



HOUSING COMMISSION AGENDA

Regular Meeting: April 12, 2017

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, April 6, 2017, 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.

1. CALL TO ORDER / ROLL CALL

2. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – 1 CASE

*Philadelphia Indemnity Insurance Co. v. Housing Authority of the County of Alameda,
San Francisco Superior Court, Case No. CGC-16-555946*

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MINUTES

March 8, 2017



**HOUSING COMMISSION MINUTES
REGULAR MEETING: MARCH 8, 2017
HACA BOARD ROOM, 22941 ATHERTON STREET, HAYWARD, CA 94541**

SUMMARY ACTION MINUTES

1. CALL TO ORDER/ROLL CALL

Call to Order

Chairperson Gacoscos called the meeting to order at 8:08 a.m.

Roll Call

Present: Cmr. Bacon, Biddle, Buckholz, Gacoscos, Hannon, Maass, Peixoto and Steiner

Excused: Cmr. Cox and Gerry

2. ACTION: APPROVAL OF THE MINUTES OF THE JANUARY 11, 2017 HOUSING COMMISSION MEETING

Recommendation: Approve the minutes of the January 11, 2017 Housing Commission meeting as presented.

Motion/Second: Steiner/Biddle.

7 ayes; 1 abstention: Chairperson Gacoscos. Motion passed. **APPROVED AS RECOMMENDED.**

3. PUBLIC COMMENT

Iris Grace, SEIU Local 1021 HACA Chapter President, commented on communications with the Housing Commission during the upcoming labor contract negotiations.

4. NEW BUSINESS

4-1. ACTION: PUBLIC HEARING – DRAFT ANNUAL PHA PLAN FOR THE FISCAL YEAR BEGINNING JULY 1, 2017

Ronald Dion, Deputy Director for Programs, presented the staff report. Mr. Dion reported that staff is proposing to submit HACA’s annual Public Housing Agency Plan (PHA Plan). He explained that because HACA no longer has any units under the Public Housing program, the PHA Plan format is more streamlined and described some of the activities that HACA has planned for the upcoming fiscal year. Mr. Dion reported that he held a conference call with members of HACA’s Resident Advisory Board (RAB) on March 7 and that the RAB had no comments on the PHA Plan. A copy of the minutes from that meeting was distributed to the Commission and to the public. Mr. Dion recommended that the Commission hold a public hearing and, if no comments are received as a result of the public hearing, authorize staff to submit the PHA Plan as presented to HUD.

Recommendation: Conduct a public hearing to accept comments on the draft of HACA’s annual Public Housing Agency plan and authorize staff to submit the plan to HUD.

Public Hearing:

Chairperson Gacoscos opened the public hearing at 8:14 a.m. No comments from the public were received. Chairperson Gacoscos closed the public hearing at 8:16 a.m.

Commission Discussion:

Comr. Steiner and Mr. Dion discussed some of the outreach efforts that staff has made to recruit members for the RAB. Comr. Hannon asked about incentives for the RAB members. Christine Gouig, Executive Director, commented that since HACA no longer has any units under the Public Housing program, it is not unusual that only a few members of HACA's RAB choose to actively participate in the PHA Plan process. She described some scenarios where a housing authority might have a more active RAB. Comr. Maass and Ms. Cado discussed the tools available on HACA's website that might allow members of the public to access and/or comment on HACA's PHA Plan. Comr. Buckholz and Ms. Gouig discussed the rising cost of rents in the city of Dublin and a future affordable housing project that is coming online in that city. Comr. Biddle commended staff in their efforts to involve the members of HACA's RAB in the PHA Plan process. Ms. Gouig commented that this particular PHA Plan will be the last one that Mr. Dion will process as he is retiring on March 30. She invited the Commissioners to attend Mr. Dion's retirement celebration scheduled for March 30 in the HACA Board Room.

Public Comment:

Cheryl Keeling, HACA employee, commented on the number of RAB members who participated on the call with Mr. Dion.

Motion/Second: Biddle/Steiner.

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

4-2. RESOLUTION NO. 02-17 APPROVING AN AMENDMENT TO THE BUDGETED POSITIONS IN THE HACA FY2016-17 OPERATING BUDGET

Christine Gouig presented the staff report. Ms. Gouig reported that staff is proposing to amend HACA's budget for the 2016-2017 fiscal year to add an Administrative Analyst position. She explained that the Deputy Director classification has not been filled yet and described some of the challenges that staff is experiencing with this recruitment. Ms. Gouig indicated that the duties of the Deputy Director would be reassigned to others and that she is planning to add an Administrative Analyst to assist with some of these duties. She noted that the Administrative Analyst position would be provisional due to funding uncertainties under the new federal administration and because she may be able to fill the Deputy Director vacancy eventually.

Recommendation: Adopt Resolution No. 02-17 approving an amendment to the budgeted positions in HACA's FY2016-2017 operating budget.

