

CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553



AGENDA

Tuesday, September 12, 2023

1:00 PM

HOUSING AUTHORITY

JOHN GIOIA, CHAIR
FEDERAL D. GLOVER, VICE CHAIR
CANDACE ANDERSEN
DIANE BURGIS
KEN CARLSON
CYNTHIA JORDAN
JOANN SEGURA

JOSEPH VILLARREAL, EXECUTIVE DIRECTOR, (925) 957-8001

As permitted by Government Code section 54953 (e), and in accordance with the County Public Health Officer's recommendations for virtual meetings and social distancing, Board members may participate in the meeting remotely. The Board meeting will be accessible in-person, via television, and via live-streaming to all members of the public. Board meetings are televised live on Comcast Cable 27, ATT/U-Verse Channel 99, and WAVE Channel 32, and can be seen live online at www.contracosta.ca.gov.

Persons who wish to address the board during public comment or with respect to an item on the agenda may comment in person or may call in during the meeting by dialing 888-278-0254 followed by the access code 843298#. A caller should indicate they wish to speak on an agenda item, by pushing "#2" on their phone. Access via Zoom is also available using the following link: <https://ccccounty-us.zoom.us/j/87344719204>. Those participating via Zoom should indicate they wish to speak on an agenda item by using the "raise your hand" feature in the Zoom app. To provide contact information, please contact Clerk of the Board at clerkoftheboard@cob.cccounty.us or call 925-655-2000.

Meetings of the Board are closed-captioned in real time. Public comment generally will be limited to two minutes. The Board Chair may adjust the amount of time allotted per speaker at the beginning of each item or public comment period depending on the number of speakers and the business of the day. Your patience is appreciated. A Spanish language interpreter is available to assist Spanish-speaking commenters.

A lunch break or closed session may be called at the discretion of the Board Chair.

Staff reports related to open session items on the agenda are also accessible online at www.contracosta.ca.gov.

Persons who wish to address the Board of Commissioners should complete the form provided for that purpose and furnish a copy of any written statement to the Clerk.

All matters listed under CONSENT ITEMS are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board or a member of the public prior to the time the Board votes on the motion to adopt.

Persons who wish to speak on matters set for PUBLIC HEARINGS will be heard when the Chair calls for comments from those persons who are in support thereof or in opposition thereto. After persons have spoken, the hearing is closed and the matter is subject to discussion and action by the Board.

Comments on matters listed on the agenda or otherwise within the purview of the Board of Commissioners can be submitted to the office of the Clerk of the Board via mail: Board of Commissioners, 1025 Escobar Street, Martinez, CA 94553; by fax: 925-655-2006; or via email to clerkoftheboard@cob.cccounty.us.

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 655-2000.

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CONSIDER CONSENT ITEMS (Items listed as C.1 through C.7 on the following agenda) – Items are subject to removal from Consent Calendar by request of any Commissioner or on request for discussion by a member of the public. Items removed from the Consent Calendar will be considered with the Discussion Items.

PRESENTATIONS

- PR.1** PRESENTATION concerning the Housing Authority’s Family Self-Sufficiency and Voucher Homeownership Programs. (Daja Terry, Family Self-Sufficiency Coordinator) [23-384](#)

Attachments: [FSS CCC Board Presentation PDF.pdf](#)

DISCUSSION ITEMS

- D.1** ADOPT Resolution No. 5253 to authorize the Housing Authority Executive Director to approve the sale of DeAnza Gardens to DeAnza Housing Corporation, a California non-profit public benefit corporation, and to approve the assignment of the ground lease and Housing Assistance Payment Contract to DeAnza Housing Corporation and the dissolution of the limited partnership at DeAnza Gardens. [23-389](#)

Attachments: [8 JV Final Deanza Gardens - HACCC Resolution Re Approving of Sale Ground Lease Assignment of HAP and Dissolution of Partnership](#)

- D.2** ACCEPT report concerning post-COVID rent delinquencies in the Housing Authority’s public housing and voucher programs. [23-390](#)

Attachments: [9 Post-Covid Rent Issues Attachment.docx](#)
[9 pih_tenant_flyer_eviction_moratorium.pdf](#)

- D.3** ADOPT Resolution No. 5254 authorizing the sale of sixteen scattered site buildings in the North Richmond Las Deltas public housing development at below-market prices to non-profit housing developers to rehabilitate and sell to low-income families from North Richmond. [23-391](#)

Attachments: [10 Resolution 5254 Authorizing Sale of Las Deltas Scattered to NonProfits .docx](#)
[10 Scattered_Sites_Awardee.pdf](#)

D.4 CONSIDER Consent items previously removed.

D.5 PUBLIC COMMENT (2 Minutes/Speaker)

CONSENT ITEMS

- C.1** DENY claims filed by the City of Martinez and Sherry Ann White. DENY late claim filed by Avery Tidwell and RBJ, JB. [23-381](#)

- C.2** APPROVE and AUTHORIZE the Executive Director of the Housing Authority of the County of Contra Costa, or designee, to execute a contract with Staples Business Advantage in an amount not to exceed \$300,000 to provide the Housing Authority with office products and supplies, through April 6, 2025. [23-382](#)
- C.3** APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract amendment with HD Supply Facilities Maintenance (dba HD Supply), to extend the term through December 31, 2026 and increase the payment limit by \$2,000,000 to a new payment limit of \$4,000,000 to provide facilities maintenance, repair, operating and industrial materials, and related services. [23-383](#)
- C.4** APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract with Goldfarb & Lipman, LLP, in an amount not to exceed \$500,000 to provide, as needed, real estate legal services surrounding HACCC development activity, through October 27, 2027. [23-386](#)
- C.5** RECEIVE the Housing Authority of the County of Contra Costa's investment report for the quarter ending June 30, 2023. [23-387](#)
Attachments: [Investment Report Photo.PNG](#)
[3 Investment Report for \(Qtr 2- 06-30-23\).pdf](#)
- C.6** ADOPT and APPROVE the Housing Choice Voucher payment standards for the Housing Authority of the County of Contra Costa effective October 1, 2023. [23-388](#)
Attachments: [7 PAYMENT STANDARD AND INCOME LIMITS - 10.01.2023 for Website.pdf](#)
- C.7** ADOPT Resolution No. 5255 to invest HUD and non-HUD funds according to HACCC's Investment Policy. [23-385](#)
Attachments: [1 Annual Investment Policy Resolution 5255 Form.docx](#)
[1 HACCC Investment Policy.pdf](#)

ADJOURN

AGENDA DEADLINE: Thursday, 12 noon, 12 days before the Tuesday Board meetings.

GENERAL INFORMATION

The Board meets in all its capacities pursuant to Ordinance Code Section 24-2.402.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Clerk of the Board to a majority of the members of the Board of Supervisors less than 96 hours prior to that meeting are available for public inspection at 1025 Escobar Street, First Floor, Martinez, CA 94553, during normal business hours.

All matters listed under CONSENT ITEMS are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board before the Board votes on the motion to adopt. Each member of the public will be allowed two minutes to comment on the entire consent agenda.

Persons who wish to speak on matters set for PUBLIC HEARINGS will be heard when the Chair calls for public testimony. Each speaker during public testimony will be limited to two minutes. After public testimony, the hearing is closed and the matter is subject to discussion and action by the Board. Comments on matters listed on the agenda or otherwise within the purview of the Board of Supervisors can be submitted to the office of the Clerk of the Board via mail: Board of Supervisors, 1025 Escobar Street, First Floor, Martinez, CA 94553 or to clerkoftheboard@cob.cccounty.us.

Time limits for public speakers may be adjusted at the discretion of the Chair.

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 655-2000.

Anyone desiring to submit an inspirational thought nomination for inclusion on the Board Agenda may contact the Office of the County Administrator or Office of the Clerk of the Board, 1025 Escobar Street, Martinez, California.

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DISCLOSURE OF CAMPAIGN CONTRIBUTIONS

Pursuant to Government Code section 84308, members of the Board of Supervisors are disqualified and not able to participate in any agenda item involving contracts (other than competitively bid, labor, or personal employment contracts), franchises, discretionary land use permits and other entitlements if the Board member received, since January 1, 2023, more than \$250 in campaign contributions from the applicant or contractor, an agent of the applicant or contractor, or any financially interested participant who actively supports or opposes the County's decision on the agenda item. Members of the Board of Supervisors who have received, and applicants, contractors or their agents who have made, campaign contributions totaling more than \$250 to a Board member since January 1, 2023, are required to disclose that fact for the official record of the subject proceeding. Disclosures must include the amount of the campaign contribution and identify the recipient Board member, and may be made either in writing to the Clerk of the Board of Supervisors before the subject hearing or by verbal disclosure at the time of the hearing.



