



Oakland Housing
Authority

Disposition Application #DDA003364 For 254 Scattered Site Properties



**Submitted October 6, 2008
Jon Gresley, Executive Director**



October 6, 2008

Mr. Ainars Rodins
Director
Special Applications Center
U.S. Department of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2401
Chicago, IL 60604-3507

Subject: Oakland Housing Authority Disposition Application # DDA0003364

Dear Mr. Rodins:

Please find attached the subject Disposition Application for 1,615 units in 254 scattered site properties. The severity of the problems experienced by the Oakland Housing Authority (Authority) in managing its scattered site portfolio, given its size and the fact that individual properties are spread across nearly the entire 56 square miles of the city, is likely unique in the nation in terms of scope and complexity. These units represent a critical affordable housing resource for a city in the San Francisco Bay Area, with cost of living among the highest in the country.

Currently, five of the properties, or 61 units, are vacant and uninhabitable. After decades of deferred maintenance, the estimated repair costs are far in excess of the value of these properties. Looking to the future, the Authority recognizes that without the transformation of this portfolio through disposition, the Authority will be left only with the untenable choice of taking more units out of service as their maintenance needs far outstrip available resources. Through a partnership with a non-profit affiliate of the Authority, the Section 8 resources we seek could be utilized to attract private investment in the repair or replacement of these units.

Through this application, the Authority has committed to utilizing project-based resources to keep "hard units" in service, and, in the longer term, to replace, one-for-one, any unit that is taken out of service. Further, the Authority has committed to maintaining the affordability of these units to families earning up to 60% of Area Median Income for a period of at least 55 years.

We have worked closely with local housing advocates in the development of this application, and enjoy the strong support of Oakland Mayor Ron Dellums for a plan that

represents our best hope to preserve this critical housing resource for low-income families in Oakland.

At the time the application was submitted, there remain some discrepancies between application requirements of the form HUD-52860 (8/2008) and the on-line PIC system. In order to meet the requirements of both, the application submitted on-line utilizes the section and line references requested on the PIC system, where the hard copy of the application submitted to the SAC utilizes the section and line references from the form HUD-52860. Attached to this letter are other clarifying notes about the differences between the on-line and hard application.

I look forward to your review of this application and am available to answer any questions you might have. I can be reached at 510.874.1510 or at JGresley@oakha.org. In addition, please feel free to contact Ann Dunn, Senior Policy Analyst, with any technical questions about the application's content. Ms. Dunn can be reached at 510.874.1513 or at ADunn@oakha.org.

Sincerely,



Jon Gresley
Executive Director

Oakland Housing Authority Disposition Application

Notes on Differences between On-line and Hard-Copy of Application

Because there are some discrepancies between the most recent form HUD-52860, dated August 2008, and the on-line PIC application, a hard copy of this application is being mailed to the SAC. The hard copy will also include CDs with copies of the appraisals for all 254 properties included in this application.

The following is a clarification on the information provided electronically.

Section 1

Primary Contact: The system does not allow for changes in contact information.

The primary contact for technical questions about the information provided is Ann Dunn @ 510.874.1513 or ADunn@oakha.org

Section 2

Long Term Impact: The system provides 2007 as the most recent year for which operating subsidy and Capital Fund data can be reported. The data included for the OHA application is from FY 2009.

Section 3

Environmental Review: Because the properties are not undergoing substantial rehabilitation or redevelopment, they are exempt from the environmental review. A certification of categorical exemption from the City of Oakland Community and Economic Development Agency is attached. There was no contact with the HUD Field Office for the purpose of conducting an environmental review. However, a copy of the draft Disposition Application was provided to Melina Whitehead at the San Francisco Field Office on July 3, 2008.

Section 6

Vacancy Data: There did not appear a place to enter accurate vacancy data, and the system would not accept updates to Section 6 until the unit vacancy data was added correctly. As a result, the data entered was only to allow the application to move forward and is not correct. The correct vacancy data is included as a miscellaneous attachment and is included as a table behind the tab for Section 4 in the hard copy of the application.

Application References

At the time this application was submitted, the on-line PIC system and the most current HUD 52860 are out of sync. To minimize confusion about the OHA application, the following is a table that cross references the application requirements. The application submitted on-line utilizes the application references requested on the system. The hard copy provided to the SAC utilizes the application references in the HUD 52860 and includes a cross reference to the on-line application. For example, the Board resolution was included online under Section 3, Line 2 but is included in the hard copy under Section 3, Line 1.

	Form HUD-52860 (8/2008)	PIC
PHA Board Resolution	Section 3, Line 1	Section 3, Line 2
Environmental Review	Section 3, Line 3	Miscellaneous
PHA Consultation with AGO	Section 3, Line 4	N/A
Letter of Support from AGO	Section 3, Line 5	Section 3, line 6
Properties included in Disposition Application	Section 4	Section 4
Partial Disposition	Section 5, Line 6	Section 5, Line 6
Method of Sale	Section 5, Line 7	Section 5, Line 10
Value (Appraisals)	Section 5, line 8	Section 5, line 8
Cost and Fees	Section 5, Line 10	Section 5, Line 11
Use of Proceeds	Section 5, Line 11	Section 5, Line 11
General Timetable	Section 5, Line 13	Section 5, Line 13
Counseling Services	Section 6, Line 3	Section 7, Line 2
Relocation Housing	Section 6, Line 4	Section 7, Line 3
Relocation Funding	Section 6, Line 8	Section 7, Line 7
Consultation with Affected Residents	Section 7, Line 1	Section 8, Line 1
Consultation with Resident Counsel	N/A	N/A
Consultation with RAB	Section 7, Line 4	Section 8, Line 4
Written Comments	Section 7, Line 5	Section 8, Line 5
Established Organizations	Section 8, Line 3	Section 9, Line 2
Certification	Section 9	Miscellaneous
Justification	Attached to certification as Exhibit A	Section 6, Line 1

**Inventory Removal
Application****U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing****OMB Approval No. 2577-0075
(exp. 8/31/2011)**

Public reporting burden for this collection of information is estimated to average 8 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 you are not required to complete this form, unless it displays a currently valid OMB control number. This information is required to request permission to remove from inventory all or a portion of a public housing development (i.e. dwelling unit(s), non-dwelling property or vacant land) owned by a Public Housing Agency (PHA). The information requested in this application is based on requirements of Sections 18, 22, 32, and 33 of the United States Housing Act of 1937 as amended ("Act"), 24 CFR Parts 906, 970, and 972 (HUD Regulations), and HUD's interest in property of PHAs under Annual Contribution Contracts and Declarations of Trust. HUD will use this information to determine whether, and under what circumstances, to permit PHAs to remove from their inventories all or a portion of a public housing development, as well as to track removals for other record keeping requirements. Responses to this collection of information are statutory and regulatory to obtain a benefit. Please refer to the instructions for each section for additional guidance on how to complete this application. HUD approval of the proposed removal from inventory action in this application does not constitute HUD approval for funding of the proposed action. All capitalized terms not defined in this form have the meanings as defined in the Act and HUD Regulations. The information requested does not lend itself to confidentiality.

Section I: General Information		
PHA Name: Oakland Housing Authority	Date of Application: October 3, 2008	
PHA Address:		
No. and Street: 1619 Harrison Street	City and State: Oakland, CA	Zip Code: 94612
Phone Number: 510.874.1512	Fax Number: 510.874.1674	E-mail Address: N/A
Executive Director's Name: Jon Gresley	Executive Director's Phone Number: 510.874.1510	Executive Director's Email: JGresley@oakha.org
Primary Contact's Name: Ann Dunn	Primary Contact's Phone Number: 510.874.1513	Primary Contact's Email: Adunn@oakha.org

Section 2: Long-Term Possible Financial Impact of Proposed Action
1. Operating Subsidy In FY 2009, this PHA received \$290 per unit in operating subsidy. This PHA realizes that after HUD approves this proposed action, this PHA's operating subsidy will decrease by \$5,620,200 year (number of units subject to this proposed action X subsidy per unit)
2. Capital Fund Program (CFP) In FY 2009, this PHA received \$213 per unit in CFP funds. This PHA realizes that after this proposed action takes place, CFP funds will decrease by approximately \$4,127,940 /year (number of units subject to this proposed action X CFP funds/unit):

Section 3: PHA Board Resolution, Environmental Review, and Government Consultation
PHA Board Resolution 1. Board Resolution Number: 4047 2. Date of PHA Board Resolution: September 22, 2008 <i>*Attach a copy of the PHA Board Resolution and reference it as Section 3, line 1.</i>
Environmental Review See attached certification of categorical exemption 3. Identify the Responsible Entity that is conducting the environmental review under 24 CFR 58: City of Oakland Or if HUD is conducting the environmental review under 24 CFR 50, check here:

Government Consultation

4. This PHA covers the following jurisdictions (list all municipalities, counties, etc.): City of Oakland

**Attach a narrative describing the PHA's consultation with all Appropriate Government Officials (AGOs) and reference it as Section 3, line 4.*

5. This PHA has obtained all necessary Letters of Support from all Appropriate Government Official(s) about this proposed action and the Letter(s) of support is (are) dated September 19, 2008 (mm/dd/yy)

**Attach copies of all Letters of Support from the AGOs and reference them as Section 3, line 5.*

Section 4: Description of the Existing Development

1. Name of the Development: Scattered Sites

2. Development Number: CA003000109, CA003000110, CA003000111, CA003000112, CA003000113, CA003000114 & 20 units from CA003000119

3. Date of Full Availability: various

4. No. of Residential Building: 332

5. No of Non-Residential Building: 0

6. Date Constructed: various

7. Is the Development a Scattered Site: XYes No

8. No. of Building Types: 44 Single Family Houses 18 Duplexes 32 3-Plexes 87 4-plexes 151 Other (explain) (other = 5-27 units)

9. No. of Types of Structures 0 Row House Units 254 Walk-Up Units 0 High Rise Unit

10. Total Acres of the Development: 56.16416437

11. Existing Unit Distribution	Family Units	Elderly Units	Total Units Being Used for Non-Dwelling Purposes	Total Units in Development
0 Bedroom				
1 Bedroom				
2 Bedrooms	199			199
3 Bedrooms	1333			1333
4 or more Bedrooms	82			82
Total *	1615			1615
*Enter in Section 6, line 1b				

Section 5: Description of Proposed Action by Development, Method of Sale, Value, and Net Proceeds**1. Type of action proposed: Check One:**

- Complete Demolition
Partial Demolition
☒ **X** Disposition Only
Demolition and Disposition
De Minimis Demolition
Required Conversion
Voluntary Conversion
Homeownership
Eminent Domain Proceeding
HOPE VI Demolition
Disposition—24 CFR 941-Subpart F Exception
Casualty Loss

2. Proposed Action by Unit Type	Units to be Demolished Only	Units to be Disposed of Only
0 Bedroom –Elderly		
0 Bedroom –Family		
1 Bedroom—Elderly		
1 Bedroom—Family		
2 Bedrooms—Elderly		
2 Bedrooms—Family		199
3 Bedrooms—Family		1333
4 or more Bedrooms--Family		82
Total *		1,615

*Enter in Section 6, line 1a

3. Proposed Action by Building Type	Buildings to be Demolished Only	Buildings to be Disposed of Only
Residential Buildings		332
Non-Residential Buildings		
Total Buildings		332

4. If the proposed action involves a disposition, Total number of acres in proposed disposition: 56.164 acres

5. If the proposed action involves a partial removal of a Development, a site map is required.

**Attach a site map and reference it as Section 5, line 5.*

6. If the proposed action involves a partial removal of a Development,

**Attach a description of the property (address, building number, unit number) to be removed along with a narrative explaining why the PHA is proposing to remove this portion of the Development and reference it as Section 5, line 6*

Method of Sale

If the PHA is proposing a disposition , answer questions No. 7-10:

7. Which of the following describe the proposed disposition:

- A. ☒ Disposition at Fair Market Value (FMV)
B. ☒ Disposition at less than Fair Market Value (e.g. donation)
C. ☐ Disposition which includes an exchange of property

If B or C is checked,

**Attach a narrative providing a justification (which evidences public benefits to the PHA and its residents commensurate with the proposed compensation) and reference it as Section 5, line 7*

Value

8. What is the value of the property subject to the proposed disposition action: \$211,200,000

**Please attach required documentation verifying this value (e.g. appraisal) and reference it as Section 5, line 8.*

9. Was an appraiser used to determine the value for the property listed at Number 8 above?

X Yes No

If Yes, name of appraiser who conducted the appraisal: Yovino-Young + Certified Date of appraisal: December 2007 to May 2008

Net Proceeds

10. Calculation of Net Proceeds:

Estimated Sales Price	minus	Debt	minus	Cost & Fees	equals	Estimated Net Proceeds
\$ 4,272,000	-	\$ 0	-	\$212,520	=	\$ 4,059,480

**Attach an itemization of costs and fees (including relocation, moving, and counseling costs) to be paid out of gross proceeds and reference it as Section 5, line 10*

11. How does this PHA propose to use Net Proceeds:

**Attach a narrative providing details concerning the use of Net Proceeds and reference it as Section 5, line 11.*

12. If the proposed action involves a Demolition:

(a) Total estimated cost of the Demolition: \$_____ (include professional fees, hazardous waste removal, building and site improvements, actual demolition costs, and seeding and sodding of land, but do not include relocation costs or site improvements such as landscaping, playground, retaining walls, streets, sidewalks, etc.)

(b) What source(s) of funding will the PHA use to pay for the cost of demolition?

() Operating Funds for FY _____ () CFP for FY _____ () CDBG Funds () Other

**If Other, attach a narrative explaining how the PHA will fund the demolition and reference it as Section 5, line 12.*

13. General Timetable: Complete the general timetable below based on the number of days after HUD approval of this proposed action that the PHA will engage in the following actions:

(a) Begin Relocation of Residents: 90 days

(b) Complete Relocation of Residents: 180 days

(c) Execute contract for removal action (e.g. sales contract): N/A

Cause of removal action (e.g. actual demolition, closing of sale): 180 days form HUD-52860 (8/2008)

must reference the Section and line number to which they apply. Previous versions obsolete.

Section 6: Relocation**1. Occupied Units**

(a) Of the 1,615 (copy number from Section 5, line 2) units proposed for removal, 1,388 are occupied as of the date of this Application.

**Attach a narrative explaining the circumstances that resulted in the units becoming vacant and the relocation of the residents of the affected Development and reference it as Section 6, line 1(a).*

(b) Of the 1,615 (copy from Section 4, line 10) total units in the Development minus (copy from 1(a) above) 1,615 to be removed, 0 units will remain after removal.

(c) Of the 0 (copy from 1(b) above) units remaining after removal, 0 are occupied as of the date of this Application.

If any units are listed as occupied in 1(a), complete questions 2-8

2. 4,060 Individuals (including children) will be affected by this removal action.

3. How will the PHA provide counseling and advisory services to the affected residents?

**Attach a narrative explaining how the PHA will provide counseling and advisory services and reference it as Section 6, line 3.*

4. What housing resources/replacement housing does the PHA expect to use for relocation of the affected residents?

Other Public Housing ☒ Housing Choice Vouchers ☐ Other

**Attach a narrative explaining how the PHA plans to provide relocation housing and reference it as Section 6, line 4.*

5. Estimated Cost of Counseling and Advisory Services: \$155,400

6. Estimated Cost of Moving Expenses: \$880,600

7. Total Cost of Relocation Expenses: \$1,036,000

8. What source(s) of funding will the PHA use to pay for Relocation Expenses?

(☐) Operating Funds for FY (☐) CFP for FY (X) Other

**If Other, attach a narrative explaining how the PHA will fund Relocation Expenses and reference it as Section 6, line 8.*

Section 7: Resident Consultation

1. Consultation with Residents at affected Development

**Attach a narrative explaining the PHA's consultation with the residents of the affected Development and reference it as Section 7, line 1.*

If proposed action is for Demolition and/or Disposition under Section 18 of the Act, complete questions 2-5

2. Resident Council (at affected Development)

Provide the name of the Resident Council representing the residents of the affected Development: or if there is no Resident Council at this Development, check here X.

**Attach a narrative explaining the PHA's consultation with the Resident Council of the affected Development and reference it as Section 7, line 2.*

3. Resident Council (PHA jurisdiction-wide)

Provide the name of the Resident Council representing the interests of the residents residing in units under the PHA's jurisdiction: , or if there is no such Resident Council, check here X.

**Attach a narrative explaining the PHA's consultation with Resident Council (PHA jurisdiction-wide), and reference it as Section 7, line 3.*

4. Resident Advisory Board (RAB) (as defined by 24 CFR 903.13)

**Attach a narrative explaining the PHA's consultation with RAB and reference it as Section 7, line 4.*

5. Did the PHA receive any written comments concerning this proposed action from the residents of the affected Development, the Resident Council at the affected Development, the Resident Council (PHA jurisdiction-wide), or the RAB? Yes No X. If yes,

**Attach those written comments, along with any evaluation the PHA has made of those comments and reference it as Section 7, line 5.*

Section 8: Offer of Sale (This Section must be completed for all Section 18 Dispositions, including dispositions in connection with Voluntary or Required Conversions that are subject to Section 18 requirements)

1. Is this PHA exercising any of the exceptions to the offer of sale requirement permitted by 24 CFR 970.9(b)(3):

Yes ☒ No

2. If "Yes", check the exception below:

24 CFR 970.9 (b)(3)(i): a unit of state or local government requests to acquire vacant land that is less than two acres in order to build or expand its public services (a local government wishes to use the land to build or establish a police substation);

24 CFR 970.9 (b)(3)(ii): the 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, or other types of low-income housing);

24 CFR 970.9 (b)(3)(iii): the units that have been legally vacated in accordance with the HOPE VI program, the regulations at 24 CFR Part 971, or the Required Conversion regulations at 24 CFR part 972, excluding developments where the PHA has consolidated vacancies;

24 CFR 970.9 (b)(3)(iv): the units are distressed units required to be converted to tenant-based assistance under Section 33 of the Act;

24 CFR 970.9 (b)(3)(v): the proposed disposition is of non-dwelling property, including administration and community buildings, and maintenance facilities.

**Attach documentation supporting the above referenced exception and reference it as Section 8, line 2.*

3. If "No", state the names of all Established Eligible Organizations (as defined by 24 CFR 970.9(c)) for the affected Development, including the following organizations:

Resident Council at affected Development:

, or if none, check here ☒

Resident Management Corporation (as defined by 24 CFR 964) at affected Development:

, or if none, check here ☒

Outside Organization acting on behalf of the residents of the affected Development (as defined by 24 CFR 964):

, or if neither the Resident Council nor any outside organization has provided the PHA with any notification that the Resident Council has formed a partnership with an outside, check ☒

**Attach a narrative explaining how the PHA determined that the above named organizations are all of the Established Eligible Organizations representing the residents at the affected Development and reference it as Section 8, line 3.*

4. The PHA sent an initial written notification of the sale of the affected Development to each Established Eligible Organization on (mm/dd/yy) via regular mail ☐ certified mail ☐.

**Attach a copy of each signed and dated initial written notification letter provided to Established Eligible Organizations and reference them as Section 8, line 4.*

5. The PHA received a written initial expression of interest (as defined by 24 CFR 970.11(b)) from one or more of the Notified Eligible Established Organization(s) within 30 days from the date it sent the initial written notification of sale:

Yes ☐ No ☐

**If Yes, attach a copy of each initial expression of interest that the PHA received and reference as Section 8, line 5.*

6. The PHA received a proposal to purchase the affected Development from this Eligible Established Organization within 60 days of the date that it provided the organization with all necessary terms and information to prepare and submit a proposal to purchase the Development:

Yes ☐ No ☐

**If yes, attach a copy of the proposal to purchase and reference them as Section 8, line 6.*

7. The PHA ☐ Rejected or ☐ Accepted the organization's proposal to purchase the affected the Development

Provide attachments as needed. All attachments

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form HUD-52860 (8/2008)

must reference the Section and line

number to which they apply. Previous versions obsolete.

**THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF OAKLAND, CALIFORNIA**

On Motion of Commissioner: Pittman

Seconded by: Lee
and approved by the following vote:

AYES: Brown, Pittman, Lee, Hartwig, and Chair Mayne

NAYS:

ABSTAIN: Commissioner Purvis-Allen

ABSENT: Commissioner Terrazas

THE FOLLOWING RESOLUTION WAS ADOPTED:

NUMBER: 4047

**RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF OAKLAND
TO AUTHORIZE THE SUBMISSION OF A DISPOSITION APPLICATION TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR
254 PUBLIC HOUSING SCATTERED SITE PROPERTIES AND, SUBSEQUENTLY
MAKE APPLICATION FOR TENANT PROTECTION VOUCHERS FOR THE
TENANTS IN THE SCATTERED SITES.**

WHEREAS, the Oakland Housing Authority (the Authority) has 1,615 public housing units located in 254 scattered sites across Oakland (the Scattered Site Units); and

WHEREAS, the Scattered Site Units are the most expensive of the Authority's public housing units to operate, and some repairs in the Scattered Site Units are being delayed given the shortage of operating funds, funded by HUD in 2007 at approximately 83% of the formula amount and funded currently at less than 89%; and

WHEREAS, the Authority recently completed a physical needs assessment, which estimates a current need for approximately \$100 million to address the capital backlog at the Scattered Site Units, or nearly \$62,000 per unit, an amount that compares to capital grants for the entire OHA of \$8 million annually; and

WHEREAS, five properties, with 61 units, are currently vacant and uninhabitable, which the Authority will sell at full market value and utilize sales proceeds for the repair of the remaining Scattered Site Units or toward the development or acquisition of replacement units; and

WHEREAS, upon approval of the disposition of the remaining 249 properties to a non-profit affiliate, the Authority will seek to obtain Section 8 Tenant Protection Vouchers for all families occupying the Scattered Site Units; and,

WHEREAS, the planned disposition will not result in an increase in rent and no families will be required to move as a result of the disposition strategy. Families will be offered tenant-based or project-based vouchers, and OHA on a one-time basis will offer the choice between a fixed moving payment or pay actual and reasonable relocation expenses for any family who moves within a specified period of time from receipt of a voucher. Any family in good standing that is ineligible for a voucher will be allowed to remain in their unit or transferred to another public housing unit; and

WHEREAS, the Authority will utilize project-based subsidy to maintain the affordability of the Scattered Site Units, or their replacement units, at or below 60% of Area Median Income for a period of 55 years, and will continue to serve substantially the same income populations; and,

WHEREAS, the Authority will utilize the proceeds of any rental income or property sales to repair, manage, maintain and provide services to the Scattered Site Units and/or develop or acquire replacement units; and,

WHEREAS, such action requires the approval by HUD of an application for the disposition of the Scattered Site Units, as well as award by HUD of additional vouchers; and

WHEREAS, the draft Disposition Application was made available for a 60-day public comment period and was discussed in public meetings with residents of the Scattered Site Units on August 19, August 21 and August 27, 2008, and with the Resident Advisory Board on August 20, 2008, and over 86% of residents who commented on the Disposition Application indicated their support of the Plan; and

WHEREAS, the Commission has reviewed and considered comments received from The Public Interest Law Project, Just Cause Oakland, Bay Area Legal Aid, and the National Housing Law Project; and

WHEREAS, the Commission has received a staff briefing on responses indicating that some of the comments have resulted in revisions to the Disposition Application and other comments have been similarly addressed in the Relocation Plan, while other comments have been considered but did not result in changes to the Disposition Application or Relocation Plan for good and sound reasons; and

WHEREAS, the proposal to dispose of the Scattered Site Unit was included in the Authority's Moving to Work Annual Plan for FY 2008 and FY 2009, adopted by the Board of Commissioners in public session; and,

WHEREAS, the future disposition of individual scattered site properties to the affiliate will require approval by the OHA Board of Commissioners and will include affordability restrictions.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF OAKLAND, CALIFORNIA:

THAT, the Authority hereby finds and determines that the foregoing recitals are true and correct; and

THAT, the Executive Director may submit to HUD an application for disposition of the Scattered Site Units, and that such disposition shall be contingent on the receipt of vouchers to protect current residents of the Scattered Site Units and as otherwise may be available; and

THAT, upon receipt of HUD's approval for disposition of Scattered Site Units the Executive Director may submit to HUD an application for tenant protection vouchers; and

THAT, this Resolution shall take effect immediately upon its passage; and

THAT, the Executive Director, on behalf of the Authority, is hereby authorized to take all actions necessary to implement the foregoing resolution, including any relocation requested by residents consistent with the plan.