Commission Discussion: Comr. Peixoto commented that hiring the Administrative Analyst on a provisional basis is a good strategy. Comr. Peixoto and Ms. Gouig discussed landlord rent increases and HACA's Benefit Payment Standards (BPS). Comr. Peixoto commented that many people are moving due to the high cost of housing and Ms. Gouig commented that that the high cost of housing has had a great impact on HACA's ability to recruit a new Deputy Director. Comr. Steiner and Ms. Gouig discussed the status of the federal budget and some of the reports indicating that cuts to non-discretionary federal programs are forthcoming. Comr. Biddle commented that the high cost of housing in the Bay Area is forcing many people to move out of his city as well and he also commented that he is concerned about the possible cuts to HACA's funding.

Comr. Buckholz and Ms. Gouig discussed portability in the Section 8 Housing Choice Voucher program. Comr. Maass and Ms. Gouig discussed trends in the current rental market. Comr. Maass commented that housing programs may be administered more effectively at the state level than the federal level. Comr. Hannon asked if the provisional appointment to the Administrative Analyst position would end if the Deputy Director position is filled and Ms. Gouig indicated that it would.

Motion/Second: Biddle/Hannon

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

4-3. RESOLUTION NO. 03-17 APPROVING CHANGES TO THE HACA MANAGEMENT FRINGE BENEFIT PLAN

Christine Gouig introduced this item. Ms. Gouig reported that the Personnel Committee met earlier in the morning and discussed proposed amendments to HACA's management fringe benefit plan and revisions to the language contained in HACA's Personnel Rule 3.17, which contains provisions regarding benefits for management employees. She further reported that the Personnel Committee recommends that the Housing Commission approve the proposed amendments.

Charla Freckmann, Human Resources Analyst, presented the staff report. Ms. Freckmann described HACA's existing management fringe benefit plan and reported that staff procured Trucker Huss, a law firm that specializes in employee benefits, to review HACA's management fringe benefit plan for compliance with applicable state and federal laws. She summarized the changes that Trucker Huss has recommended as a result of their review and described the proposed amendments to HACA's Personnel Rule 3.17.

Recommendation: Adopt Resolution No. 03-17 approving changes to the HACA management fringe benefit plan.

Commission Discussion: Comr. Biddle asked if these amendments to the management fringe benefit plan would result in additional costs for HACA and Ms. Freckmann indicated that there would be no additional costs. She explained that the changes do not offer the managers additional compensation under the plan but only restructure the plan for legal compliance as recommended by the consultant. Comr. Hannon complimented staff on the format of this report.

Motion/Second: Biddle/Peixoto.

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

4-4. ACTION: MEMORANDUM OF UNDERSTANDING BETWEEN HACA AND THE ALAMEDA COUNTY WORKFORCE DEVELOPMENT BOARD – PHASE II

Daniel Taylor, Special Programs Manager, presented the staff report. Mr. Taylor described the history of the partnership between HACA's Family Self-Sufficiency (FSS) Program and the Alameda County Workforce Investment Board (WIB). He reported that staff wishes to transition to a partnership with the WIB's successor, the Alameda County Workforce Development Board (ACWDB). Mr. Taylor further reported that HACA has been working with other agencies involved to develop a Memorandum of Understanding (MOU) that describes the working relationships and partnership responsibilities among the agencies involved and that there are three (3) phases to the MOU. He described each of the phases and reported that Phase II of the MOU would be effective July 1, 2017 through June 30, 2019. Mr. Taylor recommended that the Commission approve Phase II of the MOU, authorize the Executive Director to sign it on behalf of HACA and grant the Executive Director approval to sign future phase MOUs with the ACWDB.

Recommendation: Approve Phase II of the MOU between HACA and the Alameda County Workforce Development Board, authorize the Executive Director to sign it on behalf of HACA and grant the Executive Director approval to sign future MOUs with the Alameda County Workforce Development Board.

Commission Discussion: Cmr. Peixoto and Mr. Taylor discussed how the agencies will work together under the MOU and HACA's role in this partnership. Cmr. Steiner asked if these resources offered by the ACWDB are available to everyone or just FSS participants and Mr. Taylor indicated that resources are not exclusively for FSS participants. Cmr. Steiner and Mr. Taylor talked about outreach efforts to get more people to sign up for the FSS program. Cmr. Hannon asked staff to find out why the Alameda County Board of Supervisors is listed as one of the partner agencies in the MOU.

Motion/Second: Steiner/Peixoto.

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

4-5. ACTION: REVISIONS TO HACA'S SECTION 8 ADMINISTRATIVE PLAN

Ron Dion presented the staff report. Mr. Dion reported that staff is proposing to amend HACA's Section 8 Administrative Plan (Admin Plan) in order to incorporate a new chapter that provides guidance on Project-Based Vouchers (PBV) under the Rental Assistance Demonstration (RAD) program. He summarized the key parts of the new chapter and recommended that the Housing Commission approve the proposed amendments to HACA's Admin Plan.

Recommendation: Approve the proposed revisions to HACA's Section 8 Administrative Plan.

Commission Discussion: None.

Motion/Second: Biddle/Bacon.

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

4-6. ACTION: SCHOLARSHIP COMMITTEE APPOINTMENTS

Christine Gouig presented the staff report. The Housing Commission discussed the appointments to the Scholarship Committee for the 2017 HACA Scholarships. Cmr. Buckholz, Gacoscos and Hannon volunteered to serve on the committee.