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-384
PR.1

Agenda Date: 9/12/2023

Agenda #:

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: Presentation Concerning the Housing Authority's Family Self-Sufficiency and Voucher Homeownership Programs

RECOMMENDATIONS:

RECEIVE presentation concerning the Housing Authority's Family Self-Sufficiency and Voucher Homeownership Programs.

BACKGROUND:

A key component of the Las Deltas conversion project is the development of wealth-building opportunities for former residents of Las Deltas, current and past North Richmond residents and clients in the Housing Authority's (HACCC) voucher programs. HACCC has two successful, existing wealth-building programs we hope to leverage in partnership with the developers being awarded units in a separate board order. These are the Family Self-sufficiency (FSS) and Voucher Homeownership programs.

The FSS program promotes increased earnings and savings among families receiving HUD-funded rental assistance via two main features: case management and financial coaching services along with a financial incentive. FSS participation is voluntary and typically lasts for up to five years, with a possible extension up to a total of seven years. FSS is unique from many other governmental programs designed to promote work among low-income people: participation is voluntary, goals are primarily client-driven, it encourages pursuit of long-term higher earnings through education and training, and families can build substantial savings at no additional cost to them (HUD funds the savings account for all clients who meet program requirements). These features, combined with the residential stability that receipt of federal rental assistance provides, offer participating families greater opportunities to improve their long-term economic well-being.

A recent study showed that during the ten-year period from 2007 to 2016, nearly 37,000 households graduated from a local PHA-administered FSS program. These graduates increased their income on average by 80 percent during their participation in FSS (from \$14,706 at entry into FSS to \$26,586 at graduation), according to HUD data. Graduates received an average of \$6,270 in escrow savings to use as they wished. With higher incomes and some financial cushion, more than a third (37 percent) left housing assistance within a year of graduation, and some (15 percent) became homeowners.

While a small number of voucher clients are able to graduate the FSS program and purchase a home on their own, the Housing Choice Voucher (HCV) homeownership program allows families that remain assisted under

the HCV program to use their voucher to buy a home and receive monthly assistance in meeting homeownership expenses.

Daja Terry, HACCC's FSS Coordinator joined HACCC in August 2020. She has led a post-COVID resurgence of these two programs and will give a brief presentation about HACCC's FSS and Homeownership activities.

FISCAL IMPACT:

None. Informational item.

CONSEQUENCE OF NEGATIVE ACTION:

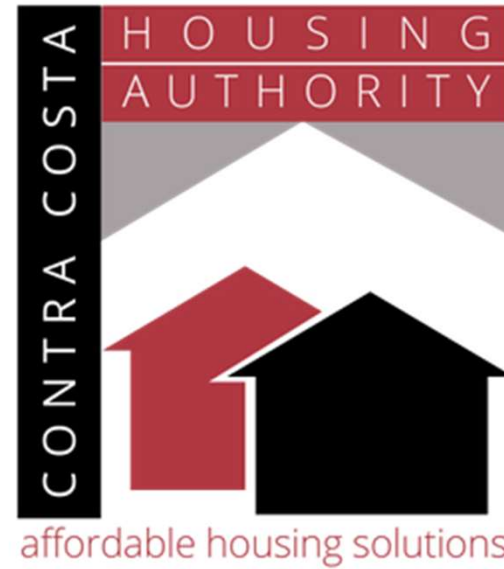
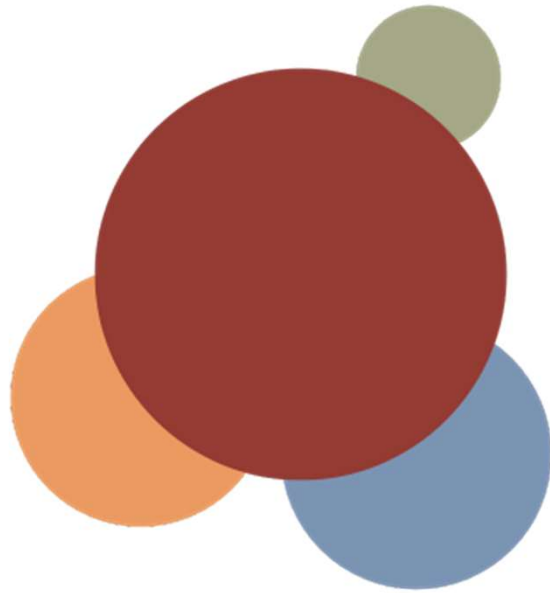
None. Informational item.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:



FAMILY SELF-SUFFICIENCY & HOMEOWNERSHIP

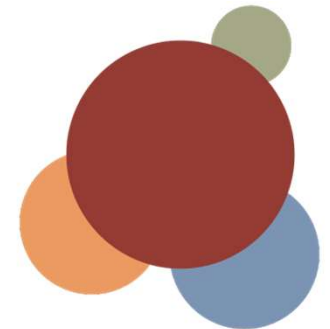
HOUSING CHOICE VOUCHER

WHAT IS THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM?

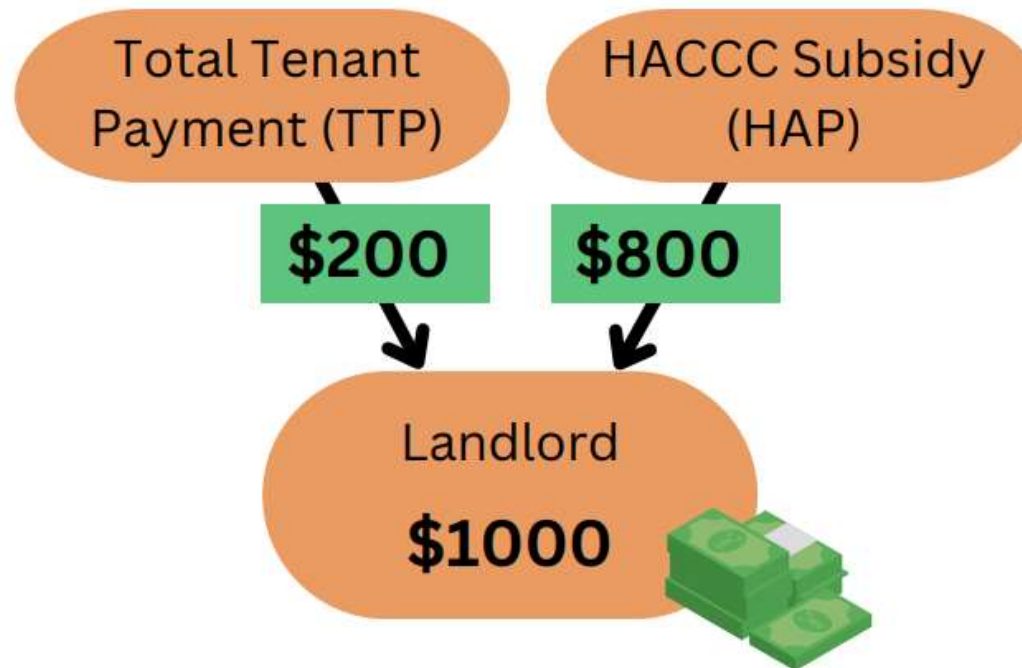
The FSS Program helps families to increase their earned income without jeopardizing their rental assistance. This gives them the ability to pursue growth, overcome social and economic barriers, and achieve economic stability, thus relieving communities of a need for welfare.

To graduate:

- Be suitably employed in the Final Goal listed on the ITSP (Individual Training and Services Plan)
- All family members free of cash assistance (General Assistance, TANF/CalWORKS, etc.)
- All goals on the ITSP completed

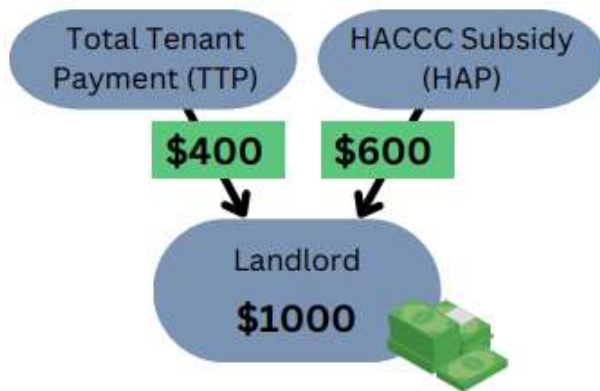


HOW DOES THE ESCROW ACCOUNT WORK?



HOW DOES THE ESCROW ACCOUNT WORK?