I certify that the foregoing resolution is a full, true and correct copy of a resolution passed by the Commissioners of the Housing Authority of the City of Oakland, California on September 22, 2008.



Secretary/Executive Director

ADOPTED: September 22, 2008

RESOLUTION NO. 4047

RETURN TO:

City of Oakland
Community and Economic Development Agency
Planning and Zoning Division
250 Frank H. Ogawa Plaza, Suite 2114
Oakland, CA 94612

NOTICE OF EXEMPTION

TO: Alameda County Clerk
1106 Madison Street
Oakland, CA 94612

Project Title: N/A

Project Applicant: Oakland Housing Authority

Project Location: City-wide

Project Description: Transition of ownership of scattered OHA sites around the City.

Exempt Status: (check one)

Statutory Exemptions

{Article 18:Section 21080;15260}

- ☐ Ministerial {Sec.15268}
- ☐ Feasibility/Planning Study {Sec.15262}
- ☐ Emergency Project {Sec.15269}
- ☐ General Rule {Sec.15061(b)(3)}
- ☐ Other: {Sec._____}

Categorical Exemptions

{Article 19:Section 21084;15300}

- ☒ Existing Facilities {Sec.15301}
- ☐ Replacement or Reconstruction {Sec.15302}
- ☐ Small Structures {Sec.15303}
- ☐ Minor Alterations {Sec.15304}
- ☐ Minor Subdivisions {Sec.15315}
- ☐ Infill Projects {Sec.15332}
- ☐ Other {Sec._____}

Reasons why project is exempt: No physical changes to properties are part of this decision.

Lead Agency: City of Oakland, Community and Economic Development Agency, Planning and Zoning Division, 250 Frank H. Ogawa Plaza, Suite 2114, Oakland, CA 94612.

Department/Contact Person: Eric Angstadt

Phone: 510-238-6190


Eric Angstadt, Interim Deputy Director, CEDA

9/24/08
Date:

Consultation with all Appropriate Government Officials

The Authority's Executive Director and Chairman of the Board of Commissioners met Oakland Mayor Ron Dellums on September 11, 2008. Prior to that, the Authority's staff met with representatives of the City of Oakland (the City), on May 29, 2008, to discuss the Authority's proposed Disposition Application to the U.S. Department of Housing and Urban Development (HUD) for the public housing scattered site inventory. The following is a summary of the comments and questions of the Mayor and City's representatives and the Oakland Housing Authority responses to same.

From the May 29, 2008 Meeting:

City Question/Comment One: *How will the Authority ensure the provision of Section 8 Vouchers to all of the families currently occupying the scattered site units won't negatively impact the rental market in Oakland? Further, the City indicated it would prefer that, instead of utilizing portable vouchers as the mechanism for providing rental subsidies for the families, the Authority utilize project-based resources instead and, by so doing, preserve the affordability of the units currently in the inventory without impacting the larger market.*

The Authority's response: The Section 8 resources provided by HUD, if any, will tenant-based. Having considered the potential impact of the introduction of approximately 1,554 vouchers on this market, including on new participants to the Section 8 program who are currently seeking housing in an increasingly competitive and tightening rental market, OHA has concluded that only a relatively small percentage of families would opt to leave at any given time, given market conditions, so most would stay in place, thereby minimizing the market impact. Further, as families do leave, OHA's affiliate will market the units to voucher holders or may use existing resources to project-base the units, ensuring that families on the OHA waitlist for the Section 8 Program are given first priority to be housed as these units become available.

City Question/Comment Two: *The City's goal with regard to affordable housing is to increase the supply of hard units; OHA's action has the effect of utilizing considerable resources to repair or replace existing units, without achieving the city's goal of increasing the supply.*

The Authority's response: Consistent with its demonstrated track record in its HOPE VI and other redevelopment projects, where all public housing units have been replaced in addition to the creation of up to three times the number of affordable units after redevelopment, the Authority believes the repositioning of the scattered site units represents an opportunity to significantly increase the supply of affordable units in Oakland over a five to ten year period. The Authority's goals for such redevelopment would include achieving economic integration of the units as well as a critical mass of units that could be effectively managed. Further, OHA hopes the City will use its

influence in providing capital resources to encourage the recipients of those resources to partner with OHA to develop new affordable units.

Issue Three: *The scattered site inventory contains a significant number of larger units (three-bedrooms or more). If these units were removed from the city's affordable housing inventory, it would negatively impact low-income families who need such units. Any replacement plan for existing units should include a commitment to replace the same number of bedrooms that currently exist.*

The Authority's response: OHA concurs that any future plans for the scattered site properties, or any replacement units, must meet the needs of OHA's current and future clients. While a review of current clients in both public housing and Section 8, as well as the waitlist for both programs, suggests a trend toward a need for a larger percentage of smaller units, especially two-bedrooms units, OHA recognizes that units with three or more bedrooms are a valuable resource to the City of Oakland, and that not many new construction projects include larger units. As we move forward with any repositioning strategy for the scattered sites properties, we commit to working closely with the City of Oakland to ensure any plans for replacement units take into consideration the need of the City for these larger units.

Issue Four: *OHA's units are currently occupied by very low-income families. An OHA commitment to maintaining the affordability of the existing scattered site units, or any future replacement units, as affordable to families earning up to 80% of area median income (AMI) is not the same as a commitment to serving the families who predominately make up OHA's current resident population or applicants on the OHA waiting list. (Note: at the time the meeting occurred with the City, the Authority was contemplating restricting the units to 80% of AMI; As demonstrated in the disposition application, the units will be restricted to 60% of AMI, however, the response outlined below is consistent with the actual meeting and has not been revised to reflect the current plan.)*

The Authority's response: Under HUD regulations, public housing resources are restricted to families earning below 80% of AMI and Section 8 resources are restricted to families earning below 50% of AMI. However, currently, almost 95% of the families served by OHA programs have incomes below 50% (very low-income under HUD guidelines) of AMI. Further, nearly 80% of all families served have incomes below 30% of AMI (extremely low-income under HUD guidelines). A review of families on the OHA waitlist for both Section 8 and public housing indicates that future clients will fall within approximately the same income categories. The Authority, through its MTW Agreement with HUD, is required to ensure that at least 75% of the families assisted in its public housing and Section 8 programs are very-low income (at or below 50% of AMI). OHA is fully committed to its mission to provide housing to these populations, and recognizes there are very few other resources available to such vulnerable families. Rather than trying to move from serving these families, OHA is attempting, through the disposition process, to ensure we have the resources to continue serving such families in perpetuity, and is fully committed to doing so.

Issue Five: *How will OHA commit to use any proceeds that result from additional operating income or future sales proceeds? Further, since Section 8 resources will flow from HUD to OHA, if the units are transferred to an entity other than OHA, what assurance is there the funds will go to benefit the properties?*

The Authority's response: Depending on the characteristics of the individual property, including a determination of whether a significant investment in rehabilitation can be sustainable, OHA commits to utilizing proceeds to either preserve these units or to contribute toward the development of replacement units.

From the September 11, 2008 Meeting:

City Question/Comment One: OHA says that they will use any sales proceeds for development of housing. But they actually intend to transfer the units at little or not cost to an affiliate of OHA. We need assurances that any net income from those projects (revenues in excess of debt, operating costs and reasonable reserves) should be set aside for development of housing affordable to persons of Extremely Low Income (ELI - less than 30% of AMI).

OHA Response: *Any revenue from these properties will be utilized for their repair or replacement, and specifically to benefit the same income population currently served in the scattered site units. We don't expect any net proceeds from operations for these units for quite a while as any excess over operating expenses will be used to build reserves such as operating reserves, reserves for replacement, etc. Once the reserves are fully funded, any net proceeds, as HUD will require, will be used for the development or operation of low-income housing. There will be a requirement that any proceeds from any subsequent sale of the property by the new owner (affiliate) will be used for replacement of these units. In any redevelopment strategy, the proceeds will certainly be used to reposition these assets. Any replacement strategy that occurs in the future will likely be based on project-basing Section 8 units (or some equivalent resource) included in mixed-income developments utilizing tax credit financing, and therefore will be at 60% AMI. This is a financing strategy similar to OHA's HOPE VI developments, where OHA has been able to leverage resources to build at a rate of three times the number of original public housing units. While the Authority currently serves a substantial number of ELI families (approximately 73% of scattered site units and 80% of the public housing program overall), it would not be financially feasible to fund 100% of the units at ELI, given the considerable subsidy required. The OHA commitment to serve families up to 60% AMI is consistent with the passed, but as yet unsigned, AB2818.*

City Response: *We appreciate OHA's commitment to using any net income from operation of the properties for development of replacement housing, and also understand the need to build up adequate reserves before using cash flow for other purposes.*

The City is strongly in support of mixed income developments. In the case of previous HOPE VI projects, the result was developments that contained a mix of public housing units, project-based Section 8 units, and assisted rental units with rents up to 60% of

AMI. The City does not anticipate projects that would be 100% affordable to extremely low income (ELI) families. It is our understanding that OHA intends to do full replacement of the scattered site units by placing Section 8 units into mixed income developments. We fully support this approach. Those units can yield rental income at Fair Market Rent and can be assisted with tax credits, but the addition of Project Based Section 8 would allow those units to be occupied by ELI households. To the maximum extent possible, the City would want OHA to commit to target those units to ELI households. Households with incomes between 30% and 60% of AMI will be served by the non-replacement units in these mixed income developments.

OHA Response: *The current OHA Section 8 waitlist closely mirrors the income mix of the occupied scattered sites, except that families may only have incomes up to 50% AMI. We anticipate that most families housed will continue to be ELI. Through its Moving to Work agreement with HUD, OHA is required to ensure that at least 75% of families served are below 50% AMI, but, in practice, 80% of families served today are ELI.*

City Question/Comment Two: OHA doesn't address what happens to current PH residents that are not eligible for Vouchers.

OHA Response: *No family currently housed in the scattered site units will lose their housing as the result of the disposition application. Any family in good standing who does not want a voucher will be provided the option of remaining in their unit with a rent calculation and lease term the equivalent of the Public Housing Program or would be offered the opportunity to move to a public housing unit not included in the disposition application. OHA would cover all cost associated with such a move. OHA has made clear in its application to HUD, and in information provided to residents, that these families would not be in jeopardy of losing their housing. Further, as part of the counseling services provided through the Relocation Plan, someone will be available to work with each individual family to make an informed decision about whether or not Section 8 is their best option.*

The only reason a family would not be eligible for Section 8 is if the family is not in good standing (not current on their rent, and not in a repayment agreement, or has been issued a notice of a lease violation), in which case their tenancy would already be in jeopardy. There was concern among residents that OHA would employ additional screening criteria for current scattered site residents, such as a review of credit history or criminal background checks. No such screening will take place. OHA has been proactive in communicating to all residents, via the public meetings, the responses to frequently asked questions, and in the Notice of Non-Displacement sent to all current occupants, the terms under which the Voucher will be made available, so that no one is surprised. Families behind on their rent have been encouraged to work with their property managers to enter repayment agreements, and there has been an increase in the number of families who have done so. OHA has also provided that any family with an active lease violation at the time the Vouchers are made available, will be held harmless until such time as a court determines the outcome of the case. If the court rules in favor of the resident, the Voucher will be offered at that point.

The Public Housing Program allows families to earn up to 80% of AMI, where the Section 8 Program is limited to 50% AMI. There are 108 families currently occupying the scattered site units with household income above 50% of AMI. If attempting to enter the Section 8 Program via a standard application process, these families would be deemed ineligible because their income exceeds the 50% AMI limit for the Section 8 Program. However, HUD regulations provide the ability to offer a Section Voucher to “continuing participants” given that they would be eligible for the current program under which they are currently served. However, because of the manner in which tenant payment is calculated under the Section 8 Program, which provides that as a family’s income increases, so does their portion of the rent, versus Public Housing which caps the tenant portion, it may not be a benefit for higher income families to accept the Section 8 Voucher. Such families are therefore more likely to remain in their apartment without a voucher, or transfer to another public housing apartment not part of the disposition. Ultimately, the disposition will result in a great deal of choice for the families, which is clearly welcomed from the overwhelmingly positive feedback received from residents (with over 86% supporting the disposition), but absolutely no loss of housing for the families occupying the units.

City Response: *This response addresses our concerns.*

City Question/Comment Three: OHA doesn’t address our concern about them competing for tax credits and other public funds for what is essentially replacement housing at the expense of incremental units.

OHA Response: *The provision of Section 8 resources provides an excellent opportunity for the Authority to partner with the City and local development partners to leverage these resources to expand the supply of affordable housing in Oakland. In addition to replacing all public housing units redeveloped through HOPE VI, and now through self-development at Tassaforanga, OHA has been able to triple the number of affordable units with the expansion of the original sites.*

The only way to replace public housing is with tax credit and leveraging other public sources of funds. Any sales proceeds, the Capital Fund and HOPE VI do not provide adequate funding by themselves. Based on the Authority’s redevelopment experience to date, we typically need 7-8 different sources of funds to make these deals work. Virtually all public housing revitalizations (e.g. HOPE VI and HOPE VI-like replacements) throughout the country are being accomplished by leveraging HOPE VI money, Section 8 contracts or Capital Grant money with 4% or 9% tax credits. This is the way to revitalize public housing. Further, to do this, the property must go through a disposition to private (in this case non profit) ownership. The only question for us regarding the scattered sites is whether they remain public housing or Section 8 after the disposition. Without a HOPE VI grant (something that would be impossible to obtain for the 1615 scattered site units), there is no way to raise the funds needed for revitalization with the units remaining Public Housing. Converting the units to Section 8 provides a much larger stream of funds to be added to tax credits. The only alternative is to keep the

current units and use a portion of the limited amount of Capital Grant funds to do a small percentage of rehab. The result would be unsatisfactory to the City of Oakland and to the Housing Authority.

City Response: *The City fully understands the reasons for the proposed disposition and support OHA's approach to mixed income development. It should be recognized, however, that given the limited amounts of funding available from tax credits and State and local programs, to the extent that development of replacement units utilizes these funds, it will reduce the amount available for incremental assisted units. The City and OHA should work closely to coordinate applications to ensure that the objectives of both agencies can be met.*

OHA Response: *The Authority strongly concurs that a partnership between the City and OHA is mutually beneficial, and would result in greater public benefit than could be achieved by either entity alone.*

City Question/Comment Four: *OHA doesn't address our concern that replacement units be targeted to ELI households and not just below 80% AMI.*

And... The fundamental difference between OHA and City housing programs is that it is very difficult for the City to serve poverty level households. OHA's deep subsidy programs are the primary means of doing so. We don't want to see a shift in assistance to people at 40, 50 or 60% AMI at the expense of these folks.

OHA Response: *This is a subject that was not raised in the memo forwarded to OHA on September 11, 2008 however, OHA is happy to provide a response.*

While OHA does now serve a substantial number of ELI families, the disposition of the scattered sites, a necessary step to gaining the Section 8 resources for these units, represents the best opportunity to preserve these units and continue to serve ELI families. As stated above, if OHA is forced to continue to operate the Public housing Program under the current budget scenario, it would have to look at other means to fund it, which would most likely result in fewer ELI families being served rather than more.

As stated above, the provision of Section 8 resources provides an excellent opportunity for the Authority to partner with the City and local development partners to leverage these resources to expand the supply of affordable housing in Oakland. Rather than maintaining separate developments for ELI and VLI families, these mixed income developments provide critical mass for on-site management and internal operating subsidies, necessary for ELI targeted housing to be feasible. If Section 8 resources are made available by HUD, the Authority has made a commitment to project-base the scattered site units, or their replacement units. By doing this, the Authority has the greatest opportunity to serve ELI families. The limited funding provided under the Public Housing Program is no longer a viable option to achieve the deep subsidy the City desires.

As mentioned above, the regulations of the Section 8 Program require that only families up to 50% of AMI are served, and provides much greater operating subsidy to achieve this, as compared to the Public Housing Program, which serves up to 80% of AMI. Under HUD regulations for non-Moving to Work housing authorities, to which OHA must comply at the end of the MTW demonstration program, 75% of families served under Section 8 must be below 30% AMI. In contrast, the Public Housing Program requires only that 40% of families served are below 30% AMI, with the remaining families being up to 80% AMI. The Authority, through its MTW Agreement with HUD, is required to ensure that at least 75% of the families assisted in its public housing and Section 8 programs are very-low income (at or below 50% of AMI).

Given the realities faced by OHA after many years of inadequate Federal funding of the Public Housing Program, without disposition, and receipt of greater subsidy possible through Section 8, OHA would have to consider other means of obtaining sufficient operating income for the Public Housing Program. This could be achieved by increasing the resident rent contribution, by serving higher income families, or by a combination of both.

The current population of the scattered sites is as follows:

0-30% AMI: 73.2%

31-50% AMI: 18.3%

51-80% AMI: 6.7%

81-% AMI +: 1.7%

A review of families on the Authority's waitlist for both Section 8 and public housing indicates that future clients will fall within approximately the same income categories as the current scattered site occupants.

City Response: *The City has no objections to replacing public housing units with Project-Based Section 8 units and we understand the financial necessity for this. As described above, we believe that it is possible to use Section 8 to leverage tax credits as well as private financing (based on the higher Fair Market Rents that can be obtained) while still targeting those units primarily to ELI households. To the maximum extent feasible, the replacement units should be targeted to ELI households to ensure that at least 75%, if not more, of the assisted households are ELI. While households between 30% and 60% of AMI are served by other programs, Section 8 and public housing are the primary programs for assisting ELI households and that population should continue to be the principle focus for the replacement units.*

OHA Response: *As stated above, by project-basing the units, OHA can ensure that the families served are those such as those on the Section 8 waitlist, who are overwhelmingly ELI families. Under HUD Section 8 rules, 75% of new admissions have to be ELI. Under*

HUD public housing rules, 40% of new admissions must be ELI. Under MTW, at least 75% of all families served in both public housing and Section 8 programs must be below 50% AMI. Currently 80% of families in Public Housing and Section 8 combined are ELI families. Clearly, the OHA has gone beyond any requirement to house ELI families and expects that these families will continue to be housed after disposition.



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Office of the Mayor
Honorable Ronald V. Dellums
Mayor

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September 19, 2008

Jon Gresley
Executive Director
Oakland Housing Authority
1619 Harrison Street
Oakland, CA 94612

Re: **Oakland Housing Authority (The Authority) Application to HUD for Disposition
of 1,615 Scattered-Site Public Housing Units (The Application)**

Dear Mr. Gresley:

On behalf of the City of Oakland, I am writing to support the Oakland Housing Authority's Disposition Application for the public housing scattered site properties. You and your staff briefed the City of Oakland staff on May 29, 2008, regarding the purpose and contents of the Application, and met with me on September 11, 2008. Since that time we have raised certain issues and concerns that the Housing Authority has answered sufficiently and are contained in the attached document. I accept the Housing Authority's commitment to resolve those issues in the manner that is fully explained in the attached.

I understand that the Authority no longer can assure the viable operation of the scattered-site units as public housing, given the projected funding for public housing and the operating and capital needs of these properties. I also understand that if HUD approves the Application, the Authority promptly will apply to HUD for Section 8 resources to protect current residents of the scattered-site units, and that the disposition is contingent on receipt of those Section 8 Vouchers. Finally, I understand that the proceeds from the sale of any of these properties will be used to repair, manage, maintain and provide services to the Scattered Site Units and/or develop or acquire affordable replacement units.

I understand that your agency has held six public meetings, over a three month period, with the affected residents, where 86% of those who expressed an opinion about the plan to submit a Disposition Application to HUD support the Authority's plan. In addition the Authority has met with the Resident Advisory Board on three separate occasions, including one meeting specifically on the Disposition Application and two on the Moving to Work Plans for FY 2008 and FY 2009, where the Authority outlined its intent to submit a Disposition Application.

Further, in addition to providing the draft Disposition Application for a 60-day public comment period, I am pleased to learn the Authority has held several meeting with local housing advocates and have addressed many of their concerns about the planned disposition, including a commitment to utilize a project-based subsidy for the units.

Given the growing national concern about the loss of public housing units as the result of demolition and disposition, I am pleased to learn of the Authority's commitment to utilize a project-based subsidy to ensure the scattered site units remain affordable to low-income families in Oakland, and that the disposition will not result in a loss of hard units. Given the Authority's track record with HOPE VI, where every public housing unit was replaced, in addition to the net increase of affordable units at a rate of about one to three for the entire redevelopment portfolio, I am confident that the Authority's plan for the disposition is consistent with its mission to serve the most vulnerable of Oakland residents. I believe that this approach is a viable solution to the current untenable situation regarding the scattered-site units. I urge HUD to act favorably upon the Authority's request.