Recommendation: Approve the appointments of Cmr. Helen Buckholz, Pat Gacoscos and Michael Hannon to the 2017 HACA Scholarship Committee.

Commission Discussion: Cmr. Hannon asked if the amount budgeted for the scholarship program can be increased. Ms. Gouig indicated that staff would review this in conjunction with the FY 2017 budget. Cmr. Biddle asked if more than 3 members are needed for this Committee and Ms. Gouig indicated that 3 members are sufficient.

Motion/Second: Bacon/Biddle.

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

4-7. INFORMATION: PROCUREMENT AWARD INFORMATION

Beverly Brewer, Procurement Analyst, presented the staff report. Ms. Brewer reported that a contract in the amount of \$12,120 for management equity survey services was awarded to Koff and Associates of Berkeley, California.

Commission Discussion: Cmr. Hannon asked if Koff & Associates will survey the other agencies on their finances and Ms. Brewer indicated that Koff & Associates would analyze various comparables that could include finances.

4-8. INFORMATION: QUARTERLY INVESTMENT PORTFOLIO FOR THE QUARTER ENDED DECEMBER 31, 2016

Cathy Leoncio, Finance Director, presented the staff report. Report received with no questions or comments from the Commission.

4-9. INFORMATION: BUDGET STATUS REPORT

Cathy Leoncio presented the staff report.

Commission Discussion: Cmr. Bacon commented that he is a member of the board of the Bay Restoration Authority and noted the recent cut to the Environmental Protection Agency's funding. He asked if Alameda County Measure A can provide funding to HACA in the event of funding cuts. Ms. Gouig indicated that funds provided under Measure A cannot be used to subsidize rent.

4-10. INFORMATION: PROGRAM ACTIVITY REPORT

Christine Gouig introduced this item. She provided the Housing Commission with an update on HACA's lease-up rates, budget use authority and program utilization.

Daniel Taylor presented the staff report. Mr. Taylor reported on the results from a recent audit of HACA's FSS program.

Commission Discussion: Cmr. Steiner commented that she read an article published by the National Association of Housing and Redevelopment Officials (NAHRO) regarding the consolidation of housing authorities. Ms. Gouig commented that HUD has indicated in the past that they'd like to regionalize the housing authorities and Mr. Dion commented that HUD has yet to put a strategy in place to accomplish this. Cmr. Hannon recommended that if there are no restrictions prohibiting HACA from asking for funding from the state or county, staff should consider looking to the state or county for additional funding for programs. Cmr. Bacon commented that there is a noticeable decrease in the number of Section 8 contracts in each of the cities. Ms. Gouig indicated that HACA's Section 8 Housing Choice Voucher program has lost approximately 900 landlords in the last five years. Cmr. Steiner and Ms. Gouig discussed landlord outreach efforts. Cmr. Peixoto described an affordable housing strategy the Hayward City Council is considering. Cmr. Hannon commented that he is interested in seeing a report on HACA scholarships.

5. COMMITTEE REPORTS

None.

6. COMMISSIONER REPORTS

Cmr. Steiner provided an update on the Kottinger Gardens project in Pleasanton. Ms. Gouig described the negative impact that tax reforms proposed by the Trump administration is having on the Low Income Housing Tax Credit program that affordable housing developers rely on to fund their projects. Cmr. Bacon reported that a project in Fremont was recently in jeopardy due to tax credit issues and that Alameda County filled the gap in funding with Measure A bond funds.

7. COMMUNICATIONS

Ms. Gouig reported that the 2017 NAHRO Washington Conference is scheduled for March 26-28 in Arlington, Virginia and that Cmr. Steiner and Gerry will be attending the conference. Ms. Gouig provided an update on a project for seniors that is being planned on an Alameda County surplus property site in Dublin. She also reported that HACA is partnering with Eden Housing on a project being planned for CalTrans surplus property in Castro Valley.

8. ADJOURNMENT

There being no further business to discuss, Chairperson Gacoscos adjourned the meeting at 9:56 a.m.

Respectfully Submitted,

Melissa Taesali
Executive Assistant

Christine Gouig
Executive Director/Housing Commission Secretary

Approved:

Pat Gacoscos
Housing Commission Chairperson

NEW BUSINESS

April 12, 2017

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 12, 2017

Subject: Utility Allowance Schedule

Exhibits Attached: Resolution, Proposed 07/01/2017 Utility Allowance Schedule

Recommendation: Adopt the attached Resolution

Financial Statement: Estimated \$702,780 increase in Section 8 program costs for FY 2018 and subsequent fiscal years

BACKGROUND

HACA's Section 8 Program subsidy is applied against the family's rent and any utilities paid for by the family. The amount of the HACA utility subsidy is determined by our utility allowance schedule. The utility allowance schedule is based on the typical cost of essential utilities and services paid for by energy-conserving households that occupy housing of similar size and type in HACA's jurisdiction. It is not meant to be an exact reimbursement of a household's actual utility costs.

HUD requires that housing authorities review their utility allowance schedules at least annually and revise them if utility rates have changed, either up or down, by 10% or more. As some rates have changed by more than this amount, staff has developed a revised utility allowance schedule for your approval.