Without FSS

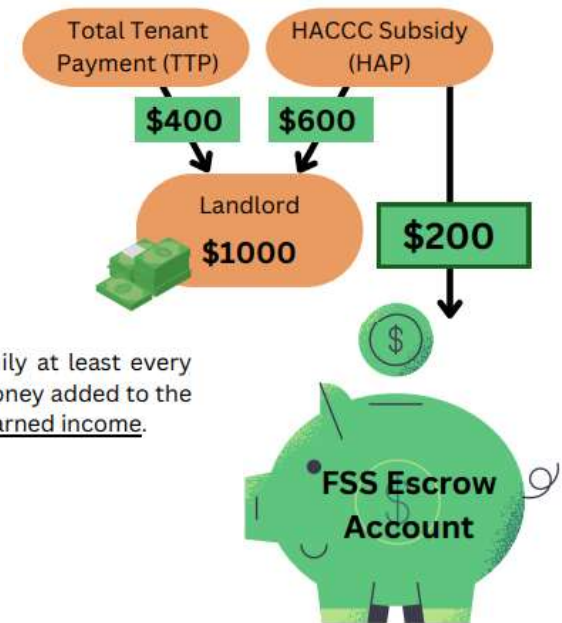


Any increases in the family's rent as a result of increased earned income during the family's participation results in a credit to the family's escrow account.

Once a family graduates from the program, they may access the escrow funds and use it for any purpose. Ideally, families will form a plan for how they'll use this money. Many families use these funds for homeownership.

A summary of the escrow accrual is provided to each family at least every year or upon the family's request. Remember, there is no money added to the savings account (escrow) unless the family increases their earned income.

With FSS



ENROLLMENTS, GRADUATES & OTHER ACCOMPLISHMENTS

- Since 2010
 - Enrolled 385 participants
- Since 1998
 - Graduated 324 participants
 - Total Escrow Disbursement: \$245k (\$2.6M since 1998)
 - Biggest Check: \$56k
 - Average Disbursement: \$21k
- Partnership Coordination
 - Maintaining partnership with Habitat for Humanity
 - Currently have 3 partnerships with community providers and are working on others with schools and training programs.



WHAT IS THE HCV HOMEOWNERSHIP PROGRAM?

- Assists participants with:
 - Qualifying for a mortgage
 - Monthly mortgage and homeownership expenses
- Termed at 15 years for non-disabled/non-elderly families
- Disabled and/or elderly families receive assistance until no longer eligible or until there are no more homeownership expenses.
- FSS Program is a requirement for non-disabled/non-elderly families and ensures that participants can qualify for a mortgage if they want to pursue homeownership, including providing the escrow as down payment.
- Partnership with Habitat for Humanity provides financial and homeownership counseling for participants free of charge.

REVITALIZING THE HOMEOWNERSHIP PROGRAM

- Since 2022
 - 5 closings
 - 3 working families
 - 2 disabled/elderly families
 - Total in Homeownership: 11
 - 6 participants currently in the process from briefing to searching for a home
 - 6 Homeownership Workshops with various lenders and realtors
 - 10 participants left to purchase homes since 2019
 - 12 lenders added to circle
- 5 realtors added to circle
- Homeownership Briefing Packet created to help guide buyers through the process from start to finish, with clear definitions
 - Updated on an annual basis and as needed when provided feedback from participants.

GOALS FOR THE HOMEOWNERSHIP PROGRAM

Las Deltas Redevelopment

- Preparing former Las Deltas clients for homeownership by enrolling them in the FSS Program, increasing their earnings, and improving their debt-to-income ratios and credit scores
- Aiming to have them homeownership-ready by the time the sites are built because they will have first choice.

Filling Slots

- According to the HACCC Administrative Plan, there is a limit of 20 vouchers for homeownership. Within the next year, we want to fill the slots by adding 9 more (total of 20) and request more vouchers.

Creating Network for Homeowners

- Getting participants connected with each other, creating camaraderie between homeowners and a possible resource for current FSS and HCV participants to get advice and support.
- Network for discounted services such as movers (especially for disabled and elderly clients) and contractors (for improvements/repairs)

THANK YOU!

Contact:

Daja Terry

FSS Coordinator

fss@contracostahousing.org

Follow the FSS Program on Facebook [@ContraCostaFSS!](https://www.facebook.com/ContraCostaFSS)



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-389

Agenda Date: 9/12/2023

Agenda #: D.1

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: AUTHORIZE THE EXECUTIVE DIRECTOR TO APPROVE THE SALE OF DEANZA GARDENS TO DEANZA HOUSING CORPORATION, APPROVE THE ASSIGNMENT OF THE GROUND LEASE AND HAP CONTRACT TO DEANZA HOUSING CORPORATION AND THE DISSOLUTION OF THE LIMITED PARTNERSHIP AT DEANZA GARDENS

RECOMMENDATIONS:

AUTHORIZE and ADOPT Resolution No. 5253 for the Executive Director to approve the sale of DeAnza Gardens to DeAnza Housing Corporation (DHC), a California non-profit public benefit corporation, approve the assignment of the ground lease and HAP Contract to DeAnza Housing Corporation and the dissolution of the limited partnership at DeAnza Gardens.

BACKGROUND:

DeAnza Gardens (the "Project") is comprised of 180 units constructed in 2004 - 2005 and funded by several resources including Low Income Housing Tax Credits ("LIHTC"). As part of the transaction, DeAnza Garden, L.P., a California limited partnership (the "Partnership") was formed for the purpose of owning, constructing, and operating the Project. DeAnza Housing Corporation was formed as a California nonprofit public benefit corporation to serve as a general partner in the Partnership along with the Housing Authority of the County of Contra Costa ("HACCC"). On May 18, 2021, this Board approved the transfer of the limited partner interest from BCP/DeAnza Gardens, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts corporation, are the investor limited partner and the special limited partner of the Partnership, respectively (collectively, the "Limited Partners") to HACCC and removed HACCC as a co-General Partner of the Partnership.

Since then, HACCC has been working to refinance the debt on DeAnza Gardens because the initial funding included a balloon mortgage payment that would be due on October 1, 2023, for approximately \$6.5 million. HACCC procured a new lender, PNC Bank, to handle the consolidation of existing debt into a \$13 million loan that would sunset previous debt and fund operating reserves for short and long-term capital needs. In addition to refinancing the debt, HACCC is dissolving the Partnership as it is no longer needed to administer the tax credits since the fifteen-year compliance period expired in 2019. However, there will remain a tax credit obligation on the property until 2083 to ensure the property remains affordable.

Moreover, at its inception, the Partnership executed a Ground Lease with HACCC so that the land owned by HACCC could be encumbered by the Partnership under the Tax Credit Program. On June 1, 2022, the Partnership further executed a Housing Assistance Payments (HAP) Contract to layer Project-Based Voucher rental assistance on the units at DeAnza Gardens. The ground lease and the HAP Contract are now being amended to reflect that the parties of record will be HACCC and the DeAnza Housing Corporation, HACCC's non-profit affiliate, because the Partnership is being dissolved. The terms of the ground lease and the HAP Contract will remain in effect. This resolution authorizes the Board to assign the ground lease and the HAP Contract to the DeAnza Housing Corporation.

Lastly, this resolution takes formal action to dissolve the Limited Partnership formed in 2002 and as amended in subsequent periods to receive the tax credits for DeAnza Gardens. With the compliance period over and HACCC substituted as the limited partner in 2021, there no longer is the need to have the Partnership in place. Accordingly, DeAnza Housing Corporation, as the buyer of DeAnza Gardens, will assume all assets, liabilities, and contractual obligations of the Partnership.

On September 11, 2023, the Board of Directors for DeAnza Housing Corporation approved a similar resolution authorizing the DeAnza Housing Corporation to acquire DeAnza Gardens and assume the ground lease and HAP Contract responsibilities of the Partnership as well as the encumbrance of a new loan of \$13 million.

This resolution seeks to have HACCC's Board of Commissioners concur with the actions being proposed and permit HACCC to transfer ownership of DeAnza Gardens to its non-profit affiliate, DeAnza Housing Corporation.

All relevant documents are available for review at HACCC's main office.

FISCAL IMPACT:

DeAnza Associates currently owes approximately \$1 million to HACCC's Central Office Cost Center for a construction loan and \$2 million to public housing for a land lease that includes accrued interest. These will both be repaid to HACCC at closing. Additionally, going forward, DeAnza will be able to pay its land lease of \$72,000/yr. as opposed to accruing that cost.

CONSEQUENCE OF NEGATIVE ACTION:

If the actions to permit the Executive Director to approve the sale of DeAnza Gardens to DeAnza Housing Corporation, approve the assignment of the ground lease and HAP Contract to DeAnza Housing Corporation and the dissolution of the limited partnership at DeAnza Gardens are not approved by the Board, HACCC will have to establish a refinancing agreement with the current lender at a significantly higher interest rate than is being offered by PNC and completely restructure the deal to transfer ownership of DeAnza Gardens. It is also possible that DeAnza Gardens would not fall under the control of HACCC and could be lost as affordable housing in the future.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:

**HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA
AUTHORIZING RESOLUTION NO. 5253**

RE: Approving Sale of Property, Assignment and Assumption of Ground Lease, Assignment of
HAP and Dissolving Partnership
(DeAnza Gardens Apartments)

At a duly constituted meeting of the Board of Commissioners (the "**Board**") of the Housing Authority of the County of Contra Costa, a public body, corporate and politic the "**Housing Authority**"), held on September 12, 2023, the following resolutions were adopted:

WHEREAS, in this resolution, the Board shall be acting on behalf of the Housing Authority: (i) on its own behalf and (ii) as the limited partner of DeAnza Gardens, L.P., a California limited partnership (the "**Partnership**").