Respectfully,


Ronald V. Dellums
Mayor

Attachment - Housing Authority Response to City Concerns Document

Cc: Dan Lindheim, Acting City Administrator
Sean Rogan, Deputy Director, Housing & Community Development

Housing Authority Response to City Concerns

September 16, 2008

City Issue: OHA says that they will use any sales proceeds for development of housing. But they actually intend to transfer the units at little or not cost to an affiliate of OHA. We need assurances that any net income from those projects (revenues in excess of debt, operating costs and reasonable reserves) should be set aside for development of housing affordable to persons of Extremely Low Income (ELI - less than 30% of AMI).

OHA Response: *Any revenue from these properties will be utilized for their repair or replacement, and specifically to benefit the same income population currently served in the scattered site units. We don't expect any net proceeds from operations for these units for quite a while as any excess over operating expenses will be used to build reserves such as operating reserves, reserves for replacement, etc. Once the reserves are fully funded, any net proceeds, as HUD will require, will be used for the development or operation of low-income housing. There will be a requirement that any proceeds from any subsequent sale of the property by the new owner (affiliate) will be used for replacement of these units. In any redevelopment strategy, the proceeds will certainly be used to reposition these assets. Any replacement strategy that occurs in the future will likely be based on project-basing Section 8 units (or some equivalent resource) included in mixed-income developments utilizing tax credit financing, and therefore will be at 60% AMI. This is a financing strategy similar to OHA's HOPE VI developments, where OHA has been able to leverage resources to build at a rate of three times the number of original public housing units. While the Authority currently serves a substantial number of ELI families (approximately 73% of scattered site units and 80% of the public housing program overall), it would not be financially feasible to fund 100% of the units at ELI, given the considerable subsidy required. The OHA commitment to serve families up to 60% AMI is consistent with the passed, but as yet unsigned, AB2818.*

City Response: *We appreciate OHA's commitment to using any net income from operation of the properties for development of replacement housing, and also understand the need to build up adequate reserves before using cash flow for other purposes.*

The City is strongly in support of mixed income developments. In the case of previous HOPE VI projects, the result was developments that contained a mix of public housing units, project-based Section 8 units, and assisted rental units with rents up to 60% of AMI. The City does not anticipate projects that would be 100% affordable to extremely low income (ELI) families. It is our understanding that OHA intends to do full replacement of the scattered site units by placing Section 8 units into mixed income developments. We fully support this approach. Those units can yield rental income at Fair Market Rent and can be assisted with tax credits, but the addition of Project Based Section 8 would allow those units to be occupied by ELI households. To the maximum extent possible, the City would want OHA to commit to target those units to ELI households. Households with incomes between 30% and 60% of AMI will be served by the non-replacement units in these mixed income developments.

OHA Response: *The current OHA Section 8 waitlist closely mirrors the income mix of the occupied scattered sites, except that families may only have incomes up to 50% AMI. We anticipate that most families housed will continue to be ELI. Through its Moving to Work agreement with HUD, OHA is required to ensure that at least 75% of families served are below 50% AMI, but, in practice, 80% of families served today are ELI.*

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As mentioned above, the regulations of the Section 8 Program require that only families up to 50% of AMI are served, and provides much greater operating subsidy to achieve this, as compared to the Public Housing Program, which serves up to 80% of AMI. Under HUD regulations for non-Moving to Work housing authorities, to which OHA must comply at the end of the MTW demonstration program, 75% of families served under Section 8 must be below 30% AMI. In contrast, the Public Housing Program requires only that 40% of families served are below 30% AMI, with the remaining families being up to 80% AMI. The Authority, through its MTW Agreement with HUD, is required to ensure that at least 75% of the families assisted in its public housing and Section 8 programs are very-low income (at or below 50% of AMI).

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A review of families on the Authority's waitlist for both Section 8 and public housing indicates that future clients will fall within approximately the same income categories as the current scattered site occupants.

City Response: *The City has no objections to replacing public housing units with Project-Based Section 8 units and we understand the financial necessity for this. As described above, we believe that it is possible to use Section 8 to leverage tax credits as well as private financing (based on the higher Fair Market Rents that can be obtained) while still targeting those units primarily to ELI households. To the maximum extent feasible, the replacement units should be targeted to ELI households to ensure that at least 75%, if not more, of the assisted households are ELI. While households between 30% and 60% of AMI are served by other programs, Section 8 and public housing are the primary programs for assisting ELI households and that population should continue to be the principle focus for the replacement units.*

OHA Response: *As stated above, by project-basing the units, OHA can ensure that the families served are those such as those on the Section 8 waitlist, who are overwhelmingly ELI families. Under HUD Section 8 rules, 75% of new admissions have to be ELI. Under HUD public housing rules, 40% of new admissions must be ELI. Under MTW, at least 75% of all families served in both public housing and Section 8 programs must be below 50% AMI. Currently 80% of families in Public Housing and Section 8 combined are ELI families. Clearly, the OHA has gone beyond any requirement to house ELI families and expects that these families will continue to be housed after disposition.*

Partial Disposition of AMP 19

Only the following properties in CA003000119P are included in this disposition. These are scattered site properties that were erroneously linked with this development number in PIC. OHA is working with the San Francisco Field Office to determine whether to transfer the properties to a scattered site AMP (CA003000109P) and will seek advice from the SAC on this issue.

AMP 19	Building #	Address	Units	2-bed	3-bed	4-bed	5-bed	Acres
CA003000119P	328	7000 LACEY AVE	6		6			0.217171717
CA003000119P	426	3330 72ND AVE	8		8			0.295454545
CA003000119P	427	3350 72ND AVE	6		6			0.211179982
AMP 19 Subtotal			20	0	20	0	0	0.723806244

Section 5, Line 7

Method of Sale

Upon disposition approval, OHA will sell five properties (61 units) that are currently vacant and uninhabitable at fair market value on the open market. The five vacant properties are:

AMP	Site	Address	Units	3-bed	4-bed	Appraisal	Acres
CA003000109P	428	2500-2509 76TH AVE	22	22		\$1,610,000	0.665748393
CA003000110P	466	4118 LYON AVE	8	4	4	\$607,000	0.285950413
CA003000112P	124	2530 9TH AVE	15	15		\$800,000	0.344352617
CA003000112P	364	2011 7TH AVE	6	6		\$730,000	0.129132231
CA003000112P	373	1236 E 17TH ST	10	10		\$525,000	0.282369146
Total			61	57	4	\$4,272,000	1.707552800

OHA will transfer control of 249 properties (1,554 units) to an affiliate for a nominal sum, or \$1 per property. By transferring control of the properties, and providing an opportunity to obtain Section 8 resources, families in the units will benefit by experiencing improved maintenance and services to the units. Further, any proceeds from excess cash flow will be utilized to repair the units or to develop replacement housing. Any income derived from any future sale in later years shall be returned to the Authority to be used for replacement housing.

AMP 09	Site	Address	Units	2-bed	3-bed	4-bed	5-bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000109P	205	9615 E ST	5	5				\$481,000	03/25/08	Certified Gen	5,960	0.136822773
CA003000109P	207	1061 ELMHURST AVE	5	5				\$542,000	03/25/08	Certified Gen	7,500	0.172176309
CA003000109P	221	10438 SHAW AVE	1		1			\$575,000	03/28/08	Certified Gen	31,025	0.712235996
CA003000109P	221	10440 SHAW AVE	1		1							
CA003000109P	221	10221 STANLEY AVE	4		4							
CA003000109P	240	2309 98TH AVE	4		4			\$821,000	04/02/08	Certified Gen	12,975	0.297865014
CA003000109P	240	2311 98TH AVE	4		4							
CA003000109P	241	2315 98TH AVE	4		4			\$821,000	04/02/08	Certified Gen	12,975	0.297865014
CA003000109P	241	2317 98TH AVE	4		4							
CA003000109P	308	9506 BIRCH ST	6		6			\$1,062,000	02/19/08	Certified Gen	16,200	0.371900826
CA003000109P	308	9514 BIRCH ST	4		4							
CA003000109P	313	9703 CHERRY ST	4		4			\$460,000	03/20/08	Certified Gen	7,500	0.172176309
CA003000109P	327	9233 HILLSIDE ST	4		4			\$402,000	03/15/08	Certified Gen	7,742	0.177731864
CA003000109P	339	7510 NEY AVE	5	4	1			\$849,000	03/05/08	Certified Gen	15,317	0.351629936
CA003000109P	339	7520 NEY AVE	5	4	1							
CA003000109P	340	7636 NEY AVE	6		6			\$621,000	03/20/08	Certified Gen	10,912	0.250505051
CA003000109P	349	8021 PLYMOUTH ST	4		4			\$415,000	02/25/08	Certified Gen	5,000	0.114784206
CA003000109P	350	9427 PLYMOUTH ST	4		4			\$425,000	02/26/08	Certified Gen	6,000	0.137741047
CA003000109P	351	9746 PLYMOUTH ST	3		3			\$429,000	03/20/08	Certified Gen	4,900	0.112488522
CA003000109P	357	9220 SUNNYSIDE ST	6		6			\$1,096,000	02/19/08	Certified Gen	14,080	0.323232323
CA003000109P	357	9222 SUNNYSIDE ST	2		2							
CA003000109P	357	9224 SUNNYSIDE ST	2		2							
CA003000109P	358	9320 SUNNYSIDE ST	6		6			\$604,000	03/28/08	Certified Gen	9,180	0.210743802
CA003000109P	359	9500 SUNNYSIDE ST	8		8			\$1,586,000	03/05/08	Certified Gen	20,580	0.472451791
CA003000109P	359	9510 SUNNYSIDE ST	8		8							
CA003000109P	361	9711 SUNNYSIDE ST	5		5			\$552,000	02/22/08	Certified Gen	7,500	0.172176309
CA003000109P	428	2500 76TH AVE	12		12			\$1,610,000	12/13/07	Yovino-Young	29,000	0.665748393
CA003000109P	428	2508 76TH AVE	4		4							
CA003000109P	428	2509 77TH AVE	6		6							
CA003000109P	431	1644 81ST AVE	3		3			\$433,000	04/06/08	Certified Gen	5,000	0.114784206
CA003000109P	432	1763 82ND AVE	3		3			\$436,000	04/06/08	Certified Gen	5,000	0.114784206
CA003000109P	433	2349 83RD AVE	6		6			\$591,000	04/01/08	Certified Gen	13,716	0.314876033
CA003000109P	434	1639 84TH AVE	4		4			\$498,000	04/11/08	Certified Gen	5,300	0.121671258
CA003000109P	436	2255 84TH AVE	6		6			\$1,192,000	03/20/08	Certified Gen	21,120	0.484848485
CA003000109P	436	2261 84TH AVE	6		6							
CA003000109P	437	1730 85TH AVE	6		6			\$659,000	02/25/08	Certified Gen	11,200	0.257116621
CA003000109P	438	2329 85TH AVE	4		4			\$432,000	02/28/08	Certified Gen	6,625	0.152089073
CA003000109P	439	2325 86TH AVE	5		5			\$526,000	02/15/08	Certified Gen	8,844	0.203030303
CA003000109P	440	1711 88TH AVE	3		3			\$406,000	04/06/08	Certified Gen	4,763	0.109343434
CA003000109P	441	1815 88TH AVE	3		3			\$436,000	02/20/08	Certified Gen	4,830	0.110881543
CA003000109P	442	2416 88TH AVE	6		6			\$576,000	03/28/08	Certified Gen	11,040	0.253443526
CA003000109P	443	1739 89TH AVE	6		4	2		\$735,000	03/20/08	Certified Gen	9,600	0.220385675
CA003000109P	444	2238 90TH AVE	6		6			\$594,000	03/27/08	Certified Gen	11,200	0.257116621
CA003000109P	446	1521 92ND AVE	5		5			\$525,000	02/19/08	Certified Gen	7,000	0.160697888

CA003000109P	447	1733 92ND AVE	4		4			\$492,000	03/20/08	Certified Gen	7,000	0.160697888
CA003000109P	448	2226 94TH AVE	5		5			\$622,000	03/25/08	Certified Gen	10,493	0.240886134
CA003000109P	448	2230 94TH AVE	1		1							
CA003000109P	449	2425 94TH AVE	6		6			\$618,000	03/27/08	Certified Gen	11,800	0.270890725
CA003000109P	450	1928 96TH AVE	4		4			\$497,000	02/20/08	Certified Gen	7,180	0.164830119
CA003000109P	451	2308 96TH AVE	7		7			\$795,000	04/03/08	Certified Gen	13,300	0.305325987
CA003000109P	457	9008 CHERRY ST	4		3	1		\$438,000	02/20/08	Certified Gen	5,405	0.124081726
CA003000109P	458	9024 CHERRY ST	3		3			\$438,000	02/20/08	Certified Gen	4,830	0.110881543
CA003000109P	459	2225 84TH AVE	4		4			\$809,000	02/15/08	Certified Gen	13,078	0.300229568
CA003000109P	459	8330 BANCROFT AVE	4		4							
CA003000109P	460	9232 BANCROFT AVE	5		5			\$872,000	04/02/08	Certified Gen	8,176	0.187695133
CA003000109P	460	9240 BANCROFT AVE	4		4							
CA003000109P	467	7908 NEY AVE	6		6			\$628,000	03/20/08	Certified Gen	13,500	0.309917355
CA003000109P	468	7950 NEY AVE	10		10			\$849,000	03/05/08	Certified Gen	10,550	0.242194674
CA003000109P	617	2282 83RD AVE	1		1			\$310,000	02/14/08	Certified Gen	5,000	0.114784206
AMP 9 Subtotal			276	18	255	3	0	\$28,758,000			459,896	10.55775941

AMP 10	Site	Address	Units	2-bed	3-bed	4-bed	5-bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000110P	201	6916 ARTHUR ST	6		6			\$665,000	03/25/08	Certified Gen	10,100	0.231864096
CA003000110P	202	4527 BOND ST	2		2			\$652,000	03/10/08	Certified Gen	3,609	0.08285124
CA003000110P	202	4531 BOND ST	4		4							
CA003000110P	203	5944 BROMLEY AVE	4		4			\$458,000	03/18/08	Certified Gen	7,500	0.172176309
CA003000110P	204	5945 BROMLEY AVE	4		4			\$437,000	02/22/08	Certified Gen	7,500	0.172176309
CA003000110P	206	5726 ELIZABETH ST	8	1	7			\$2,199,000	03/21/08	Certified Gen	15,175	0.348370064
CA003000110P	206	5730 ELIZABETH ST	12	12								
CA003000110P	208	7107 FAVOR ST	4		4			\$493,000	02/20/08	Certified Gen	8,812	0.202295684
CA003000110P	209	6921 FRESNO ST	5		4	1		\$433,000	02/15/08	Certified Gen	7,700	0.176767677
CA003000110P	210	6121 HARMON AVE	3		3			\$341,000	02/25/08	Certified Gen	7,500	0.172176309
CA003000110P	211	6229 HAYES ST	6		6			\$684,000	03/25/08	Certified Gen	9,100	0.208907254
CA003000110P	212	6122 HILTON ST	2		2			\$800,000	03/26/08	Certified Gen	23,700	0.544077135
CA003000110P	212	6126 HILTON ST	4		4							
CA003000110P	212	6130 HILTON ST	2		2							
CA003000110P	213	7204 HOLLY ST	3		3			\$473,000	02/20/08	Certified Gen	7,250	0.166437098
CA003000110P	214	7209 HOLLY ST	5		5			\$597,000	03/07/08	Certified Gen	7,497	0.172107438
CA003000110P	215	1430 SEMINARY AVE	10	8	2			\$1,022,000	03/21/08	Certified Gen	11,211	0.257369146
CA003000110P	217	1459 SEMINARY AVE	2			2		\$845,000	03/26/08	Certified Gen	13,284	0.304958678
CA003000110P	217	1465 SEMINARY AVE	6		6							
CA003000110P	218	1905 SEMINARY AVE	6	6				\$1,741,000	03/21/08	Certified Gen	27,974	0.642194674
CA003000110P	218	1911 SEMINARY AVE	6	6								
CA003000110P	218	1915 SEMINARY AVE	6		6							
CA003000110P	219	2139 SEMINARY AVE	12		8	4		\$1,192,000	03/21/08	Certified Gen	22,646	0.519880624
CA003000110P	228	1500 38TH AVE	4		4			\$448,000	02/28/08	Certified Gen	6,918	0.158815427

CA003000110P	229	1726 38TH AVE	6		6		\$626,000	05/15/08	Certified Gen	10,967	0.251767677
CA003000110P	230	1853 38TH AVE	15		15		\$1,427,000	02/29/08	Certified Gen	19,875	0.456267218
CA003000110P	231	1422 47TH AVE	7		7		\$725,000	03/10/08	Certified Gen	10,220	0.234618916
CA003000110P	232	1424 50TH AVE	4		4		\$403,000	03/19/08	Certified Gen	5,798	0.133103765
CA003000110P	233	1445 50TH AVE	6		6		\$618,000	05/15/08	Certified Gen	7,750	0.177915519
CA003000110P	234	1458 52ND AVE	4		4		\$845,000	03/26/08	Certified Gen	6,250	0.143480257
CA003000110P	235	1599 54TH AVE	4	3	1		\$413,000	02/25/08	Certified Gen	6,693	0.153650138
CA003000110P	236	1723 62ND AVE	4	3	1		\$432,000	03/17/08	Certified Gen	5,000	0.114784206
CA003000110P	237	3366 62ND AVE	3		3		\$569,000	04/03/08	Certified Gen	3,650	0.08379247
CA003000110P	237	3370 62ND AVE	3		3						
CA003000110P	238	1449 73RD AVE	3		3		\$454,000	03/17/08	Certified Gen	6,020	0.138200184
CA003000110P	316	4908 CONGRESS AV	4	3	1		\$448,000	03/17/08	Certified Gen	5,000	0.114784206
CA003000110P	317	5009 CONGRESS AV	3		3		\$444,000	02/26/08	Certified Gen	6,500	0.149219467
CA003000110P	319	4516 FAIRFAX AVE	4		4		\$432,000	03/03/08	Certified Gen	6,193	0.142171717
CA003000110P	326	2126 HIGH ST	9		9		\$924,000	04/02/08	Certified Gen	11,766	0.270110193
CA003000110P	337	5018 MELROSE AVE	4	3	1		\$451,000	02/25/08	Certified Gen	5,200	0.119375574
CA003000110P	347	3532 PIERSON ST	5		4	1	\$521,000	02/15/08	Certified Gen	7,582	0.17405877
CA003000110P	354	2451 RENWICK ST	4		2	2	\$662,000	03/13/08	Certified Gen	8,588	0.197153352
CA003000110P	356	6238 SEMINARY AVE	4		4		\$444,000	02/22/08	Certified Gen	8,400	0.192837466
CA003000110P	362	4737 YGNACIO AVE	6		6		\$705,000	03/10/08	Certified Gen	8,700	0.199724518
CA003000110P	363	5250 YGNACIO AVE	4	3	1		\$425,000	02/25/08	Certified Gen	5,480	0.125803489
CA003000110P	423	2115 38TH AVE	4	3	1		\$435,000	03/13/08	Certified Gen	5,440	0.124885216
CA003000110P	424	2181 48TH AVE	4	2	2		\$367,000	03/13/08	Certified Gen	5,475	0.125688705
CA003000110P	425	2228 48TH AVE	5		5		\$625,000	05/15/08	Certified Gen	6,750	0.154958678
CA003000110P	453	4068 ALLENDALE AV	5		5		\$589,000	02/15/08	Certified Gen	7,880	0.180899908
CA003000110P	454	4100 ALLENDALE AV	3		3		\$408,000	03/14/08	Certified Gen	6,501	0.149242424
CA003000110P	462	4903 CONGRESS AV	3		3		\$506,000	03/01/08	Certified Gen	5,724	0.131404959
CA003000110P	463	6650 LAIRD AVE	4	3	1		\$801,000	03/26/08	Certified Gen	10,875	0.249655647
CA003000110P	463	6656 LAIRD AVE	4	3	1						
CA003000110P	464	6631 LAIRD AVE	6		6		\$667,000	04/03/08	Certified Gen	11,575	0.265725436
CA003000110P	465	4005 LYON AVE	6		4	2	\$751,000	03/25/08	Certified Gen	10,990	0.252295684
CA003000110P	466	4118 LYON AVE	8		4	4	\$607,000	04/01/08	Certified Gen	12,456	0.285950413
CA003000110P	615	1715 67TH AVE	1		1		\$385,000	02/13/08	Certified Gen	3,700	0.084940312
CA003000110P	616	6645 BRANN ST	1		1		\$350,000	01/09/08	Certified Gen	4,750	0.109044995
CA003000110P	618	2157 38TH AVE	1		1		\$380,000	04/01/08	Certified Gen	3,630	0.083333333
CA003000110P	619	5378 WALNUT ST	1		1		\$419,000	04/01/08	Certified Gen	3,750	0.086088154
CA003000110P	430	1486 77TH AVE	4		4		\$475,000	02/20/08	Certified Gen	6,685	0.153466483
AMP 10 Subtotal			292	59	217	16	0	\$33,213,000		459,289	10.54382461