DISCUSSION AND ANALYSIS

Gas and Electricity

The utility allowances for gas and electric service are based on the PG&E residential rates. In the past, staff based the utility allowances for gas and electric on PG&E's *California Alternate Rates for Energy* (CARE) program. While PG&E reported in February 2013 that 98% of the households eligible for the CARE program in Alameda County were enrolled in the program, we do not know the current participation rate. Additionally, 7-13% of our participants do not qualify for the CARE program. Therefore, we are no longer using the CARE program rates.

The underlying methodology for analyzing gas and electric rates follows that of an outside consultant retained by HACA in 2001, 2002 and 2004 except as otherwise noted.

Gas: In the past, a snapshot of the gas rates at a fixed point in time was used to set the annual utility allowance schedule. However, since rates fluctuate from month to month and year to year, HACA began incorporating a floating 12-month rate average in 2006 and continues this method for 2017. The proposed gas utility allowance schedule reflects increases from \$0-\$5.

Electricity: The proposed electricity utility allowance schedule reflects increases from \$0-\$26.

Other Utilities

Water: Water rates increased by 16-22% last year, which were incorporated into last year's schedule. Water rates increased by 1-2% this year. Consequently, the current HACA allowances for water are not changed on the schedule.

Sewer: Sewer rates increased by 5% in 2015, 2-4% last year and 3% this year. The proposed sewer utility allowance schedule reflects increases from \$1-\$2.

Garbage: Garbage rates increased by less than 1% this year. Consequently, the current allowances for garbage are not changed on the schedule.

Tenant-Supplied Stove or Refrigerator: No increase is proposed over the current \$9 per month allowance.

Housing Authority of Alameda County
Section 8 Utility Allowance Schedule
Effective 07/01/2017 for Re-examinations and Move-Ins Effective 07/01/2017 or Later

Single Family Homes	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Electric Heating	21	22	41	57	102	110	127
Gas Heating	20	25	32	38	43	55	63
Electric Cooking	3	4	6	6	6	8	9
Gas Cooking	2	4	4	4	4	4	5
Electric Hot Water	22	25	45	64	66	65	75
Gas Hot Water	10	14	17	24	28	31	36
Refrigerator (If tenant-supplied)	9	9	9	9	9	9	10
Stove (If tenant-supplied)	9	9	9	9	9	9	10
Water	36	50	64	79	100	115	132
Sewer	28	28	28	28	28	28	32
Trash	29	29	29	49	49	78	90
Other Electric	24	32	44	54	62	68	78
Attached Homes	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Electric Heating	18	18	25	35	42	64	74
Gas Heating	15	20	22	26	30	31	36
Electric Cooking	3	4	6	6	6	8	9
Gas Cooking	2	4	4	4	4	4	5
Electric Hot Water	22	25	48	63	66	65	75
Gas Hot Water	10	14	17	24	29	33	38
Refrigerator (If tenant-supplied)	9	9	9	9	9	9	10
Stove (If tenant-supplied)	9	9	9	9	9	9	10
Water	29	41	52	64	82	93	107
Sewer	24	24	24	24	24	24	28
Trash	29	29	29	49	49	78	90
Other Electric	24	32	44	54	62	68	78

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 04-17

APPROVING UPDATE TO THE UTILITY ALLOWANCE SCHEDULE

WHEREAS, the U. S. Department of Housing and Urban Development (“HUD”) requires that housing authorities review their utility allowance schedules at least annually and revise them if utility rates have changed by 10% or more; and

WHEREAS, rates for some utilities have changed by at least 10%;

NOW, THEREFORE, BE IT RESOLVED, that the Housing Commission of the Housing Authority of the County of Alameda does hereby adopt the utility allowance schedule presented at this meeting with an effective date of July 1, 2017 for annual re-examinations and move-ins with an effective date of July 1, 2017 or later.

PASSED, APPROVED, AND ADOPTED by the Housing Commission of the Housing Authority of the County of Alameda on April 12, 2017 by the following vote:

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Pat Gacoscos
Housing Commission Chairperson

Attest:

Christine Gouig
Executive Director/Housing Commission Secretary

Adopted: _____

HOUSING AUTHORITY OF ALAMEDA COUNTY

AGENDA STATEMENT

Meeting: April 12, 2017

Subject: Legal Services Contract Award

Exhibits Attached: None

Recommendation: Award Contract for Legal Services to Liebert Cassidy Whitmore

Financial Statement: \$150,000+ over 5 years

BACKGROUND

The information below is provided in accordance with the Housing Authority's Procurement Policy, which requires that procurement actions valued between \$25,000 and \$150,000 be brought to your Housing Commission as information and those procurement actions over \$150,000 be brought to your Housing Commission for award. While this action is unlikely to exceed \$150,000 in the first year, it is likely that it would exceed \$150,000 if the contract is extended for the full five years as permitted by our Procurement Policy and HUD regulations. Therefore, it is being brought to your Commission for award.

DISCUSSION AND ANALYSIS

On February 2, 2017, staff issued a Request for Proposals (RFP) to provide legal services for labor relations and employment law. The scope of work included, but was not limited to: services for labor negotiations, labor relations, legal representation and training on related issues.