WHEREAS, the Housing Authority is the limited partner of the Partnership together with DeAnza Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**") as the general partner.

WHEREAS, the Housing Authority owns that certain property located at 205 Pueblo Avenue, Bay Point in the County of Contra Costa, California (the "**Property**").

WHEREAS, the Housing Authority and the Partnership entered to that certain Ground Lease (DeAnza Gardens) dated June 1, 2003 ("**Ground Lease**"), whereby Housing Authority agreed to lease the Property to Partnership to facilitate Partnership's development of an affordable housing community ("**Project**") on the Property. The Ground Lease is evidenced by that certain Memorandum of Ground Lease dated June 1, 2003, and recorded against the Property in the Official Records of Contra Costa County as document number 2003-493184 on June 30, 2003.

WHEREAS, the Partnership owns the leasehold interest in the Property and a fee interest in the Project ("**Partnership Estate**") and the Partnership desires to sell its Partnership Estate to the Corporation.

WHEREAS, the Corporation will be obtaining a loan in the approximate amount of \$13,000,000 from PNC Bank (the "**Acquisition Loan**") to pay the costs of acquisition of the Partnership Estate.

WHEREAS, the Acquisition Loan requires that the Housing Authority join in the deed of trust securing the Acquisition Loan and that the Housing Authority agree that its fee interest in the Property is additional security for the Acquisition Loan (the "**Acquisition Deed of Trust**").

WHEREAS, the Housing Authority has determined that it is in the best interest of the Housing Authority to join in the Acquisition Deed of Trust to facilitate the acquisition of the Partnership Estate by the Corporation which will ensure the continued use of the Project as affordable housing.

WHEREAS, the Housing Authority desires to amend the Ground Lease to among other things extend the term of the Ground Lease until October 2083 (the "**Amended Ground Lease**").

WHEREAS, the Housing Authority has determined that the sale of the Partnership Estate to the Corporation is in the best interest of the Housing Authority.

WHEREAS, the Partnership and the Housing Authority shall enter into any and all documents, including without limitations, any purchase and sale agreements, grant deeds, assignments, amendments, certifications, resolutions, and any other documents deemed reasonably necessary for the Corporation to convey the Partnership Estate in the Property (the "**Partnership Estate Documents**").

WHEREAS, the Housing Authority desires to consent to the assignment of the Ground Lease to the Corporation (the "**Assignment of Ground Lease**").

WHEREAS, the Housing Authority desires to approve an assignment of the existing Housing Assistance Payment Contract from the Partnership to the Corporation (the "**HAP Contract Assignment**").

WHEREAS, the Housing Authority deems it to be the best interest of the Housing Authority to dissolve the Partnership and wind up the Partnership's affairs and enter into any and all documents necessary to complete the dissolution of the Partnership (the "**Dissolution Documents**").

NOW, THEREFORE, BE IT RESOLVED: That the Housing Authority approves the sale of the Partnership Estate to the Corporation.

FURTHER RESOLVED: That the Housing Authority consents to the Corporation securing the Acquisition Loan with the Partnership Estate.

FURTHER RESOLVED: That the Housing Authority agrees to join in the Acquisition Deed of Trust by entering into a joinder agreement with PNC and that the Housing Authority's fee interest in the Property shall serve as additional security for the Acquisition Loan.

FURTHER RESOLVED: That the Housing Authority approves the Amended and Restated Ground Lease.

FURTHER RESOLVED: That the Housing Authority consents to the Assignment of the Ground Lease to the Corporation.

FURTHER RESOLVED: That the Housing Authority consents to the HAP Contract Assignment.

FURTHER RESOLVED: That the Housing Authority approves the termination of the dissolution of the Partnership, and authorizes the Dissolution Documents.

FURTHER RESOLVED: That Joseph Villarreal, Executive Director of the Housing Authority, or any other officer of the Housing Authority, acting alone on behalf of the Housing Authority, in its own capacity, and in its capacity as the limited partner of the Partnership, is authorized, empowered and directed to execute any and all necessary documents in its own capacity and in its capacity as the limited partner of the Partnership, including, but not limited to, the Joinder to the Acquisition Deed of Trust, the Assignment of Ground Lease, the Amended Ground Lease, the Partnership Estate Documents, the HAP Contract Assignment, and the Dissolution Documents, and to take any further action contemplated by this resolution.

RESOLVED FURTHER: That to the extent that any actions authorized herein have already been performed, such actions are ratified and approved.

[Remainder of Page Intentionally Blank]

SECRETARY'S CERTIFICATE

I, the undersigned, hereby certify that the foregoing is a true copy of the Resolution adopted by the Board of Commissioners at a meeting of the Housing Authority, and that said Resolution is in full force and effect.

_____ Ayes

_____ Nays

_____ No Vote

Dated: September _____, 2023

By: _____
Joseph Villarreal, Secretary



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-390

Agenda Date: 9/12/2023

Agenda #: D.2

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: REPORT CONCERNING POST-COVID RENT DELINQUENCIES IN THE HOUSING AUTHORITY'S PUBLIC HOUSING AND VOUCHER PROGRAMS

RECOMMENDATIONS:

ACCEPT report concerning post-COVID rent delinquencies in the Housing Authority's public housing and voucher programs.

BACKGROUND:

During COVID, as was true at the State level, HUD (the U.S. Department of Housing and Urban Development) imposed a moratorium on evictions. Additionally, HUD relaxed many of its rules and processes concerning income verifications, which determine rent in all the Housing Authority's programs. However, HUD also was clear that families in all HACCC's programs had to continue paying their share of rent during the pandemic, that fees could accrue on unpaid rent and that families could be evicted post-COVID for unpaid rent. This is because HUD's programs adjust for rent. If your household income drops to \$0 for some reason, HACCC will pay all your rent and you will pay nothing.

Unfortunately, many of our families came to believe they did not have to pay rent during COVID (and post-COVID) and now that the courts have re-opened, a significant portion of our families must resolve their past due rent and fees in some manner or face possible eviction. Additionally, some families did not accurately self-report their income and now that the HUD verification systems are back in place, they face significant rent increases. This is exacerbated by the fact that some landlords are trying to raise rent significantly to catch up for what they view as losses during COVID.

Not surprisingly, this has led to a significant spike in complaints to our office, local, State, and national political offices, Legal Aid, etc. In the public housing program and in the tax credit/project-based voucher (PBV) properties owned by HACCC, we have some flexibility to work with clients. The vast majority of the remaining PBV properties are owned by mission-driven nonprofits and we hope that most will be as flexible as they can with families who have past-due rent burdens. HACCC has started working with some of these organizations on a property-by-property basis. However, most of our clients are in private market units. Because of this HACCC is unclear of the exact scope of the problem in the voucher program and how each individual case will play out. Based on initial complaints, it seems significant.

The goal, obviously, is to keep everyone we are helping on our programs housed. However, based on HUD's guidance to date, our tools are limited. Our primary options are to retroactively adjust income and rent (based

on an extensive income verification process) or to have households enter into repayment agreements. As such, the resolution to this overall problem will have to play out on a case-by-case basis in what will often be a lengthy and contentious process.

Attached are data from the voucher and public housing programs that staff will discuss with the Board and a HUD tenant FAQ (Frequently Asked Questions) about COVID rent payments.

FISCAL IMPACT:

Unknown presently.

CONSEQUENCE OF NEGATIVE ACTION:

None. Informational item.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:

% Adjusted Income Paid for Rent by Voucher Households

Adjusted Income Tenant Rent %	# Households	% Total Households	% by Rent Burden
<30%	6834	73.7%	88.7%
>=30 and <40	1394	15.0%	
>=40 and <50	510	5.5%	5.5%
>=50 and <60	209	2.3%	5.8%
>=60 and <70	144	1.6%	
>=70 and <80	87	0.9%	
>=80 and <90	57	0.6%	
>=90 and <100	37	0.4%	

\$0 Income = 774 households.
 Tenant rent \$1 to \$50: 213 households.
 Tenant rent = \$0: 2 households.
 Receives URP*: 215 households.
 (*Utility Reimbursement Payment)

Unpaid Rent in Public Housing

Property Code	Rent Balance	Approximate # of non-payers (other than "Past" Status)	# of "Past" Status	Current & On Notice Residents
CA001	\$62,122.16	6	2	49
CA011	\$7,124.32	2	4	47
CA045a	\$43,132.30	19	5	100
CA045b	\$26,223.45	7	3	40
CA004	\$27,935.70	9	5	39
CA008	\$50,128.26	6	0	28
CA012	\$24,324.47	2	3	39
CA010	\$204,177.26	39	14	239
CA005	\$171,722.56	25	10	171
CA003	\$10,444.52	4	0	33
CA015	\$65,647.31	13	8	98
CA013	\$44,076.33	12	3	49
Total	\$737,058.64	144	57	932

September 2023 Rent = \$437,629
 Annualized Rent = \$5,251,548
 Unpaid Rent as % of Annual rent = 14%
 Past Due Status Households (201) = 21.6%



Addressing Tenant Concerns Regarding Rent and the Temporary Suspension of Evictions for Nonpayment of Rent

The U.S. Department of Housing and Urban Development (HUD) developed this flyer to provide Housing Choice Voucher (HCV), Public Housing, and Section 8 Moderate Rehabilitation (Mod Rehab) participants with important information and resources about paying rent during the national emergency concerning the coronavirus pandemic.