AMP 11	Site	Address	Units	2-bed	3-bed	4-bed	5-bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000111P	224	2919 E 16TH ST	6		6			\$1,165,000	02/29/08	Certified Gen	7,080	0.162534435
CA003000111P	224	2925 E 16TH ST	6		6							
CA003000111P	225	3010 E 16TH ST	1		1			\$565,000	03/10/08	Certified Gen	6,320	0.145087236
CA003000111P	225	3012 E 16TH ST	1		1							
CA003000111P	225	3014 E 16TH ST	3		3							
CA003000111P	227	1815 28TH AVE	11		11			\$1,006,000	02/29/08	Certified Gen	11,400	0.261707989
CA003000111P	304	3336 ARKANSAS ST	1			1		\$1,252,000	02/29/08	Certified Gen	17,700	0.406336088
CA003000111P	304	3338 ARKANSAS ST	1			1						
CA003000111P	304	3340 ARKANSAS ST	1	1								
CA003000111P	304	3342 ARKANSAS ST	1	1								
CA003000111P	304	3344 ARKANSAS ST	6	6								
CA003000111P	304	3346 ARKANSAS ST	1	1								
CA003000111P	304	3348 ARKANSAS ST	1	1								
CA003000111P	304	3350 ARKANSAS ST	1	1								
CA003000111P	304	3352 ARKANSAS ST	1	1								
CA003000111P	318	2468 COOLIDGE AVE	5	5				\$656,000	03/07/08	Certified Gen	8,050	0.184802571
CA003000111P	322	3634 FOOTHILL BLVD	16	8	4	4		\$1,611,000	03/11/08	Certified Gen	26,803	0.615312213
CA003000111P	323	3244 GALINDO ST	3		3			\$565,000	03/14/08	Certified Gen	5,648	0.129660239
CA003000111P	324	2961 GEORGIA ST	4			4		\$680,000	03/11/08	Yovino-Young	7,236	0.166115702
CA003000111P	331	3590 LINCOLN AVE	4		4			\$580,000	03/11/08	Yovino-Young	5,700	0.130853994
CA003000111P	332	3228 LOGAN ST	4		4			\$433,000	02/22/08	Yovino-Young	6,350	0.145775941
CA003000111P	333	3291 LYNDE ST	1		1			\$880,000	04/01/08	Yovino-Young	15,023	0.344880624
CA003000111P	333	3293 LYNDE ST	5		5							
CA003000111P	333	3295 LYNDE ST	2		2							
CA003000111P	338	2202 MITCHELL ST	7		7			\$891,000	03/10/08	Yovino-Young	6,850	0.157254362
CA003000111P	343	2943 NICOL AVE	6		6			\$870,000	03/13/08	Yovino-Young	11,250	0.258264463
CA003000111P	348	3102 PLEITNER AVE	4		4			\$580,000	03/11/08	Yovino-Young	7,500	0.172176309
CA003000111P	352	3265 PRENTISS ST	4		4			\$458,000	03/11/08	Certified Gen	6,100	0.140036731
CA003000111P	355	2995 SCHOOL ST	5		5			\$760,000	03/13/08	Yovino-Young	7,255	0.166551882
CA003000111P	376	3314 E 17TH ST	1		1			\$452,000	02/28/08	Yovino-Young	6,000	0.137741047
CA003000111P	376	3316 E 17TH ST	1		1							
CA003000111P	376	3318 E 17TH ST	1		1							
CA003000111P	376	3320 E 17TH ST	1		1							
CA003000111P	377	3000 E 18TH ST	7		7			\$781,000	03/24/08	Certified Gen	7,500	0.172176309
CA003000111P	388	2381 E 21ST ST	4		4			\$645,000	03/13/08	Certified Gen	7,500	0.172176309
CA003000111P	389	2439 E 21ST ST	3		3			\$549,000	02/25/08	Certified Gen	5,250	0.120523416
CA003000111P	390	2440 E 21ST ST	8		8			\$833,000	03/24/08	Certified Gen	5,250	0.120523416
CA003000111P	391	2626 E 21ST ST	4		4			\$668,000	03/03/08	Certified Gen	5,000	0.114784206
CA003000111P	392	2527 21ST AVE	4		4			\$640,000	04/04/08	Yovino-Young	7,475	0.171602388
CA003000111P	394	2323 E 22ND ST	6		6			\$695,000	03/25/08	Certified Gen	9,999	0.229545455
CA003000111P	395	2430 E 22ND ST	5		5			\$627,000	05/15/08	Certified Gen	11,200	0.257116621
CA003000111P	396	2925 E 22ND ST	2		2			\$441,000	02/27/08	Certified Gen	6,501	0.149242424
CA003000111P	396	2933 E 22ND ST	2		2							

CA003000111P	402	2229 E 24TH ST	3		3			\$660,000	02/20/08	Yovino-Young	6,200	0.142332415
CA003000111P	403	2353 E 24TH ST	3		3			\$573,000	02/25/08	Certified Gen	6,000	0.137741047
CA003000111P	404	2021 24TH AVE	4		4			\$696,000	05/15/08	Certified Gen	9,000	0.20661157
CA003000111P	404	2023 24TH AVE	2			2						
CA003000111P	405	2218 24TH AVE	3		2		1	\$587,000	03/03/08	Certified Gen	4,450	0.102157943
CA003000111P	409	2630 E 25TH ST	3		3			\$560,000	03/03/08	Certified Gen	5,250	0.120523416
CA003000111P	410	2110 25TH AVE	6		6			\$623,000	05/15/08	Certified Gen		
CA003000111P	412	2435 26TH AVE	6		6			\$622,000	03/25/08	Certified Gen	4,800	0.110192837
CA003000111P	413	2474 26TH AVE	7		7			\$797,000	03/24/08	Certified Gen	12,168	0.279338843
CA003000111P	414	2711 26TH AVE	4		4			\$615,000	03/13/08	Certified Gen	4,450	0.102157943
CA003000111P	415	2402 E 27TH ST	8		8			\$913,000	02/25/08	Certified Gen	14,413	0.330876951
CA003000111P	416	2155 E 28TH ST	5		5			\$720,000	02/19/08	Certified Gen	9,485	0.217745638
CA003000111P	417	2170 E 28TH ST	11		11			\$14,440,000	12/13/07	Yovino-Young	19,750	0.453397612
CA003000111P	420	2056 35TH AVE	9		9			\$1,030,000	12/17/08	Yovino-Young	9,802	0.225022957
CA003000111P	421	2558 35TH AVE	12		7	2	3	\$1,225,000	03/05/08	Certified Gen	19,728	0.452892562
CA003000111P	422	2820 35TH AVE	14		14			\$1,430,000	03/21/08	Certified Gen	25,500	0.585399449
CA003000111P	452	3716 ALLENDALE AV	3		3			\$439,000	03/14/08	Certified Gen	5,000	0.114784206
CA003000111P	455	3302 BROOKDALE AV	6		6			\$850,000	03/13/08	Yovino-Young	8,750	0.20087236
CA003000111P	614	3311 VIOLA ST	1		1			\$395,000	04/01/08	Certified Gen	5,000	0.114784206
AMP 11 Subtotal			271	25	228	14	4	\$46,458,000			397,686	9.129614325

AMP 12	Site	Address	Units	2-bed	3-bed	4-bed	5-bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000112P	124	2530 9TH AVE	15		15			\$800,000	12/12/07	Yovino-Young	15,000	0.344352617
CA003000112P	222	1737 E 15TH ST	6		6			\$870,000	02/21/08	Yovino-Young	9,000	0.20661157
CA003000112P	223	1919 E 15TH ST	5		5			\$970,000	02/21/08	Yovino-Young	10,500	0.241046832
CA003000112P	223	1921 E 15TH ST	1		1							
CA003000112P	223	1923 E 15TH ST	1		1							
CA003000112P	226	610 E 18TH ST	12		12			\$1,600,000	02/26/08	Yovino-Young	16,050	0.3684573
CA003000112P	307	1120 BELLA VISTA AV	5		5			\$780,000	02/28/08	Yovino-Young	9,062	0.208034894
CA003000112P	321	1127 FOOTHILL BLVD	11		11			\$1,650,000	02/26/08	Yovino-Young	14,400	0.330578512
CA003000112P	325	320 HADDON ROAD	4		4			\$720,000	02/15/08	Yovino-Young	6,250	0.143480257
CA003000112P	336	1323 MACARTHUR BL	7		7			\$1,000,000	03/13/08	Yovino-Young	12,193	0.279912764
CA003000112P	364	2011 7TH AVE	6		6			\$730,000	12/11/07	Yovino-Young	5,625	0.129132231
CA003000112P	365	2529 9TH AVE	4		3		1	\$675,000	02/22/08	Yovino-Young	6,000	0.137741047
CA003000112P	366	1606 11TH AVE	6	6				\$2,470,000	02/26/08	Yovino-Young	27,500	0.631313131
CA003000112P	366	1608 11TH AVE	6	6								
CA003000112P	366	1610 11TH AVE	8			6	2					
CA003000112P	367	2015 11TH AVE	1	1				\$630,000	02/22/08	Yovino-Young	7,500	0.172176309
CA003000112P	367	2017 11TH AVE	1	1								
CA003000112P	367	2019 11TH AVE	1	1								
CA003000112P	367	2021 11TH AVE	1		1							
CA003000112P	368	2511 11TH AVE	4		2	2		\$720,000	02/22/08	Yovino-Young	7,500	0.172176309
CA003000112P	369	2607 12TH AVE	4		4			\$650,000	02/22/08	Yovino-Young	6,750	0.154958678
CA003000112P	370	1116 E 15TH ST	1	1				\$780,000	02/21/08	Yovino-Young	11,250	0.258264463
CA003000112P	370	1118 E 15TH ST	1	1								

CA003000112P	370	1120 E 15TH ST	1	1								
CA003000112P	370	1122 E 15TH ST	1	1								
CA003000112P	370	1124 E 15TH ST	1	1								
CA003000112P	370	1126 E 15TH ST	1	1								
CA003000112P	370	1128 E 15TH ST	1			1						
CA003000112P	371	1930 16TH AVE	2		2			\$1,120,000	02/25/08	Yovino-Young	14,000	0.321395776
CA003000112P	371	1936 16TH AVE	3	3								
CA003000112P	371	1944 16TH AVE	4		4							
CA003000112P	372	1227 E 17TH ST	9		9			\$1,210,000	02/26/08	Yovino-Young	11,500	0.264003673
CA003000112P	373	1236 E 17TH ST	10		10			\$525,000	12/12/07	Yovino-Young	12,300	0.282369146
CA003000112P	374	2102 E 17TH ST	4		4			\$560,000	04/04/08	Yovino-Young	8,062	0.185078053
CA003000112P	375	2284 E 17TH ST	4		4			\$560,000	04/04/08	Yovino-Young	6,450	0.148071625
CA003000112P	378	1632 E 19TH ST	7		6	1		\$1,020,000	02/20/08	Yovino-Young	10,500	0.241046832
CA003000112P	380	2240 E 19TH ST	2		2			\$1,100,000	2/20/2008	Yovino-Young	15,000	0.344352617
CA003000112P	380	2246 E 19TH ST	5		5							
CA003000112P	381	2247 E 19TH ST	5		5			\$720,000	02/20/08	Yovino-Young	7,500	0.172176309
CA003000112P	382	2272 E 19TH ST	4		3	1		\$585,000	04/04/08	Yovino-Young	7,500	0.172176309
CA003000112P	383	1716 E 20TH ST	4		4			\$575,000	03/12/08	Yovino-Young	7,840	0.179981635
CA003000112P	384	1750 E 21ST ST	5		3	1	1	\$770,000	02/14/08	Yovino-Young	9,800	0.224977043
CA003000112P	385	2000 E 21ST ST	4		4			\$610,000	03/12/08	Yovino-Young	6,440	0.147842057
CA003000112P	386	2005 E 21ST ST	8		6	2		\$1,250,000	02/25/08	Yovino-Young	12,750	0.292699725
CA003000112P	387	2212 E 21ST ST	2		2			\$610,000	03/12/08	Yovino-Young	5,700	0.130853994
CA003000112P	387	2216 E 21ST ST	2		2							
CA003000112P	393	2219 E 22ND ST	4		4			\$680,000	02/20/08	Yovino-Young	7,000	0.160697888
CA003000112P	397	1031 E 24TH ST	4		4			\$675,000	02/15/08	Yovino-Young	5,000	0.114784206
CA003000112P	398	1900 E 24TH ST	4		4			\$666,000	02/20/08	Yovino-Young	5,000	0.114784206
CA003000112P	399	1951 E 24TH ST	5		5			\$720,000	02/14/08	Yovino-Young	8,750	0.20087236
CA003000112P	400	2017 E 24TH ST	4		4			\$660,000	02/20/08	Yovino-Young	7,000	0.160697888
CA003000112P	401	2146 E 24TH ST	4		4			\$640,000	04/04/08	Yovino-Young	7,000	0.160697888
CA003000112P	406	1305 E 25TH ST	4		4			\$660,000	02/15/08	Yovino-Young	5,400	0.123966942
CA003000112P	407	2003 E 25TH ST	4		4			\$620,000	03/12/08	Yovino-Young	6,020	0.138200184
CA003000112P	408	2030 E 25TH ST	5		5			\$730,000	02/14/08	Yovino-Young	9,100	0.208907254
CA003000112P	411	2032 E 26TH ST	9		9			\$1,310,000	02/19/08	Yovino-Young	14,000	0.321395776
CA003000112P	418	1324 E 32ND ST	5		5			\$725,000	02/15/08	Yovino-Young	7,500	0.172176309
CA003000112P	419	1246 E 34TH ST	5		5			\$1,350,000	03/13/08	Yovino-Young	9,270	0.212809917
CA003000112P	419	1248 E 34TH ST	5		5							
CA003000112P	456	3500 BRUCE ST	8	6	2			\$540,000	12/13/07	Yovino-Young	8,196	0.18815427
CA003000112P	461	1900 COMMERCE WA	5		4	1		\$760,000	02/14/08	Yovino-Young	8,125	0.186524334
AMP 12 Subtotal			275	30	226	14	5	\$36,996,000			407,283	9.349931129

AMP 13	Site	Address	Units	2-bed	3-bed	4-bed	5-bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000113P	102	624 APGAR ST	3		3			\$580,000	02/28/08	Yovino-Young	7,515	0.172520661
CA003000113P	102	630 APGAR ST	2		2							

CA003000113P	106	3839 CLARKE ST	5	5				\$545,000	02/28/08	Yovino-Young	7,060	0.162075298
CA003000113P	109	2933 MARTIN LUTHE	12	12				\$1,100,000	02/15/08	Yovino-Young	14,000	0.321395776
CA003000113P	110	3025 MARTIN LUTHE	7		7			\$755,000	02/15/08	Yovino-Young	9,200	0.211202938
CA003000113P	114	4520 MONTGOMERY	4		4			\$830,000	03/05/08	Yovino-Young	5,000	0.114784206
CA003000113P	115	3855 SHAFTER AVE	4		4			\$810,000	02/25/08	Yovino-Young	6,250	0.143480257
CA003000113P	117	4203 TERRACE ST	4		4			\$850,000	12/13/07	Yovino-Young	5,875	0.134871442
CA003000113P	118	869 WALKER AVE	4	4				\$715,000	03/05/08	Yovino-Young	6,050	0.138888889
CA003000113P	121	2922 WEST ST	3		3			\$535,000	02/29/08	Yovino-Young	4,900	0.112488522
CA003000113P	122	3017 WEST ST	8		8			\$840,000	02/15/08	Yovino-Young	5,245	0.120408632
CA003000113P	123	3217 WEST ST	6		6			\$720,000	03/10/08	Yovino-Young	8,994	0.206473829
CA003000113P	126	541 29TH ST	5		5			\$640,000	02/15/08	Yovino-Young	5,500	0.126262626
CA003000113P	127	565 29TH ST	7		7			\$815,000	02/15/08	Yovino-Young	8,709	0.199931129
CA003000113P	128	678 29TH ST	3			3		\$565,000	02/29/08	Yovino-Young	7,300	0.16758494
CA003000113P	129	675 30TH ST	5		3	2		\$615,000	02/15/08	Yovino-Young	7,000	0.160697888
CA003000113P	130	522 32ND ST	4		4			\$485,000	02/27/08	Yovino-Young	5,625	0.129132231
CA003000113P	131	537 32ND ST	6	6				\$1,100,000	03/10/08	Yovino-Young	14,000	0.321395776
CA003000113P	131	541 32ND ST	6	6								
CA003000113P	133	873 32ND ST	12		12			\$1,310,000	03/10/08	Yovino-Young	14,000	0.321395776
CA003000113P	134	714 34TH ST	2		2			\$560,000	02/27/08	Yovino-Young	6,000	0.137741047
CA003000113P	134	716 34TH ST	2		2							
CA003000113P	135	725 34TH ST	1		1			\$420,000	02/27/08	Yovino-Young	5,000	0.114784206
CA003000113P	135	727 34TH ST	1		1							
CA003000113P	135	729 34TH ST	1		1							
CA003000113P	136	944 34TH ST	4		4			\$560,000	02/29/08	Yovino-Young	7,000	0.160697888
CA003000113P	137	454 36TH ST	4		4			\$560,000	02/27/08	Yovino-Young	5,175	0.118801653
CA003000113P	138	554 37TH ST	9		6	3		\$860,000	02/26/08	Yovino-Young	15,518	0.356244261
CA003000113P	139	727 37TH ST	8		8			\$830,000	02/26/08	Yovino-Young	10,600	0.243342516
CA003000113P	140	866 37TH ST	5		5			\$660,000	02/26/08	Yovino-Young	7,400	0.169880624
CA003000113P	141	725 39TH ST	5		5			\$720,000	02/26/08	Yovino-Young	4,406	0.101147842
CA003000113P	142	950 40TH ST	27	12	15			\$2,900,000	02/28/08	Yovino-Young	33,196	0.762075298
CA003000113P	143	768 41ST ST	7		2	5		\$880,000	02/28/08	Yovino-Young	13,750	0.315656566
CA003000113P	144	881 41ST ST	4		4			\$560,000	02/29/08	Yovino-Young	5,376	0.123415978
CA003000113P	145	717 43RD ST	4		4			\$460,000	02/27/08	Yovino-Young	3,500	0.080348944
CA003000113P	149	557 46TH ST	6		6			\$650,000	02/27/08	Yovino-Young	10,000	0.229568411
CA003000113P	320	676 FAIRMOUNT AVE	6		6			\$1,130,000	03/03/08	Yovino-Young	5,355	0.122933884
CA003000113P	344	421 OAKLAND AVE	8		8			\$1,340,000	03/03/08	Yovino-Young	8,300	0.190541781
CA003000113P	346	59 PEARL ST	12		12			\$2,100,000	03/03/08	Yovino-Young	15,335	0.352043159
CA003000113P	353	734 RAND AVE	5		5			\$870,000	02/28/08	Yovino-Young	5,500	0.126262626
AMP 13 Subtotal			231	45	173	13	0	\$29,870,000			303,634	6.970477502

AMP 14	Site	Address	Units	2- bed	3-bed	4- bed	5- bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000114P	101	755 ALCATRAZ AVE	10		10			\$1,270,000	03/06/08	Yovino-Young	11,760	0.269972452
CA003000114P	103	6309 BAKER ST	6		6			\$770,000	03/06/08	Yovino-Young	10,676	0.245087236
CA003000114P	104	5805 CANNING ST	4		4			\$560,000	03/03/08	Yovino-Young	5,000	0.114784206
CA003000114P	105	5825 CANNING ST	14		14			\$2,300,000	03/05/08	Yovino-Young	20,500	0.470615243
CA003000114P	107	5914 COLBY ST	6		6			\$1,080,000	03/06/08	Yovino-Young	8,632	0.198163453
CA003000114P	108	85 GARLAND AVE	3		3			\$610,000	03/11/08	Yovino-Young	4,810	0.110422406
CA003000114P	111	5125 MARTIN LUTHE	8		8			\$1,100,000	03/05/08	Yovino-Young	12,600	0.289256198
CA003000114P	112	5651 MARTIN LUTHE	1	1				\$580,000	03/03/08	Yovino-Young	3,600	0.082644628
CA003000114P	112	5653 MARTIN LUTHE	1	1								
CA003000114P	112	5659 MARTIN LUTHE	1			2						
CA003000114P	112	5661 MARTIN LUTHE	1			2						
CA003000114P	116	5120 SHAFTER AVE	7		7			\$1,450,000	03/03/08	Yovino-Young	11,518	0.264416896
CA003000113P	119	3901 WEBSTER ST	14	14				\$1,245,000	02/28/08	Yovino-Young	19,938	0.457713499
CA003000114P	120	4821 WEBSTER ST	3	3				\$1,200,000	03/04/08	Yovino-Young	13,000	0.298438935
CA003000114P	120	4823 WEBSTER ST	3	3								
CA003000114P	120	4825 WEBSTER ST	2			2						
CA003000114P	146	945 44TH ST	5		5			\$695,000	02/27/08	Yovino-Young	10,000	0.229568411
CA003000114P	147	565 45TH ST	6		6			\$650,000	02/27/08	Yovino-Young	12,000	0.275482094
CA003000114P	148	880 45TH ST	6		2	4		\$805,000	02/27/08	Yovino-Young	11,700	0.268595041
CA003000114P	151	933 46TH ST	5		2	3		\$695,000	02/27/08	Yovino-Young	10,000	0.229568411
CA003000114P	152	582 48TH ST	10		10			\$1,380,000	03/04/08	Yovino-Young	10,500	0.241046832
CA003000114P	153	357 49TH ST	8		8			\$2,970,000	03/04/08	Yovino-Young	40,202	0.922910927
CA003000114P	153	361 49TH ST	8		8							
CA003000114P	153	365 49TH ST	8		8							
CA003000114P	154	827 52ND ST	5		5			\$715,000	03/04/08	Yovino-Young	8,000	0.183654729
CA003000114P	155	656 53RD ST	8		8			\$1,610,000	03/05/08	Yovino-Young	22,397	0.514164371
CA003000114P	155	666 53RD ST	6		6							
CA003000114P	156	680 55TH ST	4		4			\$570,000	03/03/08	Yovino-Young	5,610	0.128787879
CA003000114P	157	648 57TH ST	5		5			\$740,000	03/05/08	Yovino-Young	7,700	0.176767677
CA003000114P	158	578 58TH ST	4		4			\$1,700,000	03/05/08	Yovino-Young	19,800	0.454545455
CA003000114P	158	584 58TH ST	8		8							
CA003000114P	159	533 59TH ST	6		6			\$1,305,000	03/05/08	Yovino-Young	14,025	0.321969697
CA003000114P	159	539 59TH ST	3		3							
CA003000114P	160	810 60TH ST	4		4			\$570,000	02/25/08	Yovino-Young	6,075	0.13946281
CA003000114P	161	837 60TH ST	4		4			\$560,000	02/25/08	Yovino-Young	5,400	0.123966942
CA003000114P	162	972 61ST ST	4		4			\$580,000	02/25/08	Yovino-Young	5,425	0.124540863
CA003000114P	163	368 62ND ST	5		5			\$1,010,000	03/06/08	Yovino-Young	7,500	0.172176309
CA003000114P	164	920 62ND ST	4		4			\$580,000	02/25/08	Yovino-Young	6,750	0.154958678
CA003000114P	165	1037 62ND ST	10		10			\$1,265,000	03/06/08	Yovino-Young	18,160	0.416896235
CA003000114P	166	1126 62ND ST	4		4			\$3,000,000	02/28/08	Yovino-Young	27,018	0.620247934
CA003000114P	166	1130 62ND ST	4		4							
CA003000114P	166	1131 63RD ST	4		4							

CA003000114P	166	1135 63RD ST	4		4							
CA003000114P	168	594 63RD ST	4		4			\$560,000	03/03/08	Yovino-Young	5,440	0.124885216
CA003000114P	169	987 63RD ST	5		5			\$700,000	03/06/08	Yovino-Young	8,373	0.192217631
CA003000114P	170	1039 63RD ST	5		5			\$700,000	03/06/08	Yovino-Young	7,895	0.181244261
AMP 14 Subtotal			250	22	217	13	0	\$35,525,000			392,004	8.999173554

AMP 19	Site	Address	Units	2-bed	3-bed	4-bed	5-bed	Appraisal	Date of Appraisal	Appraiser	Square feet	Acres
CA003000119P	328	7000 LACEY AVE	6		6			\$402,000	03/15/08	Certified Gen	9,460	0.217171717
CA003000119P	426	3330 72ND AVE	8		8			\$809,000	03/26/08	Certified Gen	12,870	0.295454545
CA003000119P	427	3350 72ND AVE	6		6			\$588,000	04/01/08	Certified Gen	9,199	0.211179982
AMP 19 Subtotal			20	0	20	0	0	\$990,000			31,529	0.723806244

	Units	2-bed	3-bed	4-bed	5-bed	Appraisal		Square feet	Acres
Total	1,615	199	1,336	73	9	\$211,810,000		2,451,321	56.2745868

Section 5, Line 10

Cost and Fees

OHA intends to sell at fair market value five properties (or 61 units). The five properties are valued at approximately \$4,272,000. Because these properties are currently vacant and uninhabitable, there will be no associated costs or fees associated with relocation, moving or counseling. Brokers fees are estimated at \$212,520. Sales proceeds are estimated at \$4,272,000, minus \$212,520, or \$4,059,480.