HACA received three proposals in response to the RFP. Proposals were evaluated by the Procurement Analyst and Human Resources Analyst based on six specific criteria reflected in the RFP: 1) legal experience specific to HACA's needs; 2) client references; 3) proposed price; 4) Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) status; 5) Section 3 participation; and 6) responsiveness to the RFP. Interviews were conducted with senior partner representatives from each firm to gain in-depth knowledge of the firm and its ability to provide the services requested.

After the interviews the proposals were scored based on the six criteria. The evaluations were tabulated and the legal firm with the highest rating was Liebert Cassidy Whitmore (LCW). LCW was rated the highest by each rater based on the criteria enumerated above.

HACA AGENDA ITEM NO.: 5-2.

Firm Ranking	Score	Company Name	Hourly Billable Rates
1	86	Liebert Cassidy Whitmore	\$125 - \$350
2	80.5	Renne Sloan Holtzman Sakai	\$140 - \$355
3	78.5	Jackson Lewis	\$110 - \$330

The ratings indicate that each of the firms was competitive in terms of overall experience and pricing. However, LCW has specific working knowledge of HACA’s organization, labor relations and policies, as it currently provides these services to HACA. The other two firms, while experienced and knowledgeable, didn’t provide enough of a difference in qualifications to overcome the experience of LCW with HACA. Selection of LCW will provide a seamless transaction for a new contract term.

Recommendation

Staff recommends your Commission 1) award a contract to Liebert Cassidy Whitmore for legal services for labor negotiations, labor relations, employment law legal services and training and 2) authorize the Executive Director to execute the contract and any ancillary documents that may be required. The initial contract term is for one year, with an option to extend in one-year increments not to exceed a total of five years.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 12, 2017

Subject: Budget/Audit/Negotiations Committee

Exhibits Attached: None

Recommendation: Appoint Committee Members

BACKGROUND

In February 2011, your Commission combined the Budget/Audit Committee with the Negotiations Committee since the outcomes of the budget and negotiations processes are so closely linked to one another.

DISCUSSION and ANALYSIS

The duties of the Budget/Audit/Negotiations Committee include:

- Reviewing the draft budget prepared by staff and communicating to the Commission its recommendations;
- Meeting and consulting with management during the labor negotiating process as it relates to the memorandum of understanding (MOU) between HACA and SEIU 1021;
- Overseeing the independence and performance of the independent auditors;
- Providing an avenue of communication among the independent auditors, management and the Commissioners; and
- Representing and providing assistance to the Commission in fulfilling its fiduciary obligations with respect to matters involving the accounting, auditing and financial reporting functions of the Housing Authority.

Your Commission needs to appoint a Budget/Audit/Negotiations Committee for the Fiscal Year 2017-2018. Commissioners Don Biddle, Michael Hannon and Christine Steiner comprised the Committee last year. These Commissioners can be appointed to this year's Committee, if they wish to serve again, or your Commission may appoint new members. The Committee may have no more than five members.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 12, 2017

Subject: Update on HUD Funding Shortfall
Exhibits Attached: None
Recommendation: Receive Report

BACKGROUND

The federal government is currently operating without a budget for federal fiscal year 2017 (October 1, 2016 – September 30, 2017). Instead, it is operating under what is called a ‘continuing resolution’ (CR), which essentially funds programs such as ours with the same amount of funding we received last year. Obviously, as rents have increased significantly in our area, this level of funding is unworkable. As a result, we are in what HUD calls ‘shortfall’ status i.e., not having enough HAP¹ funds to complete the calendar year. We and HUD estimate our shortfall at around \$8 million. For reference, HUD provides us with about \$90 million per year for HAP.

The CR expires on April 28. Congress is on spring recess April 10 through 21. The Senate returns on Monday April 24 and the House of Representatives on Tuesday April 25. It is expected that Congress will take up the matter of the CR upon its return unless it takes it up within the next couple days after this agenda report is written.

Congress has three budgetary options:

Adopt the Transportation-Housing and Urban Development (T-HUD) budget. T-HUD budgets have been approved by both the House and Senate. All that is needed is a conference committee between the two to iron out the differences (which usually consists of ‘splitting’ the difference on any line item where the two budgets are not in sync). This could be done quickly. The T-HUD budget could then be adopted as a stand-alone budget or combined with the budgets of other departments/agencies that are ready in what’s called a ‘minibus.’ (An ‘omnibus’ budget is a complete budget with all agencies included and is unlikely to happen since, unlike HUD, the budgets of several other agencies aren’t done.)

Adopt another short-term CR. This would give Congress more time to get a real budget done before the end of the federal fiscal year and would only be used if Congress thought it could get some or all of the budgets done and adopted.

¹ Housing Assistance Payments – this is the rental subsidy we pay to landlords on behalf of tenants

Adopt a CR that runs through the end of the federal fiscal year. This is the option that is considered most likely, based on conversations staff had at the NAHRO Washington Conference March 25-28. This would be the worst outcome for housing authorities.

DISCUSSION and ANALYSIS

There are two aspects that contribute to the shortfall.

One is the way in which HUD calculates the amount of funding for housing authorities. Essentially, HUD takes our actual HAP costs for January – September of the previous year (so, 2016) and adds to that the actual HAP costs for the month of September multiplied by 3 to cover the months of October, November and December. They next apply a modest inflation factor (2.58 percent for 2017). But in a market such as ours with rapidly rising rents, last year's costs are far too low on which to base this year's rental subsidy costs. We are funded on a per unit cost (PUC) of \$1,242 per month but our actual PUC for February of this year is \$1,427.