What is the suspension of evictions about?

Evictions for nonpayment of rent, and charges/fees for nonpayment of rent, have been temporarily suspended. This applies to all HUD-assisted participants from March 27, 2020 to July 24, 2020¹. Although your Public Housing Authority's (PHA) Admissions and Continued Occupancy Policies (ACOP) and/or Administrative Plan may not be updated, please be aware that the suspension of evictions for nonpayment of rent is in place.

Having trouble making rent?

- **Voucher and public housing participants:** If you lost your job or had a significant loss of income, **request an interim reexamination** with the housing authority as soon as possible. Your rent can be adjusted to reflect the change in income or you may be eligible for a financial hardship exemption. Your housing authority may also know about other local resources.
- **Voucher participants only:** **Contact your landlord right away.** Reach out early to discuss potential payment plans or accommodations. Due to loss in income and the resulting interim reexamination, your rent adjustment may be retroactive. Confirm with the PHA and your landlord whether you will receive a credit for the previous month.

What else should you know?

- **Rent is still due** during this time period and will accumulate if unpaid.
- Your landlord and the PHA cannot initiate a new eviction action for nonpayment of rent and you should not receive a notice to vacate for nonpayment of rent from March 27, 2020 – July 24, 2020.
- Your landlord and the PHA cannot charge any late fees, or accrue charges/fees, and your assistance cannot be terminated for past due rent in April, May, June and July 2020.
- If you are behind on rent after the suspension of evictions expire: **Voucher participants** need to negotiate directly with your landlord to determine requirements to repay unpaid rent. Otherwise, your landlord could file an eviction. **Public housing participants** need to work with the PHA to pay unpaid rent in a lump sum or set up a repayment agreement. Otherwise, your assistance could be terminated and/or the PHA could file an eviction.
- Evictions for nonpayment of rent filed with the court before March 27, 2020 can proceed if there is no conflict with state or local laws.
- The PHA or your landlord can still terminate assistance and evict for drug abuse, criminal activity, lease violations, fraud, repeated minor violations, other good cause, etc.
- HUD does not intervene or participate in eviction proceedings. If you feel you are being wrongfully evicted, contact your local legal aid organization or social service agencies. If you are a Voucher participant, you may also contact your local PHA.



¹ Enacted in Section 4024 of the Coronavirus Aid, Relief, and Economic Security Act, 2020 "CARES Act" (Public Law 116-136).



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-391

Agenda Date: 9/12/2023

Agenda #: D.3

To: Contra Costa County Housing Authority Board of Commissioners

From: Choose an item.

Date: September 12, 2023

Report Title: AUTHORIZE THE SALE OF SIXTEEN SCATTERED SITES FROM THE FORMER LAS DELTAS PUBLIC HOUSING DEVELOPMENT AT THE BELOW-MARKET PRICE OF ONE DOLLAR TO NON-PROFIT HOUSING DEVELOPERS FOR REHABILITATION AND SALE TO LOW-INCOME FAMILIES FROM LAS DELTAS AND NORTH RICHMOND WITH INCOMES AT OR BELOW 80 PERCENT OF AREA MEDIAN INCOME

RECOMMENDATIONS:

ADOPT Resolution No. 5254 authorizing the sale of sixteen scattered site buildings in the North Richmond Las Deltas Development at below-market prices to non-profit housing developers to rehabilitate and sell to low-income families from North Richmond.

BACKGROUND:

HACCC has been working with North Richmond residents and community organizations over the past several years to devise a strategy to convert the former Las Deltas property in a manner that would benefit both HACCC, former Las Deltas residents and North Richmond residents to the greatest extent possible. A strong push was made by residents and community organizations to make some of the former Las Deltas units available for affordable homeownership. There was also interest in pursuing other forms of equity-building options like land trusts and co-ops.

In July 2021, HACCC collaborated with RichmondLAND, the Community Housing Development Corporation and the Richmond Our Power Coalition to successfully apply to the San Francisco Foundation for a policy grant under The Partnership for the Bay's Future initiative (The Partnership). The Partnership is a collaborative effort to produce and preserve affordable homes and protect tenants, so the Bay Area remains a diverse place where everyone thrives. The grant provided our group with \$250,000 and a Coro Fellow (Hannah Phalen) to help with planning and pre-development costs.

One of the results of this collaboration is the RFQ HACCC released on April 10, 2023, seeking local nonprofit developers who could buy 16 of the scattered site buildings from Las Deltas, rehabilitate or redevelop them into some form of homeownership or equity-building housing and sell them at an affordable rate to families at or below 80% of area median income. The priority in all sales will be for former Las Deltas residents and then other current and past residents of North Richmond. Seven proposals were submitted in response to the RFQ.

A panel comprised of community members, resident leaders, nonprofit and government representatives was formed to review the proposals submitted through the RFQ. All proposals were reviewed, scored, and ranked.

The panel is recommending that the Board approve the sale of four buildings each to the top four proposals at \$1 per building. Staff support this recommendation.

The top four proposals came from the following developers: Community Housing Development Corporation of North Richmond (CHDC), Richmond Community Foundation (RCF), RichmondLAND (RL) and Richmond Neighborhood Housing Services (RNHS). The developers have identified the specific buildings they wish to purchase. These buildings are identified as follows (and marked on the attached map):

Owner	Address	Building Type
RCF	1730 Fred Jackson Way, Richmond, CA	Single Family
RCF	1744 Fourth Street, Richmond, CA	Single Family
RCF	1710 Giaramita Street, Richmond, CA	Single Family
RCF	423 Silver Avenue/1709 Fifth Street, Richmond CA	Duplex
CHDC	1518/1520 First Street, Richmond, CA	Duplex
CHDC	121 Chesley Street/1511 Second Street, Richmond, CA	Duplex
CHDC	114 W. Ruby Street/1529 Second Street, Richmond, CA	Duplex
CHDC	1710/1714 First Street, Richmond, CA	Duplex
RNHS	525 Silver/1711 Giaramita Street, Richmond, CA	Duplex
RNHS	1622/1624 Fourth Street, Richmond, CA	Duplex
RNHS	1525/1527 Giaramita Street, Richmond, CA	Duplex
RNHS	1547/1549 Sixth Street, Richmond, CA	Duplex
RichmondLAND	1932/1934 Giaramita Street, Richmond, CA	Duplex
RichmondLAND	1929/1931 Sixth Street, Richmond, CA	Duplex
RichmondLAND	1943/1945 Sixth Street, Richmond CA	Duplex
RichmondLAND	Either 1925/1927 Giaramita Street, Richmond, CA or 1923/1925 Sixth Street, Richmond, CA	Duplex Duplex

RichmondLAND is interested in purchasing either 1925/1927 Giaramita Street or 1923/1925 Sixth Street as their fourth property. Their decision will be based on HACCC's process to sell the market-rate units, which is still being developed in conversation with HUD. Once HACCC establishes its sale process, RichmondLAND will determine which property they will purchase from HACCC for \$1. They will seek to purchase the other property during the open-market sales process.

If the Board approves this board order, HACCC will ask HUD for approval to sell each of these buildings at the below market rate of \$1/building and execute a HUD-required Declaration of Restrictive Covenants for each building in the name of the buyers to ensure that the properties remain limited to families at or below 80% of the area median income for a period of 20 years from the date of closing of escrow.

SUMMARY OF APPROVED PROPOSALS

Four of the seven proposals are being recommended by the selection panel to move forward in the sales process. The following is a brief summary of their respective projects.

Richmond Community foundation (RCF)

The Richmond Community Foundation is a nonprofit corporation established in 2000 that has been reclaiming blighted properties and selling them to moderate-income first-time homebuyers for more than eight years. Some of their successful projects include a Black Wealth Builders fund and developing our nation's first social impact bond that provides the Richmond area with \$3 million over 5 years to provide homeownership opportunities. The RCF Connects staff team that operates Healthy Richmond/Contra Costa has worked for more than ten years in North Richmond and helped lead the process that created the North Richmond Quality of Life Plan in 2019. RCF Connects Housing Renovation program is currently working on two blighted properties in North Richmond as well - one on Second Street and one on Chesley Avenue.