Section 5, Line 11

Use of Net Proceeds

OHA will use the net proceeds to improve the remaining scattered site unit or to produce replacement housing units, for which net proceeds may be used consistent with Section 18 of the U.S. Housing Act of 1937.

Section 5, Line 13

General Timetable

OHA proposes to dispose of its scattered-site units in a phased process once vouchers are received. Upon disposition approval, OHA will apply for vouchers. Disposition cannot commence until the vouchers are in place.

For the five properties, with 61 units, that are vacant and uninhabitable:

Number of days from HUD approval:

Begin relocation of residents: N/A

Complete relocation: N/A

Execute contract for removal: 360 days from HUD approval

Cause occurrence or removal action: 450 days from HUD approval

For the 249 properties, with 1,554 units:

Number of days from HUD approval:

Note: The timeline outlined below after the receipt of Section 8 vouchers necessary to initiate relocation, and allows for the time necessary for OHA to certify families for the transition from Public Housing to Section 8.

Begin relocation of residents: 90 days

NOTE: For this action, relocation refers to the transfer of families from the Public Housing to the Section 8 Program. This is expected to occur in a managed property by property process, with families entering into new leases.

Additionally, families are being provided the option to move with moving assistance payments for a 300 day period after Section 8 resources are made available (families will have 180 days to indicate their desire to move, plus an additional 120 days to complete the move). This is being considered a second “relocation” and is not included in the time estimate above.

Complete relocation: 180 days

NOTE: Relocation is considered complete once all families occupying the units have transitioned to a project-based or tenant-based voucher.

Execute contract for removal: N/A

Note: The properties will be transferred to the Authority's affiliate.

Cause occurrence or removal action: 180 days

Note: The occurrence or removal action refers to the conveyance of all properties to the affiliate.

Section 6, Line 3

Counseling

Counseling services will be available for all scattered sites residents, whether or not they wish to move. The purpose of the service is to provide detailed information about the differences between the Public Housing and Section 8 Programs, to clearly explain all options available to the families, and to assist the families in making informed choices about their housing. Though no relocation is required, for any family who chooses to move, during a set period of time, OHA will provide relocation counseling services by a competitively selected firm with the capacity to provide such services. OHA estimates 1.5 hours of counseling per family who utilizes such services, and will provide all services related to translation, transportation or any other accommodations necessary.

Relocation

Though no one will be required to move as the result of the disposition strategy, OHA procured a relocation consultant, Overland, Pacific and Cutler to prepare a relocation plan. The plan was made available for public comment for a 30-day period and approved by the OHA Board of Commissioners prior to authorizing the submission of this Disposition Application.

The relocation plan includes the following elements:

The number of individual residents that will be displaced by the proposed action:

No families will be displaced by the proposed action. OHA has budgeted relocation expenses for up to one-third of the families currently occupying the units, or 518 families, though OHA does not anticipate this number of families will choose to leave. If more families than estimated do choose to move during a set period after vouchers have been provided, OHA will provide all necessary resources to fund such moves.

The type of counseling and advisory services, and other housing resources, that the PHA plans to provide to displaced residents:

Counseling services will be available for all scattered sites residents, whether or not they wish to move. The purpose of the service is to provide detailed information about the differences between the Public Housing and Section 8 Programs, to clearly explain all options available to the families, and to assist the families in making informed choices about their housing. OHA will provide relocation counseling services by a competitively selected firm with the capacity to provide such services. OHA estimates 1.5 hours of counseling per family who utilizes such services, and will provide all services related to translation, transportation or any other accommodations necessary.

The comparable housing—that meets Housing Quality Standards (HQS) and is located in an area that is generally not less desirable than the location of the displaced resident's housing—that will be offered to displaced residents:

No families will be relocated or required to move as a result of the disposition strategy. Families will be offered tenant-based vouchers, and the Authority, on a one-time basis, will pay actual and reasonable relocation expenses for any family who moves within a specified period of time from receipt of a voucher. Any family in good standing who does not want a voucher will be provided the choice to stay in their current unit and pay a flat rent, utilizing a rent calculation that is consistent with the public housing program, or will be offered comparable replacement housing, through transfer to another public housing unit, and actual and reasonable relocation expenses.

An estimate of the costs for counseling and advisory services and resident moving expenses and the expected source for payment of those costs:

Counseling is estimated at \$300 per household, or \$155,400 for 518 households

Moving Expenses are estimated at \$1,700 per household, or \$880,600 for 518 households

Total: \$2,000 per household, or \$1,036,000 for 518 households

Utilizing the flexibility provided through Moving to Work, OHA will fund relocation expenses from its MTW resources.

A schedule for the relocation of displaced residents: In order to receive moving assistance benefits from OHA, a family will be required to indicate their desire, in writing, to move within six months of receiving a Voucher, or for families who do not want a Voucher, within six months from when the Vouchers became available to other residents of the their property.

From the point a Tenant-Based Voucher is issued, OHA will pay one-time, fixed or actual and reasonable moving expenses, whichever is greater, for any household which moves within 120 days from the receipt of their Tenant-Based Voucher. OHA will consider an extension of the 120-day period, on a case-by-case basis for extenuating circumstances. At the expiration of the 120-day period, residents will still be able to request a Tenant-Based Voucher, however, residents will be responsible to cover any related moving expenses from that point, forward.

Section 6, Line 8

Relocation Expenses

Relocation expenses may be funded from the sales proceeds of the five vacant properties, or, utilizing the flexibility provided through Moving to Work, OHA may fund relocation expenses from its MTW resources.

Consultation with Residents of the Affected Developments

OHA held six meetings with affected residents to discuss the Disposition Application and, at three of the meetings, the Relocation Plan. Meetings were held on June 17, June 18, July 9, August 19, August 21 and August 27, 2008. While OHA originally intended to submit the Disposition Application to HUD in June 2008, the process was slowed down to provide for more community participation. The Disposition Application was made available for public comment period for a 60-day period, ending September 2, 2008. The Application was posted on the OHA website, was available at two OHA properties for the 60-day period, and copies were available at all resident meetings beginning with the meeting on July 9, 2008. In addition, OHA prepared a list of responses to frequently asked questions about the Disposition Application. This document was translated into six non-English languages, provided on the website and available at all resident meetings beginning on July 9. In total, over 1,100 individuals attended the meetings (with some attending more than one meeting), representing over 650 households.

In preparation for the resident meetings held in August, OHA sent certified mail a Notice of Non-Displacement/General Information Notice to all scattered site residents. This mailing also included a notice of the upcoming meetings, and notice that the Relocation Plan was available for a 30-day comment period. All documents were translated into the six non-English languages, with all translations provided to all residents.

As indicated in the attached FAQs document, and minutes from the individual meetings, the majority of questions asked were about how the Section 8 Program differed from Public Housing and about the potential for moving and about whether or not families would be required to move as the result of disposition. Beginning with the July 9 meeting, OHA provided a public comment card which asked whether or not the resident supported OHA's decision to submit the Disposition Application. For those who completed the public comments cards at the meetings for the scattered site residents, nearly 89% supported the Disposition Application, 4.2% did not support it, and 7.2% did not respond or were not sure.

The public comment cards also included a space to ask additional questions and to request a call from an OHA representative. As the result of this, follow up calls were made to over 200 residents to answer their questions. Additionally, a hot line was established in early June, 2008, to provide an opportunity for residents to have answered any questions they have in regard to the proposed Disposition Application. Approximately 100 people have called this phone line, with their calls returned promptly. Many of these calls were regarding the meeting notices, whether the meeting were mandatory and what needed to be done to get a Section 8 Voucher.

In addition, the following table outlines the other public meetings where OHA intention to submit a disposition application has been presented.

March 27, 2007	OHA meeting with Resident Advisory Board to discuss 2008 MTW Plan, including planned disposition of scattered sites
March 28, 2007	Public Hearing on 2008 MTW Plan
April 11, 2007	Staff briefing to OHA Board of Commissioners, in public session, on 2008 MTW plan, including planned disposition of scattered sites
April 23, 2007	Vote by OHA Board of Commissioners to authorize the submission of the 2008 MTW Plan to the U.S. Department of Housing and Urban Development (HUD)
March 26, 2008	Public Hearing on 2009 MTW Plan
April 1, 2008	OHA meeting with Resident Advisory Board to discuss 2009 MTW Plan, including planned disposition of scattered sites
April 28, 2008	Vote by OHA Board of Commissioners to authorize the submission of the 2008 MTW Plan to HUD (public comment included a staff attorney from the National Housing Law Project, but on a subject other than planned disposition).

Oakland Housing Authority
Frequently Asked Questions
Regarding the Planned Disposition of Public Housing Scattered Sites

WHAT IS DISPOSITION?

Question 1: What does Disposition mean?

Response 1: Disposition is the transfer or sale of a property from one entity to another. For the purpose of the proposed scattered site disposition, OHA plans to sell the scattered site properties to a non-profit corporation. The non-profit will be an affiliate of the Oakland Housing Authority and the Oakland Housing Authority Board of Commissioners will have a role in the decision making process with regard to the properties in the future.

Question 2: Why is the Oakland Housing Authority considering the disposition of its scattered site units?

Response 2: To increase and preserve the affordable housing opportunities for low-income families in Oakland. Over the last several years, the Oakland Housing Authority has received far less money from HUD to operate its public housing units than the actual cost of operating such units. One major goal of removing the units from the public housing program is to have enough income from Section 8 to manage, maintain and repair the properties.

Question 3: Why is OHA going to transfer the units to a non-profit corporation?

Response 3: The transfer of ownership to an affiliated non-profit organization is a necessary step to take the units out of the public housing program.

WHAT IS THE PROCESS FOR OBTAINING HUD APPROVAL OF THE PROPOSED DISPOSITION OF THE SCATTERED SITE UNITS?

Question 4: Why is OHA submitting a Disposition Application first and then submitting a request for vouchers only if the Disposition Application is approved? Why not ask HUD for both disposition approval and vouchers at the same time?

Response 4: HUD regulations require that the request for Section 8 vouchers be made only after a Disposition Application has been approved.

Question 5: What is the timeline for the disposition process and how soon will OHA know whether its application to HUD has been approved?

Response 5: There is no way to predict how long HUD may take to respond to the Disposition Application. As a rough estimate, OHA has been advised that it may take four months or more before there is a decision. If HUD approves our application, it may be another year, or more, before vouchers are issued.

Question 6: *What happens if HUD does not approve the Disposition Application?*

Response 6: If HUD does not approve of the disposition application, the units will remain in the public housing program and nothing will change.

Question 7: *What happens if HUD does approve the Disposition Application but does not approve the request for Section 8 vouchers?*

Response 7: OHA is making clear in its application to HUD that it will not move forward with the disposition if Section 8 vouchers are not provided. If the disposition application is approved, but the request for vouchers is not, OHA will not move forward with the disposition and the units will remain as public housing.

WHAT WILL HAPPEN IF AND WHEN OHA RECEIVES VOUCHERS FOR THE SCATTERED SITE UNITS?

Question 8: *What options will occupants of the scattered sites have if the Disposition Application is approved and Vouchers are issued to OHA by HUD?*

Response 8: Families living in the scattered site units when (and if) HUD provides Section 8 Vouchers to OHA will have four options:

1. Accept the Voucher and remain in their unit (this is an option for families who earn up to 80% of area median income and are current on their rent and have not received a *Notice to Vacate*);
2. Accept the Voucher and move to a unit in the private market (this is an option for families who earn up to 80% of area median income and are current on their rent and have not received a *Notice to Vacate*);
3. Not accept the Voucher, or not be eligible for the Voucher, and remain in their unit with lease terms and rent calculation that are the equivalent of the public housing program (this is an option for any family); or,
4. Move to a public housing unit that is not a scattered site unit, when available (this is an option for any family).

Question 9: *If the disposition application is approved, and vouchers are issued, will current residents of the scattered site properties be required to move?*

Response 9: No! No one will be required to move. Any family in good standing (current on their rent and in compliance with their lease) who wishes to remain in their unit after vouchers have been issued may do so.

Question 10 : *Who will be responsible for the management and maintenance of the units after the disposition?*

Response 10: The non-profit corporation will be responsible for management and maintenance of the units.

Question 11: *What do scattered site residents need to do now to get a voucher?*

Response 11: There is nothing that needs to be done now. There is no application to complete, nor is it necessary to get on a waiting list. Please note, it may be a year or more before OHA knows whether Vouchers will be issued by HUD. In order to be eligible for Section 8, families will need to be current on their rent and in compliance with their lease. Please see the response to Question #21 for more information on this.

Question 12: *What if scattered site residents missed the public meetings where the disposition application was discussed? Will this hurt their chance of getting a Section 8 voucher?*

Response 12: The purpose of the public meetings is to share information about the planned disposition and to hear resident feedback. Attendance at the meetings is not required and missing the meetings will not affect your ability to get a voucher in the future.

HOW WILL THE VOUCHER BE DIFFERENT FROM PUBLIC HOUSING?

Question 13: *If a family decides to stay in their current scattered site unit after they have been issued a Section 8 voucher, will the family be responsible for additional costs?*

Response 13: No. Currently public housing residents are responsible to pay for their PG&E bill and OHA pays for water and Waste management (trash) costs. This will not change if vouchers are issued and the family stays in place.

Question 14: *If a family chooses to move to a non-OHA unit using a Section 8 Voucher, will the family be responsible for additional costs?*

Response 14: There are some differences between the Public Housing Program and the Section 8 Program that could result in higher costs for a family that chooses to move to a non-OHA unit. For Some examples of these differences are explained below:

- **Utilities:** Under Section 8, a landlord could ask a resident to cover the cost of certain utilities, including water and sewer. If a resident is required by the landlord to pay utilities, OHA will provide a utility allowance to help cover the cost of the additional expense. In most cases, this will mean that the resident does not need to pay anything more for utilities. However, if the resident's utility bills are higher than what OHA provides, the resident would be required to pay this extra expense. In addition to the cost of utilities, residents may be responsible to pay for deposits to utility companies. Before a resident chooses to rent a particular unit, the resident would know what additional costs are required and could decide whether or not that unit is affordable.
- **Rent:** Currently, rent for the Public Housing Program cannot exceed 30% of a resident's or family's income. In the Section 8 Program, there is a maximum amount OHA will provide to the private landlord for rent and utilities, which is called a "Payment Standard".

Typically, the Payment Standard is enough to cover a reasonable rent and a reasonable utility allowance. If a family wants to rent a unit that is above the payment standard, the family could choose to pay the additional cost, but only up to 40% of their income at the time the unit is leased. Note: The utility allowance tables are published and are comparable for both the Section 8 and Public Housing Programs (See the examples below)

Examples for a family that is renting a three-bedroom single-family house, based on the current methodology for determining rent in the public housing and Section 8 programs:

Payment Standard (the maximum amount OHA will pay for rent and utilities) for a three-bedroom unit is \$1,874

Below payment standard: The landlord is renting the unit for \$1,500 per month (utility allowance for tenant paid utilities of \$147)

1. The resident's monthly cost for rent and utilities will be limited to 30% of income

Above payment standard: The landlord is renting the unit for \$2,000 per month

1. The resident will pay 30% of income, plus
2. Because the rent is above the payment standard, the resident would also have to pay the difference between the rent and the payment standard (shown below)
3. Because the rent is above the payment standard, the resident would not receive a utility allowance

The amount the resident would need to pay, in addition to 30% of their income, is calculated below.

\$126 (the difference between the rent and the payment standard, or \$2,000-\$1,874)
+
\$147 (an estimate of the cost of utilities)
=
\$273

In this example, the resident would need to pay an additional \$273 to rent the unit. The resident would only be able to rent this house if the new total amount paid by the resident does not exceed 40% of their income.

Question 15: If a family choose to move to a non-OHA unit using a Section 8 Voucher, will the family be able to move as soon as the Voucher is issued?

Response 15: At the time a family is issued a Section Voucher, it will be necessary to convert from the public housing lease to a new lease for the Section 8 program. The term of this lease will be for one year. However, the lease will allow for the family to request a Transfer Voucher (a "Transfer

Voucher” is used to allow a family to move within the Section Program), at anytime during the year, if the family chooses to move. If the request for the Transfer Voucher is made, in writing, within the first six months after the Voucher is issued by OHA to the family, OHA will pay for costs associated with the move for a period of 120 days after the Transfer Voucher is issued. The assistance provided by OHA would either be in the form of a fixed payment, based on the size of the unit the family is vacating, or would be a reimbursement for actual and reasonable costs, for a move up to 50-miles from the current unit. It would be up to the family to decide which form of payment is preferable.

Question 16: *What resources will the Oakland Housing Authority provide to families who wish to move after vouchers are issued?*

Response 16: For a period of time after vouchers have been issued, OHA will pay for reasonable moving expenses for any family who wishes to move.(see above)

Question 17: *If a resident chooses to move, will OHA provide money for security deposits?*

Response 17: OHA will not provide money for security deposits. OHA will provide information about organizations that may help with security deposits, but residents should be aware that help with security deposits is very limited. If a family remains in their current unit, no additional security deposit will be required.

Question 18: *If a family decides to stay in their current scattered site unit after they have been issued a Section 8 voucher will their rent increase?*

Response 18: Like public housing, Section 8 rent is based on income. However, unlike public housing, there are no flat rents in the Section 8 program. If a family decides to stay in their current scattered site unit, OHA will continue to calculate rent utilizing the public housing formula, including using flat rents. If the family later decides to move to a non-OHA unit, the Section 8 formula will be used to determine rent, which may result in a higher or lower rent amount, depending on the family’s income and the rent of the new unit.

Question 19: *What will happen to families who are not eligible for Section 8 vouchers?*

Response 19: Any family in good standing (current on their rent and in compliance with their lease) who is not eligible for Section 8, or for whatever reason does not want to participate in the Section 8 program, will be provided the choice of moving to another public housing unit outside of the scattered site inventory or remaining in their current unit with a lease and rent amount determined under the rules of public housing. OHA will work with each family to ensure they understand all their options and make an informed decision.

Question 20: *What are reasons a family may not be eligible for Section 8?*

Response 20: Families in good standing (current on their rent and in compliance with their lease) with income that is at or below the income limit for the Public Housing Program (80% of AMI) will be eligible for the Section 8 Voucher. The Section 8 Program is generally limited to families earning up to 50% of AMI, but because scattered site residents will be treated as “continuing

participants” OHA will be able to provide vouchers up to the 80% AMI limit. A family with income above 80% of AMI will not be eligible for Section 8. If this is the case, OHA will provide the family the choice of moving to another public housing unit or remaining in their current unit with a lease and rent utilizing the public housing formula, including using flat rents. Any resident who is not in good standing (not current on their rent or not in compliance with the terms of their lease) will not be eligible for Section 8. OHA encourages any family who is not currently in good standing to work with their property manager to resolve any issues, including entering into a repayment agreement for any back rent owed to OHA.

Question 21: *What does it mean to be “current on rent” and “in compliance with the lease”?*

Response 21: Being “current on rent” means the family has paid the prior month’s rent and does not owe any back rent to OHA or, if there is back rent owed, the family has entered into a repayment agreement with OHA and is following the terms of that agreement. Being “in compliance with the lease” means the family has not been served with an eviction notice, written notice of violation or been evicted. If a family has been issued a Notice to Vacate, or has otherwise been informed in writing they are not in compliance with their lease, and the case has not been resolved at the time the Section Vouchers are available, OHA will not issue the family a Voucher at that time. If the case is resolved, or if a court rules in favor of the resident, OHA will provide a Voucher at that time.

Question 22: *How will OHA decide who gets the vouchers first? Is there a waiting list for the residents of the scattered site units for the vouchers?*

Response 22: OHA does not know at this point if HUD will provide vouchers all at once or will provide vouchers over several federal budget years. If vouchers are issued over time, OHA will develop a process for implementing the program property by property, based on the number of vouchers received as well as the physical needs of the property.

Question 23: *Can a family use a Section 8 Voucher to purchase a house?*

Response 23: The Section 8 Homeownership Program allows prospective, first-time homeowners, participating in the ‘Housing Choice Voucher Program’, to use their monthly rental subsidy to meet their monthly, homeownership expenses (i.e., mortgage payments, utilities, maintenance and upkeep of their property, etc.). Much like the Section 8 rental program, the family’s share of the mortgage is an *affordable percentage* of their income; generally, between 30% and 40% of monthly income. It should be noted, however, that participation in the program is limited and, given the current housing market, it may be extremely difficult to secure a loan from a private lender at this time.

Question 24: *How will residents know if and when the disposition application is approved and if and when Section 8 vouchers are awarded by HUD?*

Response 24: OHA will keep residents informed of the status of the application process through notices to all scattered site residents when anything significant occurs. These notices will also be posted on the OHA website.

Question 25: *If a family is given a Section 8 voucher, will it be for the same size unit as the family lives in currently?*

Response 25: Vouchers are issued based on the current size of the household. If you choose to move with your voucher, your new voucher will be issued for your current household size, and any over or under housing of households will be corrected then. Families will be briefed to explain that they may have some flexibility for renting different sized units under Section 8.

Question 26: *What will happen to families who have adult children living in the unit when the vouchers are issued? Will OHA issue more than one voucher per family?*

Response 26: OHA will only receive one voucher per household. The voucher will be available only to the head of household on the current lease.

Question 27: *Once (and if) the vouchers are issued, will families using them have to stay in Oakland?*

Response 27: The vouchers will be like any other Section 8 vouchers. Once received, families will be able to move anywhere where vouchers are accepted (currently, any state in the United States, except Hawaii).

Question 28: *Is the Oakland Housing Authority reopening its waiting list for the Section 8 Program?*

Response 28: OHA is not reopening the Section 8 waiting list at this time.