The second is that the CR gives us only 94 percent of the HAP amount needed to keep all Section 8 tenants housed. A full year CR means we would have this 94 percent for all of 2017. Applying 94 percent to the \$1,242 PUC results in our being funded at only \$1,211, \$185 per unit per month less than our costs.² We are leased up at 97 percent; we cannot maintain this leasing with only 94 percent of the funds. Although we have HAP reserves those reserves will be exhausted before the end of the year.³

Not surprisingly, HUD has indicated that there are over 600 housing authorities in the same situation. It has created a 'shortfall' team and process. We have had our first monthly call with HUD's shortfall team and are developing an Action Plan.

Housing authorities have been in shortfall in the past (not HACA) but not to the extent we see now. HUD's primary objective is that no family *currently* receiving housing assistance be terminated and it has provided extra funds to shortfall housing authorities to make sure this doesn't happen. We will receive these funds. There is usually \$75 million set aside by HUD for housing authorities' unexpected situations. This year, HUD has stated that it will use \$90 million instead of \$75 million and that the only unexpected situation to be funded will be shortfall.

Action Plan

HUD's approach is to have shortfall housing authorities reduce their HAP costs as much as possible before funding the shortfall and, jointly with the housing authority, develops an Action Plan to accomplish this. We do not yet know all the components of the Action Plan as some will be dictated by HUD. However, we do know some of them:

- Cease pulling new applicants from the wait list (done; project-based voucher (PBV) units are excepted)

² \$1,427 minus \$1,242 equals \$185

³ Ironically, HUD's records showed \$6 million more in HAP for us than we had. Our finance director reported the discrepancy to San Francisco HUD staff when we met with them. After checking with headquarters, they confirmed we were correct and that they had made the same data input error for 8 other housing authorities.

- Cancel the processing of new eligible applicants who were ready to receive a voucher (done)
- Do not issue vouchers to tenants in PBV units who wish to move after one year in the unit (done; we've established a waiting list for these tenants)
- Bill for all incoming portability families instead of absorbing them into our program (done)
- Ask housing authorities billing us for our portability families to absorb them (underway)
- Reduce our payment standards; per HUD regulations, this will impact housed tenants in approximately two years but movers will be impacted immediately (analysis beginning). Movers who already have a voucher are permitted to continue to move.

Other actions we expect HUD to require:

- Pull back all vouchers (with some exceptions) recently issued to applicants from our wait list (max: 199) who have not yet found housing
- Restrict porting families to areas where the payment standard is lower than ours

Going forward, staff will provide your Commission with a report at each monthly meeting as to the status of the shortfall process and may agendaize certain actions that require Commission approval such as reducing payment standards.

BUDGET STATUS REPORT

**Housing Authority of Alameda County
HOUSING CHOICE VOUCHER
Administrative Budget Status Report FYE June 30, 2017
February 2017**

FY 2017 - HCV OPERATING BUDGET	Budgeted @ 2/28/2017	Actual @ 2/28/2017	OVER (UNDER)	PROJECTED TO 6/30/17	SCH. NO.	2016 BUDGET	2017 BUDGET	DIFFERENCE
INCOME								
Investment Income	334	0	(334)	0	A1	735	500	(235)
Misc. Income	217,333	262,758	45,424	361,137	A1	323,698	326,000	2,302
Administrative Fee Income	4,650,823	4,661,776	10,953	6,933,952	A	6,447,189	6,976,234	529,045
TOTAL INCOME	4,868,490	4,924,534	56,044	7,295,088		6,771,622	7,302,735	531,113
EXPENSES								
Administration								
Salaries	(2,740,489)	(2,476,582)	263,907	(3,887,714)	B-1& 2	(3,794,397)	(4,110,734)	(316,337)
Other Admin.	(1,042,505)	(922,631)	119,874	(1,519,303)	C-1&2	(1,538,303)	(1,563,758)	(25,455)
Total	(3,782,994)	(3,399,213)	383,781	(5,407,017)		(5,332,700)	(5,674,492)	(341,791)
General								
Insurance	(150,953)	(149,178)	1,775	(223,767)	E	(203,970)	(226,429)	(22,459)
Employee Benefits	(1,493,567)	(1,396,727)	96,840	(2,290,350)		(2,124,862)	(2,240,350)	(115,488)
Miscellaneous	0	0	0	0		0	0	0
Total	(1,644,519)	(1,545,905)	98,615	(2,514,117)		(2,328,832)	(2,466,779)	(137,947)
Total Routine Expenses	(5,427,514)	(4,945,118)	482,396	(7,921,133)		(7,661,532)	(8,141,271)	(479,739)
Capital Expenditures	0	0	0	0	D2	0	0	0
TOTAL EXPENSES	(5,427,514)	(4,945,118)	482,396	(7,921,133)		(7,661,532)	(8,141,271)	(479,739)
NET INCOME (DEFICIT)	(559,024)	(20,584)	538,440	(626,045)		(889,910)	(838,536)	51,374