RCF will rehabilitate four properties (three single family homes and one duplex) into affordable homeownership opportunities costing no more than \$280,000. Their construction estimates are between \$150,000 to \$175,000 per property. RCF Connects brings additional resources to the program, including an EPA Brownfields grant that will allow them to assess and remediate any environmental toxins found on each housing site and a California Department of Energy grant to build electric homes with modern, high-performance electric heating and cooling systems, as well as appliances that make it safer, healthier, and more comfortable while using less energy than other homes of the same size. Because an Advanced Electric Home does not burn gas, the home has cleaner and healthier indoor air. The walls, windows, roof, and appliances are designed to make the home comfortable while using less energy and water than other homes of the same size. The homes will be able to have emergency electricity during power outages with a battery for critical needs such as lighting, Wi-Fi, medical equipment, and refrigeration. The roofs are equipped with solar panels that can recharge the battery each day to maintain emergency power during longer outages. Configurations will vary by home, but all will have smart thermostats and state-of-the-art all-electric appliances such as induction stoves and heat pumps for water heating, clothes drying, and space conditioning. Homes will come with a Level 2 EV charger to accommodate high-speed charging for electric vehicles. In addition to the Las Deltas properties, RCF Connects is restoring a home at 1727 2nd Street and building a new duplex on Chesley Avenue for additional homeownership opportunities and these properties will also be connected to the micro grid.

RCF Connects has sold \$3 million in social impact bonds to Mechanics Bank and will bring this capital to the restoration of the North Richmond homes. RCF Connects' success has also attracted investment interest, including investments in their Black Wealth Builders fund. This fund helps members of the Black community, whose homeownership rates are lower than any other homeownership group, purchase homes by providing zero interest loans of up to \$20,000 for down payment assistance or to cover closing costs. The loan is only repaid when the home is sold, or the mortgage is refinanced.

Community Housing Development Corporation of North Richmond (CHDC)

CHDC is a 501(c)(3) non-profit development organization founded in 1990 by local leaders in North Richmond working to eliminate blight, improve housing opportunities for current and future residents, and create better

economic conditions. CHDC has developed more than 250 homes for first-time, low-income homebuyers. CHDC provides homebuyer education and counseling, post-purchase counseling and HUD approved pre-purchased workshops. Additional services include down payment assistance, foreclosure services, mortgage relief, and financial capabilities workshops. CHDC is a HUD-certified, full-cycle lending organization with appropriate certifications distributed among four counselors. CHDC has maintained collaborative relationships with North Richmond residents and organizations, most notably the prominent role the organization's staff and Board members play in the North Richmond Municipal Advisory Council decision-making process.

The duplexes CHDC has identified will be converted into 3-or 4-bedroom, 3-bathroom single family homes with quality interior and exterior finishes. The Las Deltas homes developed by CHDC will be affordable and marketable, thus appealing to first time homebuyers who will benefit from the down payment assistance and financial counseling services offered by CHDC. All units will be affordable to residents at or below 80% AMI. Given the state of construction costs it will be difficult to sell the units for less than 80% AMI, CHDC will aim to structure the financing on at least one unit to have an AMI sales target between 60%-70%.

The sale prices will range from \$500K to \$550K (very conservative home prices), and CHDC will use several subsidy programs to reduce the buyer's first mortgage. We have a range of 10k to 30K in silent mortgages that can be layered. The total amount of these resources is over one million dollars to be used for down payment assistance in general. The Las Deltas wealth building fund for Las Deltas buyers will add another \$90K to \$100K in downpayment assistance. These funds will be directly tied to equity accumulation and will be restricted to non-flipping practices. Lastly there is a reserve adjuster amount that can be applied based on the sales price at time of sale to reconcile the need for down payment assistance and wealth building and closing cost. CHDC has used real market values for the homes in order to not depress the market or have these homes be labeled as below market.

Richmond Neighborhood Housing Services (RNHS)

Richmond Neighborhood Housing Services (RNHS) operates as a 501(c)(3) whose mission is to promote the investment and revitalization of under-resourced communities in the greater East Bay Area of California. To achieve homeownership, RNHS provides the following core programs and services for free or at a meager cost: property management of affordable rental housing, infill development for first-time and/or low to moderate-income homeowners, and financial counseling. RNHS has worked in the Richmond area for over 40 years, and North Richmond is a current area of focus and interest. RNHS collaborated with Healthy Contra Costa to support the research and drafting of the North Richmond Quality of Life Plan. RNHS has also identified potential contractors and realtors with a history in the city or deeply rooted in North Richmond.

So far, RNHS has rehabilitated and sold 4 single-family homes from their rental portfolio to their respective tenants and/or first-time homebuyers. For this project, RNHS will develop four duplexes to create eight units but sell them as duplexes so that there is homeownership AND wealth-building opportunities for the buyers. Each unit will have a minimum of one bedroom and bathroom. After conversing with past and existing members of the Las Deltas, the community can conclude a variety of options to select from being that family sizes vary from single-member households to families of 3 - 5 persons. RNHS plans to hold focus groups specifically working with former Las Deltas residents to understand their needs and financial status and provide them with financial literacy. RNHS aims to have a former resident go through the program, gain enough skills to be pre-approved by a lender for first-time homeownership, and connect them with down payment assistance programs. Furthermore, through our community outreach meetings, we will extend our program's offerings to

the entire community of North Richmond as a value-add to educate the entire community.

This project would be run through RNHS' Restoring Neighborhoods program and will benefit from that program's highly successful funding model. For the Las Deltas project, RNHS plans to use continuous funding from partners and lenders to invest in the Las Deltas community, including a line of credit of \$450K secured for the project from Enterprise Community partners which will be leveraged in phases and reused and replenished after resale.

Finally, for those not selected for purchase, RNHS will provide them with other opportunities through the Restoring Neighborhoods program. RNHS Restoring Neighborhoods Department is continuously seeking and rehabbing homes to make available to low and very low-income families. With the experience, infrastructure, and personnel in place, RNHS can engage and funnel Las Deltas families to homeownership aside from the four from this purchase. Furthermore, while their efforts will be concentrated in the Las Deltas and North Richmond community for this sale, RNHS homeownership education and coaching is not restricted or solely for this project, thus allowing families to continue to pursue homeownership when and where it is best for them. They will be prepared to purchase other homes through the RNHS Restoring Neighborhood program or in the private market.

Richmond LAND

Richmond LAND is a non-profit 501(c)3 member-based organization led by women of color dedicated to creating pathways for Richmond and West Contra Costa County residents to design, finance, build, and sustain affordable housing and community development projects that fulfill community needs and aspirations for lasting collective benefit. Richmond LAND was established in 2018 as Contra Costa's first Community Land Trust. As an emerging local neighborhood developer, they utilize grassroot organizing, participatory design, and cultural cultivation to generate project concepts with deep intention and transformative significance.

Richmond LAND is behind the resident-led North Richmond Eco Village Project which brought together North Richmond residents, neighborhood leaders, and community stewards to co-create a powerful vision for revolutionary community-controlled land and housing initiatives in North Richmond, leveraging participatory design and collective decision-making.

The North Richmond Eco-Village will be Richmond LAND's first new construction development project. They are partnering with an experienced tiny-home developer and building a team of expert advisors in real estate development, financing and new construction project management. Richmond LAND will pursue either a joint venture or partner with a turnkey developer depending on availability, financial requirements, and long-term strategic objectives. Richmond LAND has already selected a team of architects, engineers, and consultants, and they have been collaborating with them since the concept phase of the Eco-village.

Richmond LAND intends to transform the duplexes into 20-22 high-quality, sustainably constructed cottage units that will serve between 20-44 residents and benefit low-income households at 30-60% AMI. The North Richmond Eco-Village cottage homes will be approximately 400 square feet and include small private porches. Amenities to the units include a private porch space, large windows, state-of-the art appliances, and ecologically sustainable features. Site improvements include ecologically-restorative landscape along Wildcat Creek. The Village was intentionally chosen to be proximate to Verde Elementary School and adjacent to the creek and trail to exemplify smart urbanism, deepen community connection, broaden outdoor education

opportunities, and enhance walkable and bikeable access to local neighborhood assets.

Richmond LAND's shared-equity model for The Village serves as an alternative to ownership that equips low-income families and individuals with the opportunity to build equity while balancing the goal of long-term affordability. The 99-year ground lease is the legal mechanism that enables this by restricting the resale price to preserve affordability in perpetuity to support continual accessibility for low-income residents. Their housing programs are specifically designed for rent-burdened households and those seeking a feasible way to move out of rental housing. Richmond LAND will provide financial literacy workshops and partner with community-based financial institutions to educate and prepare interested individuals and families with knowledge about what a housing cooperative entails, and to become prequalified to live in The Village. While the members of the Housing Cooperative do not own their units, as they would in a condominium structure, they would hold a proprietary lease to occupy a unit and owns a share in the entity that owns the building/ site improvements (i.e. the Housing Cooperatives). Residents pay monthly for housing costs, including their pro-rata share of the cooperative's debt service, maintenance, taxes, insurance, reserves, and ground lease payment to the CLT. Housing Cooperative residents participate on a board of directors, which is tied to the ownership of a share in the cooperative. They will also have the right to serve on Richmond LAND's board of directors to represent the interests of the lessees. This innovative structure fosters a sense of communal ownership, collective governance, and self-sufficiency. It also enables residents who would otherwise pour their limited wages into rent payments to build wealth with shared equity.

