2) years after the date of the casualty, or such longer period as may be approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iv) the New Unit(s) are thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

**C. Takings.** If the New Units are taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**"), or if any other portion of the Disposition Property in which one or more of the New Units are located, which property is necessary for a tenant's occupancy of one of the New Units, has been subject to a Taking; provided that (i) HUD and/or PHA is timely notified of the Taking; (ii) Owner and/or Lessee apply funds received as a result of the Taking to the acquisition and development of replacement residential units that will be operated in accordance with the Use Requirement, (iii) the replacement units are acquired or developed within two (2) years after the date of the Taking, or such longer period as may be

approved by HUD in writing, such approval not to be unreasonably withheld, conditioned or delayed, and (iv) the replacement units are thereafter operated in accordance with the Use Requirement for the remainder of the Restricted Period.

**D. Termination of HAP Contract.** It shall not constitute a breach of the Use Requirement should HUD cease to provide assistance payments for the PBV Units, either through a project-based Section 8 housing assistance payment contract with HUD or any future subsidy program intended to supplant the Section 8 program. In the event that HUD should cease to provide assistance payments for the PBV Units, such units must continue to be operated as affordable housing at less than eighty percent (80%) of the area median income, as published by HUD from time to time, for the remainder of the Restricted Period, as required by Section 1 of this Agreement.

**3. Events of Default.** In the event the Use Requirement ceases to be satisfied prior to the expiration of the Restricted Period:

**A. Notices of Violation.** Owner and/or PHA shall give to Lessee written notice of the failure (a “**Notice of Violation**”). Lessee shall have thirty (30) calendar days after the date on which a Notice of Violation is received in accordance with Section 8 below to cure the failure; provided that, if such Lessee uses commercially reasonable efforts to cure the failure within the prescribed thirty (30) day period and is unable to do so, HUD may approve in writing an extension of an additional thirty (30) calendar days to cure the failure, such approval not to be unreasonably withheld, conditioned or delayed.

**B. Events of Default.** Owner and/or PHA are hereby authorized, and shall take whatever investigative steps they deem necessary to ensure compliance. If, after receiving a Notice of Violation, the failure is not corrected to the satisfaction of Owner and/or PHA within the prescribed amount of time, Owner and/or PHA may declare a default under this Section 3 (an “**Event of Default**”) without further notice.

**C. Remedies.** In an Event of Default by Lessee, to the extent permitted by applicable law, Owner and/or PHA shall have the right to seek specific performance of the Use Requirement and/or to enjoin any violation of the Use Requirement in a court of competent jurisdiction. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law or in equity.

**D. Recapture of Federal Funds.** In the event that any of the New Units cease to be used in accordance with the Use Requirement prior to the expiration of the Restricted Period, any federal funds applied to that New Unit (or those New Units) shall, subject to the limitations set forth in the Disposition Agreement, be eligible for recapture from and/or repayment by Owner and/or PHA to HUD and shall be treated as federalized assets subject to all federal requirements (the “**Repayment Obligation**”).

**E. Rights of Lenders.** PHA, Owner and/or HUD, as applicable (each, an “Agency”), shall endeavor as a courtesy to each lender providing financing to the Disposition Property, as set forth in the notice provisions in Section 8 below (collectively, the “Lenders,” or singularly, a “Lender”), to deliver to Lenders a copy of any written notice provided to Lessee

and/or an assignee or successor thereto under this Agreement; provided, however, that the failure to provide such notice shall not subject such Agency to any liability or result in the derogation of any rights of either Agency to enforce the terms of this Agreement. Each Lender shall have the right, but not the obligation, to cure any default identified in such notice within thirty (30) calendar days after the date on which the original Notice of Violation is received by Lessee in accordance with this Section 3; provided that, if such Lender uses commercially reasonable efforts to cure the failure within the prescribed thirty (30) day period and is unable to do so, HUD may approve in writing an extension of an additional thirty (30) calendar days to cure the failure, such approval not to be unreasonably withheld, conditioned or delayed. Any cure of any default by Lessee under this Agreement by a Lender shall be treated the same as if offered by Lessee.

**4. Actions Requiring the Prior Written Approval of HUD.** Owner shall not convey, assign, transfer, sublease, pledge, hypothecate, encumber or otherwise dispose of the Disposition Property or any interest therein or permit the conveyance, assignment, transfer, sublease, pledge or encumbrance of the Disposition Property during the Restricted Period without the prior written approval of HUD. Notwithstanding the foregoing, Owner and/or Lessee need not obtain the prior written approval of HUD for (i) the conveyance or dedication of land for use as streets, alleys or other public rights-of-way, (ii) the granting of easements for the establishment, operation and maintenance of public utilities, and/or (iii) entering into residential agreements with tenant families.