Unrestricted Net Position @ 6/30/16 (Unaudited)
 Projected Income (Deficit) @ 6/30/17
 Projected Unrestricted Net Position @ 6/30/17

\$ (5,223,545)
(626,045)
\$ (5,849,590)

PROGRAM ACTIVITY REPORT

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 12, 2017

Subject: Programs Activity Report

Exhibits Attached: Section 8 and Housing Assistance Payments (HAP) Report; Section 8 Average Contract Rent Report; Fraud Payments Report; Landlord Rental Listing Report; FSS Program Monthly Report

Recommendation: Receive Report

Financial Statement: None

SECTION 8 HOUSING CHOICE VOUCHERS

- **Lease-Up:** As of April 1, 2017, the Section 8 Housing Choice Voucher program had 6,247 units under contract. The fiscal year-to-date lease-up average is 97.19% units as of April 1, 2017. The budget authority use average through January 2017 is 109%.
- **Program Utilization:** As of April 1, 2017, the average HAP subsidy was \$1,305 and the average tenant-paid rent portion was \$468 for an average Contract Rent of \$1,772. Amounts vary by \$1 due to rounding.
 - ❖ As of April 1, 2017, HACA had 90 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
 - ❖ As of April 1, 2017, HACA billed other housing authorities for 137 incoming portability contracts.
 - ❖ 226 of PACH's 230 project-based voucher (PBV) units are leased. These are HACA's former public housing units converted under HUD's Section 18 or Rental Assistance Demonstration programs and transferred to PACH, HACA's instrumentality.
- **Section 8 Contract Report:** A copy of the Contract Report is attached.
- **Fraud / Debt Recovery:** HACA retained \$7,589.24 for the month of March. A total of \$87,793.34 was retained over this fiscal year.
- **Landlord Rental Listings:** As of April 3, 2017, there were 799 landlords with properties in HACA's jurisdiction utilizing the *GoSection8* rental listing service. There were two new landlords added to the Section 8 program in March. There were 22 active properties listed as of April 3, 2017.

HACA AGENDA ITEM NO.: 5-6.

- **Housing Quality Standards (HQS) Abatements:** During the first quarter of 2017 HACA inspected 1,034 units. Of those, 718 passed inspection the day they were inspected, 202 later passed inspection, and the remainder are in process to either pass or be abated. The average number of days it took failed units to pass inspection was 16. Additionally, HACA abated two HAP contracts for non-compliance with HQS.

FAMILY SELF SUFFICIENCY (FSS)

The FSS Department held its quarterly Program Coordination Committee (PCC) meeting in March. The PCC is the oversight committee for the FSS program and is where participating members provide updates on each of their various programs and share information about upcoming events.

The FSS Department also attended a quarterly-monthly Bay Area FSS Coordinators' meeting where housing authorities share best practices and ideas.

Additionally, the FSS Department hosted a workshop on credit reports and improving credit scores.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Contract and HAP Report for the Month of March 2017

City	Certificates		Vouchers		MARCH 2017 TOTAL		MARCH 2016	MARCH 2015
	Number	HAP*	Number	HAP**	Number	HAP		
Albany	0	\$0	23	\$31,740	23	\$31,740	27	28
Castro Valley	11	\$13,189	195	\$269,100	206	\$282,289	209	219
Dublin	3	\$3,597	348	\$480,240	351	\$483,837	350	350
Emeryville	5	\$5,995	152	\$209,760	157	\$215,755	128	123
Fremont	21	\$25,179	1,046	\$1,443,480	1,067	\$1,468,659	1,069	1,147
Hayward	87	\$104,313	1,909	\$2,634,420	1,996	\$2,738,733	2,025	2,221
Newark	6	\$7,194	206	\$284,280	212	\$291,474	222	240
Pleasanton	3	\$3,597	114	\$157,320	117	\$160,917	114	117
San Leandro	16	\$19,184	1,391	\$1,919,580	1,407	\$1,938,764	1,469	1,513
San Lorenzo	2	\$2,398	201	\$277,380	203	\$279,778	197	218
Union City	3	\$3,597	748	\$1,032,240	751	\$1,035,837	730	768
TOTALS	157	\$188,243.00	6,333	\$8,739,540.00	6,490	\$8,927,783.00	6,540	6,944

*Based on an average March Housing Assistance Payment (HAP) of \$1199 per voucher contract

**Based on an average March Housing Assistance Payment (HAP) of \$1380 per voucher contract

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Average Contract Rent Report for the Month of March 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	23	\$1,531	\$1,280	\$251	16%
Castro Valley	176	\$1,769	\$1,336	\$433	24%
Dublin	269	\$1,935	\$1,509	\$427	22%
Emeryville	113	\$1,583	\$1,140	\$442	28%
Fremont	985	\$1,994	\$1,518	\$476	24%
Hayward	1,841	\$1,747	\$1,306	\$440	25%
Newark	203	\$2,235	\$1,650	\$586	26%
Pleasanton	111	\$1,615	\$1,217	\$397	25%
San Leandro	1,387	\$1,757	\$1,283	\$474	27%
San Lorenzo	202	\$2,058	\$1,564	\$495	24%
Union City	524	\$2,137	\$1,623	\$514	24%