Richmond LAND projects a development budget of approximately \$4.9 million. Thus far, they have raised \$345,000 for pre-development expenses. To finance the construction phase, which they estimate at \$4.6 million, they will apply for public financing and a private loan and launch a capital campaign of three million dollars (\$3M) that they will use to pay the remaining amount and serve as one of the permanent sources of funding to pay down construction loans.

FISCAL IMPACT:

HACCC will incur approximately \$600,000 for the sale of the sixteen properties. These costs are primarily for realtor services and for closing costs that will be allocated to the seller. These funds will come from HACCC reserves.

CONSEQUENCE OF NEGATIVE ACTION:

If the action to approve the sale of sixteen scattered site buildings from the former Las Deltas public housing development at the below-market price of one dollar each to non-profit housing developers for rehabilitation and sale to low-income families from Las Deltas and North Richmond with incomes at or below 80 percent of area median income is not approved, then HACCC will not be able to proceed with the disposition plan for the former Las Deltas scattered site properties.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:

THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA

RESOLUTION NO. 5254

AUTHORIZING THE SALE OF SIXTEEN SCATTERED SITE BUILDINGS IN THE NORTH RICHMOND LAS DELTAS DEVELOPMENT AT BELOW-MARKET PRICES TO NON-PROFIT HOUSING DEVELOPERS TO REHABILITATE AND SELL TO LOW-INCOME FAMILIES FROM NORTH RICHMOND

WHEREAS, in July 2021, the Housing Authority of the County of Contra Costa collaborated with RichmondLAND, the Community Housing Development Corporation and the Richmond Our Power Coalition to successfully apply to the San Francisco Foundation for a policy grant under The Partnership for the Bay's Future initiative (The Partnership). The Partnership's collaborative effort to produce and preserve affordable homes and protect tenants. The grant provided the Partnership with \$250,000 and Coro Fellow, Hannah Phalen, to help with planning and pre-development costs.; and

WHEREAS, this collaboration resulted in the RFQ HACCC released on April 10, 2023, seeking local nonprofit developers who could buy 16 of the scattered site buildings from Las Deltas, rehabilitate or redevelop them into some form of homeownership or equity-building housing and sell them at an affordable rate to families at or below 80% of area median income. The priority in all sales will be for former Las Deltas residents and then other current and past residents of North Richmond. Seven proposals were submitted in response to the RFQ.; and

WHEREAS, A panel comprised of community members, resident leaders, nonprofit and government representatives was formed to review the proposals submitted through the RFQ. All proposals were reviewed, scored, and ranked. The panel recommended that the Board approve the sale of four buildings each to the top four proposals received from Community Housing Development Corporation of North Richmond (CHDC), Richmond Community Foundation (RCF), RichmondLAND (RL) and Richmond Neighborhood Housing Services (RNHS) at \$1 per building.; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Contra Costa does hereby authorize the Executive Director to seek U.S. Department of Housing and Urban Development approval to sell the proposed sixteen buildings at the below-market rate of \$1/building.

BE IT FURTHER RESOLVED, that the Executive Director is authorized and directed to execute HUD required Declaration of Restrictive Covenants for each building in the name of the buyers to ensure that the properties remain limited to families at or below 80% of the area median income for a period of 20 years from the date of closing of escrow.

BE IT FURTHER RESOLVED, that the Executive Director is authorized to take any and all actions to effectuate the intent of this resolution.

PASSED, ADOPTED AND APPROVED this 12th day of September 2023, by the following vote:

AYES:

NOES:

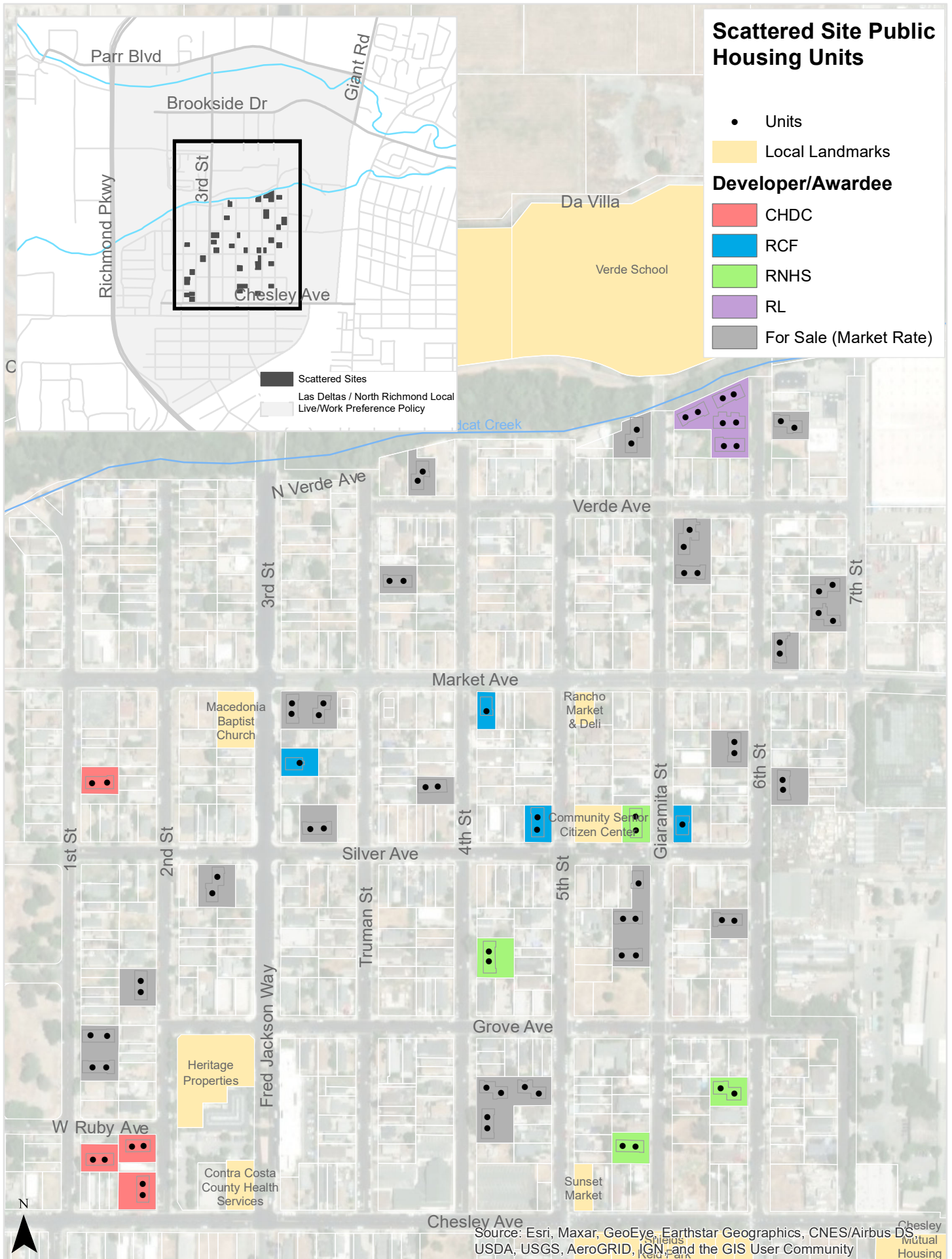
ABSENT:

ABSTAIN:

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF
THE BOARD OF COMMISSIONERS ON THE DATE SHOWN.

ATTESTED _____
CLERK OF THE BOARD OF COMMISSIONERS

By _____
JOSEPH VILLARREAL, EXECUTIVE DIRECTOR





CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-381

Agenda Date: 9/12/2023

Agenda #: C.1

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal (Housing Authority), Executive Director

Date: September 12, 2023

Report Title: Claims

RECOMMENDATIONS:

DENY claims filed by the City of Martinez and Sherry Ann White. DENY late claim filed by Avery Tidwell and RBJ, JB.

BACKGROUND:

City of Martinez: Indemnification claim for an alleged trip and fall.

Sherry Ann White: Property claim for damage to dwelling in an undisclosed amount.

Avery Tidwell & RBJ, J: Request for the Board of Supervisors to accept a late claim.

FISCAL IMPACT:

No fiscal impact.