Question 29: *After disposition, who will be eligible to live in the units once a unit becomes vacant?*

Response 29: Currently the units are available to families earning up to 80% of Area Median Income (AMI) (currently, 80% of AMI is \$66,250 for a family of four). After disposition, the units will be further restricted to families earning up to 60% of AMI. Any family currently living in the units and earning over 60% of AMI will be allowed to stay in the unit, or to transfer to another public housing unit. Once units become vacant, any future occupants will be restricted to the 60% of AMI income limit. As units become vacant, OHA will provide first priority to families with Section 8 vouchers and may utilize project-based Section 8 resources to keep the units affordable.

WHAT WILL HAPPEN TO THE SCATTERED SITE UNITS IN THE FUTURE?

Question 30: *In the long term, what does the Oakland Housing Authority plan to do with the scattered site properties?*

Response 30: Over the next five to ten years, or perhaps longer, OHA will look at each property on an individual basis to determine what options there are to preserve, repair or replace the scattered site units. Any future planning for the scattered site units will be done through a public process and with resident consultation.

OAKLAND HOUSING AUTHORITY

SITE DISPOSITION MEEETING

JULY 9, 20008

6:00 P.M. – 7:00 P.M.

1619 HARRISON STREET

Eric Johnson, Deputy Director opened the meeting and asked for a show of hands of those who have already attended a meetings. Two members of the audience indicated that attended at least one of the prior meetings. It was noted that over 300 residents attended the two meetings held thus far.

Mr. Johnson shared that the disposition application had not been presented to the Board of Commissions at the June 23, 2008 meeting as planned. Instead there was a decision to do more outreach to residents to elicit additional comments and reactions. The board of Commissioners indicated that they did not feel they had a good sense of resident concerns regarding the proposal. This meeting is another effort to do just that and get your reactions. There will be additional meetings moving forward. The disposition application is available on-line and there is a Frequently Asked Questions document that will be translated into other languages for residents use and review.

The disposition application is to be submitted to HUD for approval. If the application is approved the Housing Authority will request Section 8 vouchers. If the disposition application is not approved and/or the request for Section 8 vouchers is not approved the sites will remain public housing sites.

Disposition is a HUD term and it is a process which permits the Housing Authority to change the ownership of the site and removes the public housing entitlement to the property. It will permit the housing authority to sell/transfer the sites to a known non-profit affiliate of the Housing Authority. The process could take a year or longer.

Prior to submitting the application the Housing Authority will be hosting more meetings regionally and will propose relocation benefits. Please remember that no one will have to move. If you do not want to be or for some reason do not qualify for Section 8 OHA will move you to another public housing site. OHA is committed to a one to one replacement of all units. The housing authority understands the need for more affordable housing options and housing that is closer to transportation, schools and etc.

Please review the application and give any feedback to your manager and/or call (510) 777-4111. There is a 60 day comment period and all comments are requested by September 2, 2009. It is critical that your feedback and reactions to application are included as we continue to work on the proposal. Please use the comment cards to let us know what you think. Prior to submitting to HUD the Board of Commissioners will need to approve the application and a letter is required from the Mayor of Oakland.

The key thing to remember regarding the application is that “no one will have to move”. The move to Section 8 will open up other opportunities. The head of household will get the Section 8 vouchers based on number of people on the lease. You will have choices. You may choose to move to another public housing unit, remain where you are and use the voucher or move to a new landlord.

Some families may not be eligible for the Section 8 vouchers due to income limits. The income limits for the Section 8 program is different than that of public housing. In public housing when your income increases your rent will increase unless you reach level where you would select the flat rent option. If household is on the flat rent schedule your income may continue to go up but your rent remains the same. In Section 8 at some point your income will make you ineligible for assistance under the program. The Housing Authority is proposing to maintain the public housing income guidelines for scattered site residents utilizing the Section 8 vouchers.

The Housing Authority sees the application as a win for both the Authority and clients. It will provide the better funding for the Housing Authority's programs as HUD is funding Section 8 at a higher rate than funding for public housing. It is a win for residents as it presents more choices as to where you may want to live. It is a challenge for the housing authority to maintain property with only 30% of rental income and HUD continues to cut the subsidy that makes up the difference between your rents and what it actually costs to keep the program up. Residents seem to like having the freedom and choices and the Housing Authority will be able to be more responsive to new opportunities for funding housing and programs.

Question and Answer Section

Q: I have been living in the same unit since 1995. I would like to move to Houston, Texas. Will I be able to do so?

A: Project based Section 8 vouchers will allow you to “port out” and move to Houston Texas. Mark Stephenson, Director of Leased Housing followed up by saying “We want you be part of our program.” Project based Section 8 normally does not go with the resident but in Oakland if you remain for a year the voucher can be moved with you if you decide to move.

Q. *Is there a voucher for everyone living with me?*

A. The voucher is for the head of household and the bedroom size is determined by the family members on the lease. If you are over-housed (too large a unit) or under-housed (too small a unit) you will get a Section 8 voucher for the correct bedroom size.

Q. *What about children of different sexes sharing a room?*

A: It is consistent with HUD policy that it is number of people in the household that determines number of bedrooms and not the ages or gender of the household members.

Q: *Will we get a utility allowance with Section 8?*

A: You will get utility allowance but if you use more than the average will need to pay the difference and company if less will have some extra cash.

Q: *How long will this process take?*

A: it could take up to a year or more.

Q: *Should I clean up my credit?*

A: Yes, as your new landlord will most likely conduct a credit check. Also, you should be current with your rent. Again, if you move the voucher will go with you. You will be provided with a voucher for the appropriate bedroom size for the number of people on the leases. You do not need to come to the meeting to get a voucher but you do need to be a scattered site resident.

Q: *Where can I get assistance with my credit?*

A: Credit Education Assistance at (510) 587-5720.

Q: What does disposition mean?

A: Disposition means converting public housing units into section 8 voucher units.

Q: Why is OHA applying for Disposition?

A: Because we receive less funding every year. With the Section 8 voucher program, HUD will pay more. Rent amounts will remain the same for tenants.

Q: What's the advantage of the disposition application?

A: You and your family can move anywhere you want with the exception of Hawaii.

Q: Will there be a Relocation Plan?

A: Yes. Even though no one is required to move, a relocation plan has been prepared and made available for a 30-day comment period. A summary of the plan is provided here and the full plan is on the OHA website and at two OHA properties..

Q: Are they new vouchers?

A: Yes. It is separate from the Section 8 waitlist. If you have been on Section 8 waitlist, you will not lose your place on the waitlist.

Q: Are the vouchers worth different in each market?

A: Yes, the voucher amount is different depending on the housing market, but the portion of the rent tenants pay will be the same.

Q: What are the differences between public housing and Section 8?

A: Flat rent

Rent will be based on income

Ceiling rent will stay if you stay in public housing

Rent calculations is the same

Under Section 8, family has the option to pay up to 40% of income

Discussion on Relocation Plan:

Must be approved by OHA Board

OHA will pay for move within the first six months of receiving the voucher

You find a place

You pay your rent to the owner

We will pay with a check depending on the number of rooms in your unit or you can choose to hire a mover (50 miles max) and we will reimburse within a certain limit.

Discussion on how to qualify for Section 8 vouchers:

50% AMI is the max to qualify – but OHA will provide voucher over 50% AMI

For scattered sites, OHA will provide voucher to all in good standing

If you make more and stay, you will pay flat rent

You do not need to move

Managed/owned by a non-profit agency

You have six months to decide if you want to move – to get relocation benefits

No decision to be made today

Q: Are the requirements for public housing and Section 8 different.

A: If the income too high then a flat rent would be assessed.

Discussion: Concerns with new management

Are we required to sign new contracts? Yes, but if in OHA unit will be the same

Do you need good credit? No, no credit check if you stay

Utilities? Same if you stay at OHA

Statement: OHA affiliated non-profit. They will have to take as part of agreement.

Renters will pay 30% of income – Section 8 will pay the difference.

Q: What if you stay and you are paying flat rent?

A: You will continue to pay a flat rent.

Q: How long is OHA going to be affiliated with a private non-profit management company? How long do they want to hold them?

A: The units will remain associated with OHA. We are looking a one for one replacement. Some of the buildings are not in the best location.

Q: If we are forced to move, how are we going to get paid?

A: We have relocated some residents– we can foresee to ask residents to move so we can rehabilitate the unit. Presently, we are moving residents to another vacant unit. If you have to move for rehabilitation, OHA will be responsible to provide relocation benefits. OHA currently has no plans for rehabilitation of any new properties.

Q: Do we have the right to move back

A: No plans right now. (Note: OHA changed its policy on this after the meeting and will offer first right of return for any family temporarily relocated for rehab or redevelopment)

Q: Why are we doing this?

A: We receive \$404 for public housing unit versus \$800-\$900 for Section 8 vouchers.

Q: How long will we receive Section 8 vouchers? What do we do with bad credit?

A: As long as you are in good standing, the Voucher does not expire. Resident will have to work with credit issue if you want to move (referrals for credit repair provided).

Q: Do you have to fill out a form to enter to Section 8 voucher program?

A: No, if Vouchers are received, you will be contacted by OHA. The voucher will go to the Head of Household.

Q: What is the likelihood that this is going to happen.

A: The application will be submitted in late September. HUD has 100 business days/20 weeks to consider whether to approve or deny the disposition. We think the application will be approved. If it is approved in January, then OHA will request 1615 vouchers and we expect it may take a year or

more before we know if they will be awarded. If awarded they may be received all at once or over time.

Q: Are you selling the new renovated sites?

A: OHA currently has no plans to sell the properties. It was pointed out that through HOPE VI, even though there is public housing OHA does not own the properties. Also, through redevelopment OHA has been able to increase the number of low-income units at a ratio of about 3 to 1 overall.

Example:

HOPE VI sites (West Oakland) – 168 units, 14 homeowners. Ratio is 4 to 1.

Chestnut – 100 some – 9 home. Ratio is 2 to 1.

Q: Is there a Plan B?

A: No. At this point, this is our only opportunity to improve the way we operate this program.

Q: Can we petition HUD?

A: No. The best way to communicate your support is to let the board of Commissioners know. Send us a letter now. There will be a Public Meeting on September 22, 2008 at 6PM.

Q: Are there going to be units that will be handicap accessible?

A: There are not too many in scattered sites. We are looking at vacancies that are handicap accessible; looking to Center for Independent Living to assist.

OAKLAND HOUSING AUTHORITY

August 21, 2008
AMP 13 and AMP 14
1619 Harrison Street
Disposition Meeting Notes

The meeting was opened by Patricia Ison, Director of Property Operations. Audience members requiring assistance with language translation were encouraged to identify themselves and to utilize the services of the available translators.

Ms. Ison then introduced all the staff present at the meeting and briefly explained their roles with the Housing Authority. She asked how many present had previously attended a meeting regarding Oakland Housing Authority's proposed Disposition Application for scattered sites and about 20% of the audience raised their hands.

Ms. Ison then provided a brief update of the efforts the Housing Authority is undertaking as it re-organizes including improved maintenance and rehabilitation at number of our scattered sites. The audience was reminded that the Housing Authority had been closed for a couple of weeks while it underwent a conversion to a new computer software system. Residents had received prior notifications of the closure.

Oakland Housing Authority's Disposition Application Process:

Oakland Housing Authority faces a major challenge as it attempts to manage and maintain our properties with less funding from HUD. The Housing Authority, therefore, is planning for the future and the Disposition Plan positions the Housing Authority to take advantage of new opportunities. The Disposition application process will permit us to transfer the properties to a non-profit affiliate associated with the Oakland Housing Authority and move the properties from public housing to affordable housing funded through Section 8. No one will have to move. Scattered site residents in good standing will be issued a Section 8 voucher.

A resident in good standing means being current on rent payments, or current on a repayment agreement, and no lease violations. People behind on their rent are encouraged to enter into repayment agreements. When you receive the vouchers your household will have several choices. The Section 8 vouchers are portable. You may choose to remain at the site or you can choose to move to a privately owned property. Residents were reminded that the private property landlord may charge deposit, first or last months rent and often require a credit check. Families who choose to stay in their unit will not have to deal with this. For some residents the requirements may present as a challenge and everyone was encouraged to begin prepare now. The voucher is

transferable to all states except Hawaii. For residents who either do not want a Section 8 voucher or who may not qualify for Section 8 due to income and/or need to move to different bedroom size will have an option of either remaining in their own unit (no voucher) or moving to another public housing unit at one of the authority's large sites.

The Section 8 program has a different income limit than that of public housing. The housing authority is aware that the difference may impact some family's abilities to remain or participate in the Section 8 program and therefore is proposing to use the public housing income limits for the Section 8 vouchers for scattered site residents.

Ms. Ison asked the audience to review "Excerpts from the Draft Relocation Plan" page 3 and the proposed relocation benefits. Briefly, under relocation benefits if six months from the date you put in your notice the housing authority will fund a move for 1-5 bedroom apts. This is a one time benefit.

OHA will be submitting the disposition application to HUD for approval. If HUD decides not to approve the application it will remain public housing. If the Disposition Application is approved the Housing Authority will then submit a separate application for the Section 8 Voucher. If the request for vouchers is not approved then the disposition will not move forward and units will remain public housing.

Questions and Answer Session:

Q: While waiting to receive word from HUD will the contractors stop fixing property?

A: No, we will continue to replace windows, repaving parking lots, landscaping and correct drainage issues and concerns at various properties. The Board of commissions recently approved an additional ten million dollars that will fund another eighteen months of work.

Q: Where are the large sites?

A: OHA has ten large sites.

They are:

- Mandela Gateway. HOPE 6
- Chestnut Court, HOPE 6
- Lockwood Gardens
- Peralta Villa
- Campbell Village and five senior sites

Q: If I take the voucher and move and then want to move again. Can I do so?

Answer: Yes, the vouchers are portable!

Q: *Do you only have funding for outside work? What about the inside of the units.*

A: The Housing Authority is using UPCS inspections to help us identify and prioritize work we do to the interior of units. Also, we have changed our standards and practices for vacancies and are doing more of our interior work at vacancy turn over.

Q: *Are there any written materials regarding the work that is being done?*

A: OHA is working with our various contractors to ensure they are providing better notice of work they are doing at our sites.

Q: *Currently, I am on the Section 8 waitlist. What does this application mean for me and what should I do?*

A: It is two different processes. The Section 8 waitlist maintained by the housing authority will continue and you are advised to remain on that list. The Disposition application and additional Section 8 vouchers will be only for scattered site residents and may or may not be approved.

Q: *Why did my rent go up?*

A: Please remember that your rent is based on 30% of your income and if your income increases your rent will go up. (note: this resident was encouraged to meet with her manager, who was present, at the end of the meeting.)

Q: *OHA did renovations at my site but there were no repairs made to the roof or to the front door.*

A: Please follow up with your manager if you want to discuss additional work that may need to be done at the site.

Q: *What about buildings with plumbing problems? Why put new flooring in if place is constantly flooding? What can we do on the weekends when place floods and we need to get water up? Can the housing authority provide wet vacs?*

A: The housing Authority appreciates your suggestion regarding wet vacs and you should follow up with your manger regarding concerns you are having at the site.

Q: *What about mold abatement?*

A: Housing Authority is using a variety of techniques to address mold. If you think you have a problem with mold please tell us and the Housing Authority will test. If there is a problem will work with our partner agencies to address.

Q: *How can I get a larger unit?*

A: You should speak to your manager but remember unit size determined by family members on the lease. If your family size warrants a larger unit then can request a transfer and get on the waitlist. The waitlist may take some time.

The audience was reminded that the Section 8 vouchers issued will be based on the family members on the lease not by your current bedroom unit.

Oakland Housing Authority
Disposition Meeting Minutes
August 27, 2008
Board of Commission Room

Oakland Housing Authority Staff present:

- 1) Eric Johnson, Assistant Operation Director
- 2) Patricia Ison, Director of Property Operations
- 3) Ann Dunn, Senior Policy Analyst
- 4) Shelley St. George, Property Administrator
- 5) Lillie Brown, Edward Williams, Property Managers
- 6) Office Dave Watson, OHA Police Dept.
- 7) William Bailey, Property Maintenance Supervisor
- 8) Dawn Pipkins, Chantha Oum and Rick Rubio, Resident Service Coordinators

Oakland Housing Authority Residents in attendance: 89

Patricia opened the meeting by asking the question "How many residents knew what the meeting was about"

She then gave a brief summary about the disposition plan and introduced Eric Johnson who explained more in detail about the disposition.

Residents that spoke Cambodian, Cantonese, and Spanish were broken up into groups where a translator translated the meeting to them.

Here are some of the questions asked:

Question: When do I get Section 8 Voucher?

Answer: Oakland Housing Authority has applied application to HUD. If granted, the Vouchers will be made available at the end of 2008 into the beginning of 2009

Question: What if I like my apartment and do not want to move?

Answer: OHA is considering selling the Scattered Sites if that happens; OHA will work with the new owners to continue your housing.

Question: How soon can I move after receiving the Section 8?

Answer: The Section 8 programs states that you can move after 1 year of receiving the Section 8. At that point, you can move anywhere in the United States that will accept your Voucher with the exception of Hawaii.

Question: What if I had received a 14 day notice in the past?

Answer: Part of the criteria of receiving the Section 8 is that you are in good standing with OHA. This means no Lease Violations or back rent owing. All past Lease Violations will be looked at and weighing on the severity of the violation.

Consultation with Resident Advisory Board

Most recently, OHA met with the Resident Advisory Board on August 20, 2008 to consult with them on the proposed Disposition Application and Relocation Plan. Given that many of the RAB members are elderly public housing residents, residents of the larger public housing properties, or Section 8 participants who will not be directly affected by the Authority's plans, the response to the proposed disposition was somewhat neutral, with, of the seventeen respondents, 43.8% supporting it, 25% not supporting it and 31.3% unsure. Further, two public housing residents, and two members of the general public, spoke and expressed concerns that the disposition would result in displacement and would disproportionately affect African American families. While it was explained that no one would be required to move as the result of the disposition, the issues raised by the four individuals were primarily related to right of return for individuals or families temporarily relocated for substantial rehabilitation or redevelopment projects. Though not directly related to the planned disposition, as the result of the RAB meeting, OHA has articulated a commitment of the first right of return for any family in good standing. Further, in cases where multiple units of a property are being rehabilitated, OHA has committed to providing an opportunity for families of that site to move into a newly rehabilitated unit on the site, instead of being relocated off-site.

OHA has held three additional meetings with the Resident Advisory Board where the planned disposition of the scattered sites has been discussed. These include March 27, 2007, where the draft 2008 Moving to Work Plan was presented, including the planned disposition of scattered sites. On March 18, 2008 discussion at the RAB meeting included overview of HUD Disposition process and the plans for disposition of scattered sites. Points covered included Section 8 rent calculation vs. Public Housing, if residents would be required to move, and who would own the sites and an overview of the application process. On April 1, 2008, OHA met with the RAB to discuss 2009 MTW Plan, including planned disposition of scattered sites.

RAB Meeting Minutes August 20, 2008

The meeting was opened by Patricia Ison, Director of Property Operations with a welcome and role call. Ms. Ison then introduced all the staff present at the meeting and briefly explained their roles with the Housing Authority.

Ms. Ison then provided a brief update of the efforts the Housing Authority is undertaking as it re-organizes including improved maintenance and rehabilitation at number of our scattered sites. Each of the four Property Administrators gave a brief introduction of themselves and the geographic area they are managing.

Eric Johnson, the Executive Director of Property Operations, gave a brief review of the disposition. and opened the floor for questions. Jon Gresley, the Executive Director, was present and also addressed some questions.

Disposition Application

Oakland Housing Authority faces a major challenge as it attempts to manage and maintain our properties with less funding from HUD. To address this the OHA will be submitting the disposition application to HUD for approval. If HUD decides not to approve the application it will remain public housing. If the Disposition Application is approved, the Housing Authority will then submit a separate application for the Section 8 Voucher. If the request for vouchers is not approved than the disposition will not move forward and units will remain public housing.

Questions & Answers

Q: Can we provide residents with AMP MAP?

A: We will be handing out the areas in which PA will be responsible for.

Q: Who take care of build/grounds?

A: We have maintenance team to work at specific site to ensure the site are cared for properly

Q: Garland St: This is an abandoned home behind unit so trees are falling onto her unit. Please fix

A: Maintenance supervisor to trim tree tomorrow. Follow up with Janet

Q: Are we moving towards large sites or scattered, because it concerning so we don't end up in the same situation

A: It's a cycle to integrate public housing the community but our portfolio was not designed to concentrate affordable to pay 30% income. The whole ideal is build a range to draw in difference incomes to sustain program to do more and better housing depends on how these housing sites are maintained

-We develop a replacement accounts

Q: Schedule income guidelines about how many households to be displaced

A: You have really given up things to think about with flat or ceiling rents in PH as oppose to section 8 vouchers where subsidy decrease once income increase.

-PH program have higher income limits. We will set the rent since we are MTW, but if residents move; their income may exceed program eligibility. 146/7 tenants pay flat rents.

Q: Please make sure if development is redone, make sure the diversity still exist and people with credits issues and be able to take vouchers and be accepted in the project base developments.

A: As RAB member, please provide questions to these new development project bases.

Q: Foreclosure on the rise, will OHA be purchasing any homes?

A: No.

Q: How far are we willing to push this application?

A: If the disposition application is approved, but we don't get vouchers, we will not move forward with the disposition.

Comment: We are seeking MTW extension put hopefully get it to 2018.

Q: What is the purpose of the relocation plan if tenants aren't required to moved?

A: That is a technical requirement by HUD. In order to complete the disposition, OHA must offer the choice for families to move.

Q: What is OHA's long term outlook on sites?

A: We are looking at sites for lifespan. We are doing replacement housing.

Q: Is this the time for the disposition in this housing crisis?

A: For some of them, this may be an opportunity.

Concern: Want to make sure OHA is accommodating to disable/are liable to everyone.

Q: If people remain on site, will the unit be fixed up?

A: It depends on the situation. In many cases, it is far better for residents to temporarily relocate than to try to stay in the unit while major work is underway.

Q: What is city position on this disposition on OHA?

A: While there has been no support letter from the Mayor yet, it s our understanding that the City supports the application. Meetings have been held with the Mayor's staff and with some City Council Members. The application cannot go forward without the Mayor's support. OHA continues to meet and appreciate these funding issues, they continue to advocate for additional funding.

-This gives you more options with vouchers.

Q: For the new developments being built, OHA goes to them with proposed project base and voucher in them.

A: We are already doing that. Currently, we are in talks with Bridge (a developer) to provide project-based vouchers at the MacArthur Transit Village. Doing this provides an opportunity to have brand new units for our clients, with great amenities, in a mixed-income property, without having to pay for the development costs ourselves. OHA will try to do more of this in the future.