**5. Third Party Beneficiaries.** HUD shall have the same enforcement rights and remedies available to Owner and/or PHA under Section 3 of this Agreement, in addition to all other remedies available to HUD under statute, at law or in equity. No person or entity, other than the parties to this Agreement, has any rights or remedies under this Agreement.

**6. Termination of Use Requirement.** Upon the expiration of the Restricted Period, the Use Requirement shall cease and terminate, and the Disposition Property shall be deemed released of the Use Requirement and this Agreement without the requirement of any further writing between the parties herein. Notwithstanding the foregoing, upon expiration of the Restricted Period, HUD agrees to execute and deliver to Owner such documents as Owner shall reasonably request releasing and confirming the release of the Use Requirement and this Agreement from title to the Disposition Property and clearing title to the Disposition Property from any cloud created by the Use Requirement or this Agreement.

**7. Successors and Assigns.** Recordation of this Agreement shall constitute the agreement by PHA, Lessee and Owner to be bound by and to comply with the restrictions set forth in this Agreement. The benefits and burdens of this Agreement touch and concern and run with the land and are binding upon and shall inure to the benefit of the respective successors and assigns of the parties to this Agreement. Wherever the term "Owner" is used herein such term shall be construed to include any successor owner to title to the Disposition Property (each, a "**Successor Owner**") and wherever the term "Lessee" is used herein such term shall be construed to include any successor lessee under the Ground Lease ("**Successor Lessee**"). Notwithstanding the foregoing, no party other than PHA shall exercise the rights and privileges reserved herein to PHA, or bear the obligations imposed herein on PHA, unless such party shall receive and record in the official records of the county where the Disposition Property is located

a written assignment of all or a portion of such rights, privileges and obligations. Notwithstanding the foregoing, in no event shall the beneficiary of any deed of trust encumbering the Disposition Property or any other purchaser at foreclosure (the “**Holder**”) have any liability for sums which are due and payable under this Agreement prior to such Holder’s acquisition of title to the Disposition Property. This Agreement shall extend to and be binding upon the Holder only in the event that the Holder acquires ownership of the Disposition Property.

**8. Notices.** All notices under this Agreement shall be in writing and shall be served by (a) personal service or receipted courier service, (b) by registered or certified first class mail, return receipt requested, or (c) nationally-recognized overnight delivery service, addressed to HUD, PHA, Lessee or Owner, as appropriate, at the addresses for such parties set forth in the initial paragraph of this Agreement. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service, if sent pursuant to clause (b) shall be deemed received five (5) business days following deposit in the mail, and/or if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section 8. Lenders may be provided courtesy copies of notices under this Agreement in accordance with the delivery methods of this Section 8. Lenders’ respective address(es) for such notice purposes are:

MUFG Union Bank, N.A.  
200 Pringle Avenue, Suite 355  
Walnut Creek, CA 94596

**9. Business Day.** A business day is any calendar day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of California. In the event the last day permitted for the performance of any act required or permitted under this Agreement falls on a day other than a business day, the time for such performance will be extended to the next succeeding business day. Each time period under this Agreement shall exclude the first day and include the last day of such time period.

**10. Amendments.** This Agreement may be amended only by a written instrument signed by the parties to this Agreement. Notwithstanding the foregoing, the parties may not amend, modify, rescind, revoke and/or terminate this Agreement without the prior written approval of HUD.

**11. Subordination.** Any mortgage liens shall be subject and subordinate to this Agreement. This Agreement shall survive foreclosure and bankruptcy.

**12. Fair Housing and Civil Rights Requirements.** With regard to the Disposition Property, Owner shall comply with all applicable fair housing and civil rights requirements including the obligations to affirmatively further fair housing and adhere to the site selection and neighborhood standards set forth in 24 CFR §§ 1.4(b)(3) and 941.202, as applicable.

**13. Federal Accessibility Requirements.** With regard to the Disposition Property, Owner shall comply with all applicable federal accessibility requirements under the Fair

Housing

Act and the implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and the implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and the implementing regulations at 28 CFR Parts 35 and 36, respectively.

**14. Impairment of HAP Contract.** The terms and provisions of this Agreement shall continue in full force and effect except as expressly stated herein. Any conflicts between this Agreement and any HAP Contract shall be resolved by HUD, at its sole and absolute discretion.