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

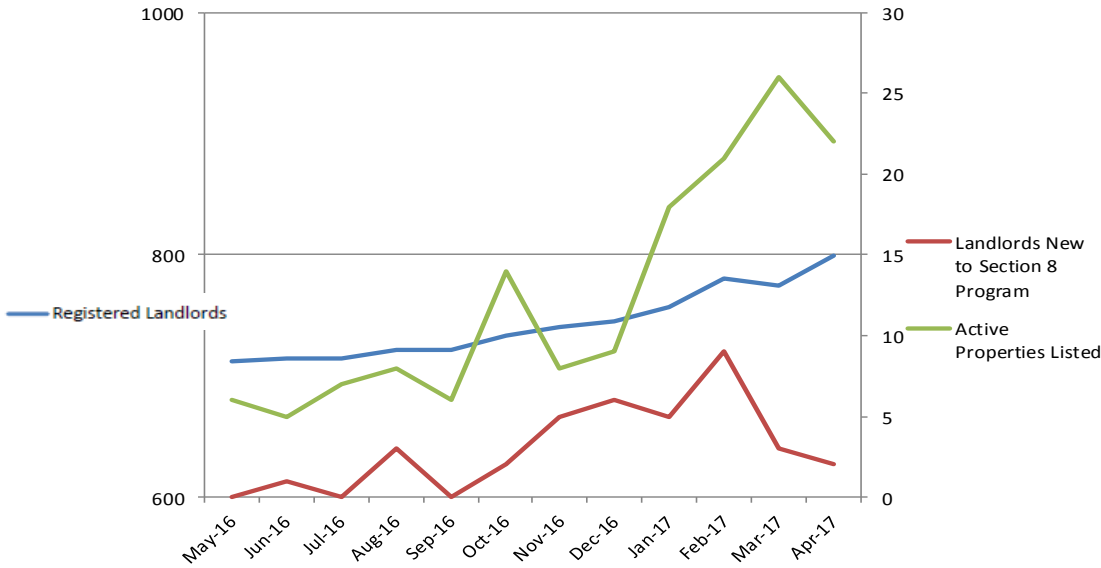
DEBT COLLECTIONS
2016-2017
FYE 06/30/17

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY '17	FEBRUARY	MARCH	APRIL	MAY	JUNE	GRAND TOTALS
<i>DAMAGE CLAIMS</i>	\$0.00	\$408.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00			\$408.00
<i>FRAUD REPAYMENTS</i>	\$3,786.89	\$10,046.44	\$11,177.70	\$15,073.00	\$10,643.05	\$9,952.98	\$11,546.31	\$7,569.73	\$7,589.24				\$87,385.34
TOTALS	\$3,786.89	\$10,454.44	\$11,177.70	\$15,073.00	\$10,643.05	\$9,952.98	\$11,546.31	\$7,569.73	\$7,589.24	\$0.00	\$0.00	\$0.00	\$87,793.34

Landlord Rental Listing Report

Monthly

	5/2/2016	6/1/2016	7/5/2016	8/1/2016	9/1/2016	10/3/2016	11/1/2016	12/1/2016	1/3/2017	2/1/2017	3/1/2017	4/3/2017
Registered Landlords	712	714	715	722	722	733	740	745	757	780	775	799
Landlords New to Section 8 Program	0	1	0	3	0	2	5	6	5	9	3	2
Active Properties Listed	6	5	7	8	6	14	8	9	18	21	26	22





To: Christine Gouig, Executive Director
From: Daniel Taylor, Special Programs Manager
Re: **FSS Program Summary**
CC: Linda Evans, Phyllis Harrison, Mary Sturges, Danielle Roundtree
Date: April 5, 2017

Program Summary	March 2017
Total Clients Under Contract:	161
MDRC:	100
Graduates:	1
Escrow Disbursed:	\$Pending
Ports In:	0
Ports Out:	1
Terminations:	0
New Contracts:	5

FSS PROGRAM NEWS:

Program Coordinating Committee (PCC)

On Thursday, March 16, 2017, the FSS team held a PCC meeting. The PCC consists of Alameda County agencies, non-profit organizations and FSS participants; its purpose is to offer guidance and strengthen our FSS program. The PCC members provided program updates regarding their respective agencies and shared valuable information.

FSS Workshop

On Saturday, March 18, 2017, the FSS program hosted a *Credit Reports and Credit Scores* workshop presented by a representative from Habitat for Humanity. The following topics were covered:

- What's on your credit report?
- Credit scores
- FICO tips
- The credit dispute process and how to clear collections
- Rebuilding and protecting your credit

There were 25 FSS participants in attendance.

Bay Area FSS Coordinators' Meeting

On Tuesday, March 21, 2017, the FSS team attended the quarterly Bay Area FSS Coordinators' meeting. The meeting was held at the Berkeley Housing Authority. The Coordinators in attendance were from various Bay Area housing authorities. Discussion topics and agenda items included:

- FSS NOFA (notice of funding availability)
- Workshops
- Approval of new FSS Action Plan
- How to work with non-cooperative participants
- PCC
- SSI
- Temporary workers

Case Management Referrals = 14

Job Lead Referrals = 106