Q: What happen to list of sec.8/PH. Who gets first position on list?

A: When the waitlist opens up, it is lottery based. After this position, we will mail at to sec.8. For PH transfers, we will not compete with sec.8 waitlist folks.

Public Comment

-You never answered her question living in mold. OHA agreed to inspect the unit tomorrow.

Q: People at some point, they will move to rehab. Will they be able to come back?

A: When property is converted, we don't have the answer for years out. (note: as the result of this meeting, OHA change its policy to allow for first right of return as the result of temporary relocation for rehab or redevelopment).

Section 7, Line 5

Written Comments From Residents of the Affected Development, Resident Council or Resident Advisory Board

No written comments were received from residents of the affected developments or the Resident Advisory Board. No Resident Councils for the scattered sites are known by OHA to exist.

Written Comments From Other Interested Parties

During the period in which OHA was preparing the Disposition Application, the Authority's staff met with several local housing advocate organizations to solicit their input and feedback on the plan. As part of this process, OHA received written comments from these groups, including East Bay Housing Organizations and The Public Interest Law Project (cosigned by Bay Area Legal Aid and The National Housing Law Project), and Just Cause Oakland (letters are attached). The comments represent an evolution in the Authority's planning process as many of the advocate's suggestions were incorporated into the final application. The most significant change was the decision to project-base the Section 8 resources. It was always OHA's intention to maintain the affordability of the units for low-income families, but OHA had intended to achieve this by providing the opportunity for families to utilize tenant-based vouchers to rent the units. Given the growing concern, both locally and nationally, about the loss of hard units as the result of disposition, whether real or perceived, OHA considered it important to signal our intention to preserve these units, or their replacement, by project-basing the units.

The following is an analysis of the comments received.

Comments from East Bay Housing Organizations, The Public Interest Law Project, Bay Area Legal Aid, and The National Housing Law Project.

1. Six aspects of application that "put residents and applicants in jeopardy" – all would be mitigated by project-basing
 - Loss of hard units
 - Deep affordability targeting
 - Tenant protections
 - Racial and economic integration
 - Long term affordability
 - Retention of large units
2. Disposition should "demonstrate the mechanism to guarantee affordability over time."

- in order to carry out disposition, OHA Board of Commissioners will need to approve transfer of individual properties, which will include restrictions via ground lease or deed.
3. Resident consultation (acknowledged we've done this, but want to see updated application describing input).
 4. Disposition not "identical" to MTW plan
 - OHA disagrees. MTW 2009 excerpts are below:

Page 4: OHA intends to explore various options and to apply to HUD for the disposition of its entire inventory of 1,615 scattered site public housing units. The multi-year disposition strategy would result in a shift in available units from public housing to Section 8. OHA's replacement strategy will include acquisition and development of new and rehabilitated sites.

Page 17: OHA operates 254 scattered public housing sites ranging from one to 27 units per site. Comprising approximately half of the entire stock of public housing, the scattered sites were developed to help the Authority deconcentrate poverty and integrate low income families into mixed income neighborhoods. Because of the high per unit cost of management and maintenance associated with the scattered sites, and more than a decade of declining federal funding from HUD, during FY 2009 OHA will consider various options to dispose of its entire inventory of scattered site public housing. In evaluating its options, OHA will consider the availability of new Section 8 vouchers to replace the public housing units, the opportunities to establish affiliates or partnerships to administer disposition and development activities, and the potential to use proceeds generated by the sale of property to acquire and develop new mixed income replacement housing. A complete list of the scattered sites considered for disposition can be found in *Attachment C* [NOTE: the list is identical to that which is included in this Application]. OHA may proceed with an application to HUD for disposition of some or all of these properties before or during FY 2009.

5. Affirmatively furthering fair housing: replacement housing plan must prevent racial and/or economic segregation (no new units in areas more impacted than ones being replaced)
 - This is included in the certification signed by the Executive Director.
 - Selection of replacement sites will be consistent with standards and guidelines of federal, state and local agencies.

6. Relocation plan – offered \$4,500 per unit at Tassafaronga (a redevelopment site where relocation is required and covered under URA), compared to \$2,000 for scattered sites. Also, estimate in application suggests we'll provide counseling only to people who want to move.
 - Scattered sites would be voluntary moves under Section 18.
 - Clarified in application that counseling will be available all residents, whether or not they want to move

Just Cause issues:

1. Displacement of African American residents
 - no one is required to move
 - new policy of first right of return for sub rehab/redevelopment or replacement units
2. Loss of tenant protection/introduction of units to “private market”
 - no one is required to move
 - if project-based, no loss of hard units
 - transfer of properties to the affiliate is not the same as selling on private market, as implied
3. Make sure everyone understands plan/input is taken seriously
 - OHA has made significant changes based on input – including first right of return
 - Have had six meetings for scattered site residents + RAB
 - OHA has made over 200 calls to individuals who wanted more info
 - Over 86% of residents who filled out comment cards expressed support for disposition (only 5.3% don't support and 8.5% unsure)
4. Need concrete replacement plans
 - There are no plans for specific properties. If and when that happens, relocation and replacement plans will be developed
 - First right of return will apply
5. Should be clear that 60% income limit is “limit not target”
 - It is a limit
 - Already have 80% AMI limit for public housing but serve over 80% of families at 0-30%
 - Without disposition/Section 8, might need to house higher income families

6. Need to upgrade properties **and** residents are suspicious that properties have been upgraded in preparation for sale

- Have gone as far as we can for sub rehab with existing resources
- Section 8 provides best opportunity to repair properties

Significant changes made as the result of public meetings/input of advocates:

1. Commitment to project-base the units
2. Right of return: Based on budget constraints, OHA has not previously funded the moving cost for residents to return to sites post-redevelopment or rehabilitation.
We want families to remain in Oakland:
 - If a family is in a unit that needs rehab, and rehab has been completed at other units of the appropriate size at the same property, the family will be given the option to move to a newly rehabbed unit at their site (but not to return to the original unit post rehab)
 - If a family is relocated off-site to allow for rehabilitation or redevelopment of the original site, the family, if in good standing, will be given first right of return.
3. Recognition of need for strategy to preserve units in economically integrated neighborhoods:

**EBHO**EAST BAY HOUSING ORGANIZATIONS

September 22, 2008

Jon Gresley
Executive Director
Oakland Housing
Authority

Board of Commissioners
Oakland Housing Authority

Dear Mr. Gresley and Commissioners,

East Bay Housing Organizations (EBHO) has a long history of working with OHA to promote and provide housing to those in our community who need assistance the most. EBHO is proud to count OHA as a member.

EBHO understands that under the current HUD financing structures, it has become financially infeasible for OHA to provide appropriate property management and address rehabilitation needs at the 1,615 units in OHA's scattered site portfolio. We respect that OHA has developed a voucher conversion plan to maintain this vital part of Oakland's affordable housing stock without displacing some of the City's most vulnerable residents. OHA has proven its commitment to its residents in its use of the federal HOPE VI program, where unlike many housing authorities nationwide, OHA has provided far more than one-for-one replacement and has worked in partnership with nonprofit developers to incorporate public housing into attractive new affordable housing developments. It is with that spirit of trust and partnership that we offer the following recommendations for amendments/clarifications to the plan which we believe will further ensure the long term preservation of homes for very low income households.

- **All vouchers should be project-based.** This will ensure that all 1,615 units remain affordable to residents at the income levels currently served.
- **OHA should comply with the requirements of AB 2818**, including the recent commitment to project-based vouchers. This legislation provides significant safeguards for the public housing stock statewide. We appreciate that OHA has provided input into this bill and believe that OHA should abide by these regulations even if the timing of the bill's passage makes OHA exempt from its provisions.
- **Rehabilitation of these projects should not drain City resources.** Although the current plan does not detail such plans, we expect some properties may be in need of rehab. OHA should only be allowed to apply to the City for rehab funds to the extent that OHA contributes a one-to-one match from their own resources equal to the amount being requested from the City of Oakland.
- **Record affordability covenants on the land to maintain the properties' affordability.** This will further ensure that the properties themselves remain available as affordable housing, maintaining a desirable distribution of housing opportunities for very low income residents throughout Oakland's neighborhoods. Such a deed restriction would only be removable upon the construction of new housing units within a reasonable distance from the existing site.
- **Adopt a replacement housing plan that at least meets the requirements of AB2818.**

**EBHO****EAST BAY HOUSING ORGANIZATIONS**

OHA should be diligent about updating this plan when it makes decisions to rehabilitate or replace existing units.

EBHO understands the rationale behind the OHA disposition plan, and has faith that current OHA Commissioners and staff will do their best to retain their residents, provide improved housing opportunities types and locations for them, and expand current housing stock to meet the needs of the people of Oakland. Providing the above protections will ensure that this vision of the Oakland Housing Authority will continue to be the guiding force on public housing in Oakland for years and generations to come.

For more information on East Bay Housing Organizations and this position, please feel free to contact me at your earliest convenience at 510.663.3830 ext. 323 or via email at amie@ebho.org.

Thank you,

Amie Fishman
Executive Director



The Public Interest Law Project

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California Affordable Housing Law Project
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September 2, 2008

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RE: *Disposition Application for 1,615 units of Scattered Site Public Housing*

Dear Mr. Gresley –

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Georgie Feltz
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The following comments on the draft disposition application are submitted by the National Housing Law Project, Bay Area Legal Aid and the Public Interest Law Project. We previously provided comment on this proposal on July 2, 2008, and August 1, 2008. Some issues raised in those letters remain outstanding, so we incorporate those comments by reference. These comments are based on the draft application made available July 1, 2008, and as amended July 8. We understand that the Oakland Housing Authority (OHA) is considering further changes to the disposition plan and application in response to comments received. As reflected by these comments, we believe that substantial changes are needed to the disposition plan in order to make an application that would be in the best interest of the residents. We therefore ask that OHA provide opportunity to review and comment on the revised disposition plan prior to its consideration by the Board of Commissioners.

While we understand the opportunity OHA currently has to pursue the funding available through a conversion to vouchers, the risks posed to dramatically altering the decades old public housing program should be carefully mitigated. Once disposition is complete, OHA will take actions affecting these properties that cannot be reversed. In order to ensure that existing public housing units remain affordable, OHA should provide project-based vouchers at the outset of the disposition process. Through the flexibility allowed under the Moving To Work (MTW) program, OHA can plan for this disposition and provide tenant protections by committing to this strategy. We believe that such a step is a necessary element, but alone is not sufficient, for a disposition plan that is in the best interest of the residents. In these comments we first provide an overview of the disposition strategy, then provide specific comments on the proposed disposition application.

I. Overview of the Disposition Proposal

OHA states that it is pursuing the disposition of 1615 scatter site public housing units because of insufficient funding for the maintenance and improvement of the sites. OHA believes that tapping into voucher funding will provide a more stable and reliable source of funding. We believe that OHA should maintain the units as public housing. It should inform Congress that there is not enough funds allocated to public housing to maintain it and request full funding. In addition, it should appeal to the state and local government for supplemental funds. Residents and advocates will join these requests.

In addition, we believe that the current policy that OHA is pursuing—a policy of replacing hard units of public housing with tenant based assistance is flawed. We believe this policy is flawed for the following reasons.

- It will result in the loss of hard units in Oakland that are affordable to extremely low income households. Redevelopment of the sites to provide hard units may be decades away.
- Tenant based assistance does not work in all markets. Oakland needs hard units that are affordable to the lowest income families because we know that Oakland neighborhoods are gentrifying. Moreover, it is only a matter of time before we once again have a rental market equivalent to the dot com era when very few landlords will accept vouchers.
- Tenant based assistance does not work for all tenants. Tenant based vouchers do not work for the lowest income families. The vast majority of landlords in Oakland require first month's rent and a security deposit, some are asking for first, last and a security deposit. A voucher tenant's landlord may demand that a tenant move after the first year and it will be virtually impossible for many residents to obtain the funds to secure a new unit. Tenants with disabilities have great difficulty finding accessible units on the private market. Elderly families who are forced to move often experience "relocation trauma."
- Loss of public ownership of the units may lead to the eventual loss of these units.

A policy to project-base the vouchers for all 1615 units will address some of our concerns.

Project basing vouchers will provide increased funding and stability. As an MTW housing authority, OHA is able to project base 100% the vouchers at the scatter sites. Project based voucher (PBV) contracts for many of these units should resolve many of the problems at the sites because of the increased funding. PBV contracts also permit vacancy payments that could further stabilize the properties. 24 CFR § 983.352

Project based vouchers will provide for flexibility. Project basing vouchers will provide OHA ample flexibility to deal with development issues as they arise in the near term and in the future. For a non-MTW jurisdiction, PBV contracts may be entered into for 10 years with commitments to renew, if funds are available, or the contracts may be for

fewer years. (Soon there will be authority for 15 year renewals.) Because OHA is an MTW jurisdiction, the initial contracts may exceed ten years and therefore be for longer periods of time.

OHA has stated that the redevelopment of the 1615 units may take upwards of 30 years. (i.e. 53 units per year). To the extent that OHA is considering phased redevelopment, it may enter into PBV contracts at particular development for varying lengths of time. In addition, contracts could be terminated and transferred to other units. For example if the units in a development cannot be rented, these PBV contracts may be reduced or the entire contract may be transferred to another building.

Contrasted housing choice vouchers, PBVs do not harm the tenants and provide all tenants with increased choice. Under current rules, a tenant with a PBV may move with a tenant based voucher at anytime after the first year of the contract. OHA can provide applicants at the top of the voucher waiting list an option of accepting a unit at the project based unit, assuming the family composition is the same, or waiting for the next voucher. (OHA may consider allowing applicants on the public housing waiting list to occupy units with PBVs.) No tenant on the voucher waiting list would be required to accept a project based unit. OHA would not be steering the applicants. They would have the choice of accepting a project based unit which may be immediately available or waiting for the voucher. In the event that there are too many project-based tenants who want to move, OHA could take measures to address the issue. It could provide a preference in allocation the few available vouchers to tenants who need to move as a reasonable accommodation, for medical reasons, to obtain or maintain a job, to escape domestic violence or for a life threatening reason. If too many project based tenants want to move, OHA should track the requests to determine if there is a pattern and then address the reasons for the request. OHA also might consider a system of providing a voucher to two project based voucher holders for every one voucher holder on the wait list.

In addition to providing PBVs, OHA's disposition should demonstrate the mechanism to guarantee affordability over the long term. There are pitfalls that could adversely affect affordability in many potential options available, and residents need to be assured that affordability will be protected.

II. Comments on the Disposition Application

Certification of the disposition application

Section 18 of the United States Housing Act, governing the disposition of public housing, sets forth the standard for approving a disposition application. It provides, in part, that OHA must certify that the disposition is:

...

- (i) in the best interests of the residents and the public housing agency; (ii) consistent with the goals of the public housing agency and the public housing agency plan; and (iii) otherwise consistent with this subchapter. . .

42 U.S.C. §1437p(2)(B); see also 24 C.F.R. Part 970. The planned disposition should not proceed as proposed because it does not conform to the requirements of the statute and regulations.

The disposition as planned is not in the best interest of the residents

There are six aspects of the proposed disposition plan that place current residents and applicants in jeopardy: the loss of hard units, the lack of sufficient commitment for deep affordability targeting, the lack of guarantees for tenant protections, the need for greater guarantees for diversity, the mechanisms and plans to ensure long-term affordability, the need to retain large bedroom units. Each of these factors must be addressed to ensure the disposition application will completely reflect a plan that is in the residents' best interest. At the outset, we note, that making the disposition contingent upon receipt of replacement vouchers is an aspect of the application that we support as an essential tenant protection. However, OHA should project-base these replacement vouchers upon their award from HUD, to protect against these five major deficiencies in the current disposition plan, described below.

Loss of Hard Units. OHA has committed to one for one replacement of 'hard' units. However, this outcome may not come about for a decade or more. In the short-term and mid-term, hundreds of hard units will be lost if there is a conversion to tenant based vouchers. The proposal assumes up to 518 families may immediately move. For each family that moves, the existing public housing units only affordable at 60% of AMI, and is not a 'hard' unit that is affordable to families served by public housing now. OHA anticipates the process to converting all units to project-based assistance to last up to 30 years, meaning that on average about 50 units per year will be converted. At this rate it would take 10 years to cover the deficit created if over 500 families did elect to move initially. In addition, the average voucher turn over rate nationally is 10 percent per year, so of the 1100 or more units remaining, it can be expected that another 100 units per year can be expected to be at risk for loss. Even assuming less families move out initially and over time, the disposition proposal will result in the loss of hundreds of hard units for years to come. Unless PBVs are used at the outset, hard units will be lost for decades despite OHA's good faith commitment and best efforts to achieve one for replacement.

There is a great need for 'hard' units of affordable housing. There are special populations, such as people with disabilities that limit mobility and tenants who are not well equipped or are too poor to deal effectively with the private market. Tenants with vouchers must be in a position to move quickly if a landlord no longer participates in the voucher program and to have resources to pay for security deposits and first and perhaps last months rent. The loss of hard units is not in the best interest of residents.

Deep Affordability Targeting. The disposition application commits only to make replacement housing units affordable to families at 60% of Area Median Income, a level that is not affordable to the overwhelming majority of public housing residents and

applicants. Although OHA proposes to make vouchers available to current residents, there is no plan to ensure that such vouchers will be used in conjunction with replacement housing units to maintain a stock of housing that is truly affordable to existing residents. Once the replacement units are rented, there is no way that displaced residents can take advantage of such replacement units with vouchers. It is unknown how many existing residents will choose to move initially and over time, however, the application plans for 1/3 of households moving at the time of disposition. Without ensuring that residents will be protected through the use of project-based vouchers, OHA is proceeding with a disposition that could prevent residents and applicants from being able to afford replacement units.

Furthermore, absent the use of PBVs, the applicants and families on the waiting list for public housing will be adversely affected by the loss of 1,615 units, about half of the existing stock. Unless such units can continue to remain affordable to applicants on the public housing waiting list, it would be unfair to those waiting to remove so many units from the stock. PBVs could resolve this difficulty by keeping the existing units affordable. Also, PBVs would provide OHA opportunity to make vacancy payments on units temporarily vacated, pursuant to 24 C.F.R. § 983.352, to better ensure the financial viability.

Tenant Protections. The public housing program has a number of protections, including the limits on termination of the lease without good cause (in the event local law is changed), the right to grieve actions or omissions of the housing authority, particularly in the case of a proposed termination of tenancy, and regulated utility payments, as described in our August 1, 2008 letter. Since OHA has yet to determine what entity will own the sites after disposition, it is particularly important for these tenant protections to be guaranteed. In addition, the residents should have an opportunity to interview and have a voice in determining who will manage the property and what terms and conditions are placed on any changed conditions of occupancy of the property as a result of disposition.

Guarantees for Racial and Economic Diversity. The scattered sites provide benefit to residents in the form of integration in communities throughout Oakland. Some of these sites are in neighborhoods that are racially segregated, with high poverty rates. However, the broad distribution of scattered site properties includes those in integrated, prosperous neighborhoods throughout the City, including Rockridge, Temescal, Piedmont, and Grand Lake. It is not the best interest of the residents to use these properties for any other use. The preservation of the affordable housing use on such desirable sites should be described in the disposition application.

Long Term Affordability Protections. The protection of the long-term affordability of the units is not adequately described. The one-for-one replacement section of the application merely employs permissive language that OHA “may” hold a ground lease or utilize other mechanisms to ensure long-term affordability. This is a key term that must be adequately described to ensure there is public benefit for the disposition of the

properties. The plan should also commit to provide replacement housing sites before existing scattered sites are demolished, vacated for renovation or sold for other use. The nature of any long term protection is also impacted by the composition of the entity to whom OHA plans to transfer the properties. Residents need to know who will control the future affordability of their homes.

Retention of Large Bedroom Units. The overwhelming majority of the scattered site public housing units are three bedroom units. This large bedroom mix is a critical resource to larger families for whom the private market does not provide such larger units.

OHA must properly consult with residents on the proposed disposition

Federal regulation, 24 C.F.R. §970.9, requires the local housing authority to *develop* the disposition plan in consultation with residents. Section 7, Line 1 of the draft application includes a number of meetings that do not reflect resident consultation. Meetings from 2007 through April 2008 do not reflect any opportunity by residents to provide input on the proposed disposition. For example, the record of the March 27, 2007 RAB meeting does not describe what, if any, further properties would be disposed of, beyond those already being redeveloped at that time, nor does it reflect any resident comment on any proposal. See Attachment A to FY 2008 MTW Annual Plan. Indeed, this section of the draft application does not reflect that any input was received from residents on these dates. Rather, it was not until June 2008 that residents gained an opportunity to address the proposed disposition, however, the first resident consultation occurred just days before a resolution was placed on the agenda of the Board of Commissioners to authorize submission of a disposition application. This proposed resolution was considered even when staff had not yet released a proposed draft disposition application.

Fortunately, the Board of Commissioners considered the testimony of those opposing the disposition application at the June 23, 2008 hearing, and directed staff to have further consultation with residents. The recent meetings held have provided much more information from OHA staff and feedback from affected residents. For these reasons, we look forward to a substantial discussion and revision of the draft disposition application overall, and Section 7, Line 1, to reflected resident comments provided at recent meetings and the comments in this letter.

The disposition application is not consistent with the MTW Annual Plan

The regulations at 24 C.F.R. §970.7(a)(1) also require that the disposition application “is identical” with the PHA annual plan. The FY 2009 MTW Annual Plan reflects OHA’s uncertainty about the proposed disposition, and thus does not amount to a statement that would support a definite disposition application, but instead states: “OHA will consider various options to dispose of its entire inventory of scattered site public housing.” 2009 Plan, Page 17. The description of a proposal “to consider” disposition in the Annual Plan is not definite enough to be “identical” to the disposition proposal, as §970.7(a)(1)

requires. This indefinite plan language also has contributed to surprise among residents and advocates and undermined the ability to effectively include broad participation in the creation of the plan. OHA's certification on compliance with the requirements of Section 18 only provides that the application is "consistent" with the Annual Plan, however, this again does not satisfy the regulations.

OHA must affirmatively further fair housing

OHA has a duty not just to avoid discriminatory effect, but also to affirmatively further fair housing. Section 808 of the Fair Housing Act requires that "the Secretary of Housing and Urban Development shall [...] administer the program and activities relating to housing and urban development in a manner affirmatively to further the policies of this subchapter." 42 U.S.C. §3608(e). PHAs share this duty with HUD, as provided by and Executive Order 11063 and its implementing regulations. The regulations say that all participants in HUD housing program must "take all action necessary and proper to prevent discrimination on the basis of race." E.O. 11063 at Part I, §101 At a minimum this means that OHA must gather information about potential racial and socioeconomic effects so that it may make informed decisions. 24 C.F.R. § 903.7(o).¹ QWHRA also requires that PHAs certify that they will affirmatively further fair housing. 42 U.S.C. §1437c-1(d)(15).²

There are a large number of variables yet undecided in the disposition application that could have a substantial impact on the racial composition of future replacement housing units. In particular, retention of desirable properties, and the sighting of replacement units are substantial concerns. OHA should carefully study these potential impacts and plan accordingly to ensure that the implementation of any disposition plans will affirmatively further fair housing.