**15. Execution of Other Agreements.** PHA, Owner, and Lessee each covenant and agree that it has not and shall not execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any conflicting requirements.

**16. Subsequent Statutory Amendments.** If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, PHA, Owner, and Lessee each agree to execute modifications to this Agreement as necessary to conform to the statutory amendments. In the alternative, at HUD's sole and absolute discretion, HUD may implement any such statutory amendment through rulemaking.

**17. Reimbursement of Attorney Fees.** Lessee shall reimburse PHA, Owner and/or HUD for all attorneys' fees and expenses reasonably incurred by PHA, Owner or HUD, respectively, in connection with the enforcement of PHA's, Owner's and HUD's rights under this Agreement, including, but not limited to, all such fees and expenses for trial, appellate proceedings, out-of-court workouts, mediation and settlements, and for enforcement of rights under any state or federal statute, including, but not limited to, all such fees and costs relating to any bankruptcy and/or insolvency proceedings of such Successor Owner and/or Successor Lessee, as applicable, such as in connection with seeking relief from stay in a bankruptcy proceeding or negotiating and documenting any amendment or modification of this Agreement.

**18. Incorporation of Recitals.** The above recitals are incorporated herein by reference.

**19. Governing Law.** This Agreement shall be governed, construed and interpreted in accordance with the laws of the State of California, and the laws of the United States of America.

**20. No Negotiation.** This Agreement is not subject to negotiation by PHA, Owner, Lessee, or any lender with a secured interest in the Disposition Property.

**21. Severability.** The invalidity or unenforceability of any clause, part or provision of this Agreement shall not affect the validity or enforceability of the remaining portions thereof.

**22. Counterpart Signatures.** This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose.

**23. Attached Exhibits.** The following Exhibits are attached to this Agreement and incorporated herein:

Exhibit A – Legal Description of the Disposition Property

Exhibit B – Approval Letter

Exhibit C – Legal Description of the Merged Parcel Property

[This space intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized representatives, have caused their names to be subscribed hereto, on the first date herein above written.

PHA and Owner each hereby certify that the statements and representations contained in this instrument and all supporting documentation are true, accurate, and complete and that each signatory has read and understands the terms of this Agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD, and may be relied upon by HUD as a true statement of facts contained therein.

**PHA:**

Housing Authority of the City of Pleasanton,  
a public body corporate and politic

By: \_\_\_\_\_  
Nelson Fialho

Its: Executive Director

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

**STATE OF CALIFORNIA**

**COUNTY OF ALAMEDA)**

On \_\_\_\_\_, **20**\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared **Nelson Fialho**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_

Notary Public

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**OWNER:**

The City of Pleasanton,  
a municipal corporation

By: \_\_\_\_\_  
Nelson Fialho

Its: City Manager

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**STATE OF CALIFORNIA**

**COUNTY OF ALAMEDA)**

On \_\_\_\_\_, **20**\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_

Notary Public

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**HUD:**

U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

By: \_\_\_\_\_

Jesse Wu

Its: Acting Director and Authorized  
Agent  
San Francisco Office of Public  
Housing

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

STATE OF HAWAII )  
) ss.:  
CITY & COUNTY OF HONOLULU )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me personally appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn or affirmed, did say that such persons executed the foregoing instrument as the free act and deed of such persons, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

\_\_\_\_\_  
(Print or Type Name of Notary)

\_\_\_\_\_  
(Signature of Notary)

Notary Public, State of Hawaii  
My Commission Expires:

<b>NOTARY CERTIFICATION STATEMENT</b>	
Document Identification or Description: _____	
Doc. Date: _____ or <input type="checkbox"/> Undated at time of notarization.	
No. of Pages: _____	Jurisdiction: _____ Circuit (in which notarial act is performed)
Signature of Notary	Date of Notarization and Certification Statement
Printed Name of Notary	(Official Stamp or Seal)

**LESSEE:**

Kottinger Gardens Phase 1 Associates, L.P.,  
a California limited partnership

By: Kottinger Gardens Phase 1 LLC, a  
California limited liability company,  
its general partner

By: MP Preservation, Inc., a  
California nonprofit public  
benefit corporation, its sole  
member

By: \_\_\_\_\_  
Matthew O. Franklin,

Its: Assistant Secretary

*A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.*

**STATE OF CALIFORNIA**

**COUNTY OF SAN MATEO )**

On \_\_\_\_\_, **20**\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared **Matthew O. Franklin**, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_

Print Name: \_\_\_\_\_

My commission expires: \_\_\_\_\_