¹ The basic duties of the obligation to affirmatively further fair housing are as follows. "Civil rights certification. (1) . . . The PHA also must certify that it will affirmatively further fair housing . . . (3) A PHA shall be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA . . . (i) Examines its programs or proposed programs; (ii) Identifies any impediments to fair housing choice within those program; (iii) Addresses those impediments in a reasonable fashion in view of the resources available; (iv) Works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and (v) Maintains records reflecting these analyses and actions."

² In addition to statutory guidance, a number of cases have addressed HUD and PHAs duty to affirmatively further housing. See, e.g., *NAACP, Boston Chapter v. Sec'y of HUD*, 817 F.2d 149, 154 (1st Cir. 1987)(rejecting HUD's argument that it only had a duty to avoid discrimination and noting that this duty includes, among other things, such actions such as determining whether a redevelopment will lead to increased segregation); *Darst-Webbe Tenant Ass'n Bd. V. St. Louis Hous. Auth.*, 339 F.3d 702, 713 (8th Cir. 2003)(remanding a case challenging a Hope VI development on the basis that the District Court did not appropriately consider whether the housing authority had fulfilled its obligation to affirmatively further fair housing); *Shannon v. HUD*, 436 F.2d 809, 816 (3rd Cir. 1970); *Langlois v. Abington Hous. Auth.*, 234 F. Supp. 2d 33 (D. Mass. 2002)(discussing in detail, a PHA's duties under both Title VIII and the QHWR).

Relocation plan

The amounts estimated for relocation costs per unit are insufficient. In the recently adopted Tassafaronga Relocation Plan, the total budget for relocation of the then existing 72 households was \$325,000, or more than \$4,500 per unit. In this application, the estimated cost is just \$2,000 per unit, an amount that would not be adequate to provide relocation services. Also, the application proposes to provide relocation counseling services to only those households who move, however, all households should get counseling regarding the change in circumstance with the termination of their public housing tenancy.

Conclusion

We appreciate your consideration of these comments. We hope that any disposition plan will provide residents with the protections currently in place and in addition the benefits from increased operating funds. Please contact us with any questions or concerns regarding our comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Craig Castellonet".

Craig Castellonet
Public Interest Law Project

Catherine Bishop
National Housing Law Project

Naomi Young
Bettina Neuefeind
Lisa Greif
Bay Area Legal Aid

Cc: Ann Dunn
Sean Heron

August 28, 2008

Ann Dunn
Senior Policy Analyst
Oakland Housing Authority
1619 Harrison Street
Oakland, CA 94612

Dear Ann Dunn,

There is a housing crisis, and it is causing the displacement of working class people of color in cities across the country. Here in Oakland, housing costs for homeowners and tenants continue to be sky high, several affordable housing properties are slated to close along with the non-profit that owns them, and tenants and homeowners face the loss of their homes due to subprime lending practices. Along with those threats to affordable housing for our city, the Oakland Housing Authority plans to remove housing from the public housing stock in favor of a more privatized program.

We need solutions to address the severe need for housing and insufficient funding. However, at Just Cause Oakland, we do not believe the disposition plan is the answer. We are writing to be able to share some of our concerns and the hope that we can work together to protect public housing residents right to stay.

In the long term, Just Cause Oakland – a housing rights organization of working class people of color whose neighborhoods and families are directly impacted by gentrification – believes that we need a massive reinvestment in funding for housing from the federal level down to the local level. We believe that the government has a role in providing essential services like housing that the market simply doesn't provide for everyone.

We learned about the plan and application process through outreach and individual conversations with over 250 residents of scattered site properties, meetings with OHA staff, OHA Board meetings and OHA meetings with residents. Though we share the understanding that the Housing Authority is underfunded, we have concerns about the plan to take housing out of the Public Housing program in favor of Section 8 vouchers that rely on an unspecified affiliate of the OHA and a rental market that already seriously under-serves those with incomes and physical needs of public housing residents.

The concerns of residents of public housing have led us to oppose the disposition plan. The top concerns include:

- I. We need straightforward answers about the long-term impacts on affordable housing in Oakland.** Oakland's black population is being displaced – we've lost over 20% of the black population since 2000. Policies like this disposition plan will only push more people out. Experience from previous redevelopment projects, along with statements from OHA staff that replacement units for scattered site units will not be in the same location tell us that people will be moved and won't return. OHA staff provides vague ideas for properties and tenants, including redevelopment or sale of properties at the same time

people are promised they can stay or go as they like. The “affiliate” who will buy the property for \$1 each is unknown, and the rules regarding management and eligibility for future tenants have not been set. It is unclear how OHA and the affiliate will guarantee the long-term affordability of units for current or future tenants. A longer term plan for what will happen to each property— which will be sold off, kept up or demolished and who will live there – is left out of the disposition plan even though it is clear that disposition clears the way for future changes in what housing is available to those who depend on public housing and already face limited housing options.

2. **Tenant protections and housing security will be lost because the private housing market is not a secure place for people to find housing.** Removing half of the public housing stock and replacing it with Section 8 is not an equal trade. Oaklanders need a guarantee that public housing exists – that housing is not privatized and left to the whims of the market. Not all tenants will qualify for the program or be able to find suitable housing if they are either required or simply want to move. Unlike the private market and Section 8, Public Housing provides for particular needs for seniors, veterans, people with disabilities, as well as families and individuals with limited incomes. There is already a housing crisis in Oakland. While many people would like to take their voucher and move, many residents may not be able to find a unit or keep it as the market fluctuates. We can see from the current foreclosure crisis and recent dot-com boom that the housing market is unstable. Many residents want housing in their neighborhoods and may not be able to find it if they must relocate. Instability increases with the ability of landlords to opt out of the Section 8 program – forcing people to move if the landlord can find someone who can pay higher rent. In addition, using a Section 8 voucher will add costs to tenants – from security deposits to monthly utility bills. Additional screening of residents for Section 8 may also threaten housing security for the current tenants and people seeking housing in the future.
3. **OHA has a responsibility to ensure that everyone impacted understands the plan and that resident input – including concerns and opposition – is taken seriously and reflected the plans.** We appreciate that additional resident meetings and comment time have been added; changing the original plan to get Board of Commissioner Approval in June, before the application and plans had been drafted. However, many residents feel that their voices are not being taken into account and questions are not answered adequately. Input spaces have also been rushed and don’t really allow for everyone’s concerns and opinions to be raised & discussed. Residents who raise questions are cut off, brushed aside or avoided. One indication of miscommunication is that many residents are preparing to leave – they’re already packing and ready to take their voucher somewhere else even though the plan will take months even to be approved. OHA staff have given residents varied and conflicting messages, including in the same meeting stating: Section 8 vouchers will give people the freedom to move where ever they want, that OHA doesn’t want people to move at all, that some of the properties will be sold and replaced off site in the future, and that some units may be rehabbed but people won’t be guaranteed the right to return.
4. **Residents need concrete replacement and relocation plans.** Where housing conditions require sites to be upgraded and residents must move, the housing authority needs to provide not just a voucher, but a place to move to. Residents should be guaranteed the right to return to the unit, as well as ongoing communication to ensure people feel they have the right to return and that the choice is not overly burdensome. If tenants choose to move out of the scattered site units or replacement units are added, the income limits should reflect the current make up of public housing residents. Currently nearly 80% of public housing residents in Oakland have incomes below 30% AMI and 95% have incomes below 50% AMI. The replacement plan shows that income limits will be at 60% AMI. It should be clear that the income limit should not be the income target.
5. **Residents need quality housing conditions and maintenance.** We need to prioritize maintenance rather than come up with plans to get rid of responsibility to provide housing. OHA has a

responsibility to Oakland residents to provide decent housing so that people are not forced to leave because the conditions make it unbearable to stay. For example, plumbing issues and mold are major problems that affect both living conditions and health. Some residents also feel skeptical of the recent beautification of properties and are worried that homes are being fixed up just as the plans are made to for people to move. Rather than endanger the right of residents to good housing, we want to acknowledge that there is not enough funding for public housing and would like to fight along with OHA to protect and improve our public housing stock.

If you have questions about our position, please contact Kim Ota or Vanessa Moses at Just Cause Oakland by calling 510-763-5877.

Sincerely,

Kim Ota
On behalf of Just Cause Oakland

PHA Certification of Compliance
Section 18 Demolition/Disposition

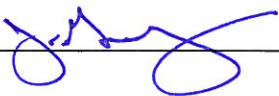
Acting on behalf of the Board of Commissioners of the Oakland Housing Authority (PHA), as its Chairman, Executive Director, or other authorized PHA official, I approve the submission of this Inventory Removal Application (HUD-52860) dated October 3, 2008 and known as DDA # DDA0003364, hereinafter referred to as the "Application", of which this document is a part, and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of this Application and the implementation thereof:

- 1) All information contained in the Application (including all attachments and Addendums) is true and correct as of the date of this Application;
- 2) The proposed removal action does not violate any remedial civil rights orders or agreements, compliance agreements, final judgments, consent decrees, settlement agreements, or other court orders or agreements to which this PHA is a party;
- 3) The PHA certifies that it will carry out the proposed removal action 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 and will affirmatively further fair housing in carrying out the proposed removal action;
- 4) If this proposed removal action involves a disposition and the PHA did not claim an exemption to the Offer of Sale requirement, this PHA sent all required initial written notifications (as described at 24 CFR 970.11) of the proposed sale of the Development to all Established Eligible Organization and the PHA certifies that either it did not receive a response from any notified organization within a 30-day time frame or each notified Established Eligible Organization waived its opportunity to purchase the Development or otherwise rejected the Offer of Sale. The PHA further certifies that it maintains documentation of all documents required by 24 CFR 970.11 on file at its primary business office;
- 5) If an appraisal was submitted at Section 5, the PHA verified that the appraiser was licensed/certified in the state in which the PHA property and received a certification from the appraiser that the appraisal was conducted using generally accepted appraisal methods and maintains this written documentation on file at its central office;
- 6) All dwelling units at the affected development are vacant and have been approved by HUD for demolition, OR, if any dwelling units at the affected development are occupied:
 - The PHA created a Relocation Plan in compliance with all applicable federal, state, and local laws (to the extent those requirements apply), including, without limitation, the Act, 24 CFR 970.21, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and its implementing regulations at 49 CFR Part 24, and maintains a written copy of the Relocation Plan on file at the central office;
 - The PHA will notify each family residing in a unit affected by this proposed removal action at least 90 days prior to the displacement date, except in cases of imminent threat to health and safety and such notice;
 - The PHA will provide for all actual and reasonable relocation expenses of each resident displaced by this proposed removal action, including residents requiring reasonable accommodation because of disabilities;
 - The PHA will offer any necessary counseling for residents displaced by this proposed removal action;
 - The PHA will not commence the demolition or complete the disposition of any occupied building until all residents residing in the units affect by this proposed removal action are actually relocated;
 - The PHA will provide each family affected by this proposed removal action with comparable housing that meets Housing Quality Standards (HQS) and that is located in an area that is generally not less desirable than the location of the displaced person's housing. This comparable housing may include: (a) actual relocation into the private rental market with

Housing Choice Voucher assistance; (b) actual relocation into housing with project-based assistance; or (c) other PHA properties;

- 7) The PHA described the proposed removal action in its PHA Annual Plan and timetable under 24 CFR Part 903 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and the description in the PHA Annual Plan is identical to the removal action proposed in this Application and otherwise complies with the Act;
- 8) The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or 24 CFR Part 50;
- 9) All attachments and supporting documentation referenced in the Application have been and will continue to be available at all times in the PHA's primary business office;
- 10) The PHA will comply with all reporting and recordkeeping requirements of HUD (including the requirements set forth at 24 CFR 970.35) and shall make all required reports to the applicable HUD Field Office. The PHA acknowledges that reporting and recordkeeping requirements are ongoing and certifies that it will comply with all applicable reporting requirements after it receives any approvals to this action from the SAC;
- 11) The PHA certifies that the proposed removal action complies with all applicable Federal statutory and regulatory requirements;
- 12) The PHA will not take any action to commence the proposed removal action, including without limitation the expenditure of HUD funds, until it receives written approval of this proposed action from HUD.
- 13) The PHA certifies that the reason(s) for this proposed removal action is as described in Exhibit A, attached to and made a part of this Certification.

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)

Name of Authorized Official: Jon Gresley	Title: Executive Director
Signature 	Date: October 3, 2008

Section 18 Certification Exhibit A

The Oakland Housing Authority (the Authority) has determined that the disposition of its 1,615 scattered-site public housing units is in the best interest of the residents and the Authority, is consistent with the goals of the Authority and the Authority's Moving to Work Annual Plan, and is otherwise consistent with the United States Housing Act of 1937. The Authority has come to this conclusion based both on the current condition and the situation of the scattered-site units. If the disposition is approved by HUD, and the subsequent request to HUD for Tenant Protection Vouchers is granted, the Authority will transfer the control of the properties to an affiliate of the Authority, which will maintain and manage the units. The Authority's request for disposition is contingent upon the future receipt of the Section 8 resources.

The Authority is committed to either maintaining the affordability of these scattered site units to families earning at or below 60% of AMI, or of maintaining the affordability of replacement units created through a redevelopment strategy, similar to HOPE VI, for low-income families for 55 years (with the intent of keeping them affordable in perpetuity). After disposition, the scattered site units, or their replacement units, will be project-based to maintain their affordability at current levels, subject to compliance with HUD requirements. Families who choose to move will be offered Tenant-Based Vouchers. Any proceeds from increased operating income, or from any future sale of the properties, will be utilized to improve the existing units or to develop replacement units. Ultimately, any repositioning strategy will result in preservation of the existing units or one for one replacement of units affordable to low-income families at or below 60% of AMI. No action with regard to the disposition of these properties will occur without approval by the Authority's Board of Commissioners. Disposition of individual properties from the Authority to the affiliate will include the affordability restrictions outlined above.

Cumulative Impact of Inadequate Public Housing and Capital Funds

The Authority has in its public housing inventory 1,615 scattered site units spread out over 254 separate properties, some as small as one unit and averaging six units per property. The costs and complexity associated with managing such units are staggering. While most are currently considered habitable, many are close to the end of their useful life. Out of the last fourteen years, the Public Housing Operating Subsidy has been fully funded only two times, with funding recently as low as 83% of the formula amount. Additionally the under-funded Capital Program, as described in greater detail below, has left the Authority unable to adequately address physical and management conditions adequately at these properties. The Authority estimates that these properties cost at least twenty to twenty-five percent more to operate than the Authority's other units of comparable size, because of staff transportation costs, unproductive staff time related to travel to the sites, lack of standardization of building and unit components, and other factors. The shortfall in funding means the Authority's staffing is not adequate. Routine repairs are often delayed due to a shortage of staff to provide maintenance and upkeep. Major repairs and upgrades have been deferred due to inadequate capital and operating funds. These delays further contribute to the deterioration and accumulation of

replacement needs. Utilizing the Authority's flexibility provided through participation in the Moving to Work program, the Authority has recently subsidized the scattered site properties annually at a rate of approximately \$4 million, or nearly \$2,500 per unit. While this is a stop gap measure, to ensure our ability to meet minimum standards, it is not financially sustainable over the longer term.

The outlook is bleak for the longer term. The Authority recently completed a physical needs assessment of all of our sites, and estimates a near-term need for \$100 million to address the capital backlog at these scattered sites – almost \$62,000 per unit. The Authority receives formula capital grants of \$8 million annually (for all public housing, large sites and scattered sites), which is below the amount it estimates to be necessary to keep up with accrual needs and inflation. This places the Authority in an untenable position regarding the scattered-site inventory.

Scattered Sites Don't Provide Intended Benefit to Residents

While the scattered sites were thought to offer better integration with the larger community, many have proved an unattractive option for most residents and applicants. The location of many of the scattered site units has posed a significant challenge with regard to leasing the units. Many lack access to public transportation and are isolated from resident services. Many of the properties are perceived by residents and applicants as being in neighborhoods with high crime rates and as less safe than larger public housing properties because they do not benefit from the increased security presence from the Oakland Housing Authority Police Department enjoyed by residents of the larger public housing developments.

Overview of Disposition and Repositioning Strategy

Following HUD approval of the disposition request, and subsequent provision by HUD of Section 8 Tenant Protection Vouchers, the Authority will transfer all but five vacant and uninhabitable properties to an affiliate of the Authority (treatment of the five vacant properties is outlined below). Upon receipt of Section 8 resources, units will be project-based. Families who occupy the units at the time the Section 8 resources are made available by HUD will have the option to remain in the units or to use the vouchers to rent in the private market. While the Authority does not anticipate a significant number of families will choose to leave the units at one time, as units become vacant, the affiliate will utilize the Authority's waitlist, or an equivalent site-based waitlist, to occupy the units. In view of the expected future project-basing of the properties and the benefits to neighborhoods and families of keeping these units occupied, the Authority will continue to reoccupy vacant units as long as the properties remain public housing.

No families will be required to move as a result of the disposition strategy. Families who choose to move will be offered a tenant-based voucher on a one-time basis, and the Authority on a one-time basis will, at the resident's choice, provide a fixed payment or actual and reasonable relocation expenses, whichever is greater, for any family who moves within a specified period of time from receipt of a voucher. Any family in good standing will be offered a voucher. If a family has been issued a Notice to

Vacate, or has otherwise been informed in writing they are not in compliance with their lease, and the case has not been resolved at the time the Section Vouchers are available, OHA will not issue the family a Voucher at that time. If the case is resolved, or if a court rules in favor of the resident, OHA will provide a Voucher at that time. Any family who does not want a voucher will be offered a choice to stay in their unit, with rent and lease terms the equivalent of the Public Housing Program, or, as available, be transferred to a public housing unit outside of the scattered site inventory. Counseling services will be available to all scattered site residents, to inform them of their options and to help them make an informed choice. This represents an interim step necessary to stabilize all the properties until such time as a more appropriate, custom designed plan for each of the properties is developed and implemented.

Following sound principles of asset management, the Authority in concert with the Authority's affiliate will determine through a transparent planning process the best approach to repositioning these assets consistent with local need and in a manner that will be feasible in the context of the local housing market. The Authority has begun to lay the groundwork for this repositioning strategy by inviting partnership with affordable housing developers to jointly purchase land for the express purpose of building new affordable housing units. Once the market conditions provide support, the Authority in concert with the affiliate will determine which scattered site properties are most advantageous to sell in order to use the sales proceeds to build replacement units in a more feasible context – larger, mixed-income properties that can support on-site staff, that are located in areas with full access to transportation, supportive services and neighborhood amenities such as libraries, hospitals, and grocery stores. The Authority does not anticipate that all scattered site properties will undergo such treatment and will seek to preserve or improve viable properties in neighborhoods where economic integration has been achieved. The Authority anticipates full implementation of the longer term repositioning and replacement housing strategy will take five to ten years.

Commitment to One for One Replacement of all Affordable Units

Consistent with the Authority's track record for HOPE VI and other redevelopment, the Authority is committed to one-for-one replacement of any scattered site unit that is taken out of service with other project-based units that serve substantially the same income population. With the additional operating resources, the Authority will be able to partner with affordable housing development partners to build more viable replacement units. Replacement units will be developed in building configurations that are more manageable than the current scattered-site units. To the full extent feasible, replacement units will be made available prior to taking existing units out of service. The Authority may own or hold a ground lease with respect to all of these replacement properties, or utilize other mechanisms to ensure their long-term affordability. Any future disposition of the scattered site properties by the affiliate will require approval of the Authority, thereby ensuring one-for-one replacement of the affordable units will be achieved. Replacement units will utilize project-based subsidy.

Protection of Housing Resources for Larger Families

Of the scattered site units, 12% are two-bedroom, 82% are three-bedroom, 5% are four-bedroom and 1% are five-bedroom. Given the large number of three-bedroom units, the City of Oakland government has expressed concern that this important housing resource for larger families may be lost as the result of the Authority's repositioning strategy. Any future plans for the scattered site properties, or any replacement units, must meet the needs of the Authority's current and future clients. While a review of current clients in both public housing and Section 8, as well as the waitlist for both programs, suggests a trend toward a need for a larger percentage of smaller units, especially two-bedrooms units, the Authority recognizes that units with three or more bedrooms are a valuable resource to the City of Oakland, and that not many new construction projects include larger units. As we move forward with any repositioning strategy for the scattered sites properties, we commit to working closely with the City of Oakland to ensure any plans for replacement units take into consideration the need of the City for these larger units.

Addressing Currently Vacant and Uninhabitable Units

The Authority's disposition request includes all 1,615 units in the 254 scattered site properties. Of the 254 sites, five properties, totaling 61 units, are currently vacant and uninhabitable, with estimated repair costs far in excess of the value of the properties. If the Disposition Application is approved, the Authority will seek to sell these five properties as soon as HUD approves the disposition request. These five properties will not be transferred to the affiliate. Sales proceeds will be utilized to benefit the remaining scattered site properties or to develop or acquire low-income replacement units. For the remaining 1,554 units, in 249 properties, the Authority's affiliate will continue to manage and maintain the properties, and will keep them affordable to low-income families at or below 60% of AMI, until such time as a longer term preservation or replacement strategy can be implemented.

The Authority's Commitment to Serving Low-Income Families

Currently, almost 95% of the families served by the Authority's programs have incomes below 50% (very low-income under HUD guidelines) of AMI. Further, nearly 80% of all families served have incomes below 30% of AMI (extremely low-income under HUD guidelines). A review of families on the Authority's waitlist for both Section 8 and public housing indicates that future clients will fall within approximately the same income categories. The Authority, through its MTW Agreement with HUD, is required to ensure that at least 75% of the families assisted in its public housing and Section 8 programs are very-low income (at or below 50% of AMI).

The Authority is fully committed to its mission to provide housing to these populations, and recognizes there are very few other resources available to such vulnerable families. Rather than trying to move from serving these families, the Authority is attempting, through the disposition process, to ensure we have the resources to continue serving such families in perpetuity.

Conclusion

For all of the reasons outlined above, including that these units are no longer viable if they continue to be operated as public housing, the Authority is confident in making the required certification that the disposition is in the best interest of its clients. Most significantly, these include the Authority's commitment to project-base the units to maintain their affordability and to replace one-for-one any unit that is taken out of service.