CONSEQUENCE OF NEGATIVE ACTION:

Not acting on the claims could extend the claimants time limits to file actions against the County.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-382

Agenda Date: 9/12/2023

Agenda #: C.2

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: CONTRACT WITH STAPLES BUSINESS ADVANTAGE FOR OFFICE PRODUCTS AND SUPPLIES IN AN AMOUNT NOT TO EXCEED \$300,000.

RECOMMENDATIONS:

APPROVE and AUTHORIZE the Executive Director of the Housing Authority of the County of Contra Costa (HACCC), or his designee, to execute a contract with Staples Business Advantage in an amount not to exceed \$300,000 to provide the Housing Authority with office products and supplies, through April 6, 2025.

BACKGROUND:

In preparing to bid this contract out, staff determined that HACCC could obtain more advantageous pricing by linking to a contract for office and classroom supplies and equipment between Sourcewell and Staples Business Advantage.

The United States Department of Housing and Urban Development (HUD) requires housing authorities to competitively procure goods and services, a process normally undertaken by each individual agency. However, HUD permits housing authorities to award contracts to firms selected by a state or local governmental agency in a competitive solicitation process. The state or local government's selection process must meet HUD's procurement guidelines and must have been for the same goods and services sought by the housing authority. HUD encourages housing authorities to procure goods and services in this manner in order to "foster greater economy and efficiency..."

Sourcewell is a Municipal Contracting government agency established through legal statute in 1978. Sourcewell serves over 35,000 members throughout the nation with competitively awarded purchasing solutions from industry-leading vendors. Sourcewell's solicitations meet HUD's procurement guidelines.

Staples Business Advantage was awarded a competitively solicited contract to provide office and school supplies to Sourcewell's members from August 1, 2020, through April 16, 2024, with the option of one renewal for an additional year until April 6, 2025.

Staples Business Advantage was formed in 1997 and has served as HACCC's primary office products and supply vendor since 2001. HACCC presently receives a 10% discount off the published catalog price. By contracting through Sourcewell, HACCC will receive a 28% discount off the published catalog price.

Staff is recommending that HACCC award a contract to Staples Business Advantage to provide HACCC with office products and supplies. The total cost of the proposed contract will not exceed \$300,000 without additional Board approval.

FISCAL IMPACT:

The cost for these supplies will not exceed \$300,000 and is funded by grants the HACCC receives from the HUD. The anticipated yearly amount of the contract falls within the amount presently budgeted for this purpose.

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board of Commissioners elect not to award the contract to Staples Business Advantage via Sourcewell, HACCC will be required to go out to bid for office products and supplies. This process will be lengthy and expensive, and it is unlikely that HACCC will be able to obtain the level of discount provided via Sourcewell's contract.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-383

Agenda Date: 9/12/2023

Agenda #: C.3

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: APPROVE AND AUTHORIZE THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, TO EXECUTE AN AGREEMENT WITH HD SUPPLY FACILITIES MAINTENANCE TO SUPPLY FACILITIES MAINTENANCE, REPAIR, OPERATING AND INDUSTRIAL MATERIALS AND RELATED SERVICES

RECOMMENDATIONS:

APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract amendment with HD Supply Facilities Maintenance (dba HD Supply) to extend the term through December 31, 2026 and increase the payment limit by \$2,000,000 to a new payment limit of \$4,000,000 to provide facilities maintenance, repair, operating and industrial materials, and related services.

BACKGROUND:

To ensure the continuous operation and maintenance of its public housing developments and the agency's offices, HACCC staff require tools and supplies to address plumbing, HVAC, electrical, flooring, kitchen and bath, janitorial, landscaping, painting and needs among others, on a daily basis. HACCC requires a vendor that can meet these needs in a timely manner to ensure optimum customer service to our residents and staff. A master contract will ensure continuity of products, fast and easy ordering, trackable invoicing, and next-day delivery systems to minimize the interruption in the daily workflow of HACCC staff.

In soliciting this contract HACCC has made use of its ability to utilize interagency purchasing agreements. HUD requires housing authorities to competitively solicit goods and services. However, instead of conducting the entire procurement process in-house, HUD permits, and even encourages, housing authorities to procure goods and services via cooperative and interagency agreements. Such agreements can greatly simplify and expedite the procurement process since the housing authority does not have to develop specifications, solicit vendors for bids or evaluate those vendors that submit bids for every procurement. Also, cooperative agreements can offer substantial pricing discounts to housing authorities because vendors can price their products and services more aggressively when they know their customer base is significantly larger than just one agency. HACCC's responsibility when using a cooperative agreement involves confirming that the original procurement was executed according to HUD requirements.

In seeking a vendor to supply facilities maintenance, repair, operating and industrial materials and related services, the Authority utilized an interagency purchasing agreement to award the initial contract to HD Supply in February 2017. That initial contract was awarded through Maricopa County, AZ's solicitation for Maintenance, Repair, Operating Supplies, Industrial Supplies and Related Services issued January 11, 2017 (Effective 02/01/2017).

The initial contract was awarded to HD Supply. HD Supply was awarded a contract via a solicitation issued by Maricopa County, Arizona through the U.S. Communities Government Purchasing Alliance (USCGPA).

USCGPA is the leading national cooperative purchasing program, providing world class government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutions, and nonprofits looking for the best overall supplier government pricing. The benefits of using USCGPA include a no-fee-or-cost process that, by combining the potential cooperative purchasing power of up to 90,000 public agencies, enables access to the best overall supplier government pricing on quality brands that are backed by the integrity, experience, and oversight by public purchasing professionals.

In 2017, six bidders responded to the solicitation and HD Supply was selected as the most qualified, responsible bidder. Since the USCGPA award to HD Supply was for a period extended to December 31, 2026, HACCC can utilize this award any time prior to December 31, 2026, to sign its own contract with HD Supply. HD Supply has demonstrated the ability to successfully implement a multi-state cooperative purchasing program with U.S. Communities as part of contract 16154-RFP for Wholesale Maintenance, Repair and Operating Supplies for over 5 years. They've greatly increased awareness of the USCGPA Program to promote the benefits of using a compliant cooperative contract that has been competitively solicited through a Lead Public Agency, Maricopa County, and continues to promote the contract to best serve the needs of public agencies.

HD Supply is one of the largest industrial distributors in North America. The company provides a broad range of products and value-added services to approximately 500,000 customers with leadership positions in maintenance, repair and operations, water infrastructure and residential and non-residential construction sectors. Their leading businesses include HD Supply Facilities Maintenance, HD Supply Waterworks and HD Supply Construction & Industrial - White Cap. HD Supply has an expansive product offering of approximately 800,000 SKUs of quality, name-brand, and proprietary products at competitive prices. With approximately 550 locations across 48 states and six Canadian provinces, their 13,000 associates provide localized, customer-driven services including jobsite delivery, will call or direct-ship options, diversified logistics and innovative solutions that contribute to our customers' success. In California, HD Supply maintains supply warehouses in the City of Industry, Sacramento, San Diego, and Hayward. By contracting with HD Supply through USCGPA, HACCC will reap the benefits of savings on the products and services previously negotiated.

HACCC anticipates that the total cost of the contract will be \$2,000,000 through December 31, 2026. At that time, if the HD Supply contract with Maricopa County is extended, HACCC will seek to further extend this contract and return to the Board for approval of an extension.

FISCAL IMPACT:

The Housing Authority's (HACCC) total cost for this service will not exceed \$2,000,000. Funding for this contract is included in HACCC's current budget using funds provided by the U. S. Department of Housing and Urban Development.

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board of Commissioners elect not to award the contract to HD Supply Facilities Maintenance, HACCC will be required to go out to bid for maintenance, repair, operating and industrial supplies. This process would be lengthier and likely more expensive than procuring via this USCGPA process.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-386

Agenda Date: 9/12/2023

Agenda #: C.4

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: APPROVE AND AUTHORIZE THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, TO EXECUTE AN AGREEMENT WITH GOLDFARB & LIPMAN, LLP FOR REAL ESTATE LEGAL SERVICES ON AN AS-NEEDED BASIS FOR HACCC DEVELOPMENT ACTIVITY

RECOMMENDATIONS:

APPROVE and AUTHORIZE the Executive Director of the Housing Authority, or designee, to execute a contract with Goldfarb & Lipman, LLP, in an amount not to exceed \$500,000 to provide, as needed, real estate legal services surrounding HACCC development activity (which includes disposition activities), through October 27, 2027.

BACKGROUND:

HACCC is the limited partner in the DeAnza Gardens, L.P., a California limited partnership that is the owner of record for DeAnza Gardens Apartments in Bay Point, CA. Goldfarb & Lipman has provided invaluable service and advice to HACCC, specifically with regards to DeAnza Gardens and the original tax credit syndication of the property in 2003 and the substitution of HACCC as the limited partner in 2001.

Currently, HACCC is seeking to dissolve the limited partnership and refinance the loans on DeAnza Gardens Apartments which come with a balloon payment of approximately \$6.5 million due on October 1, 2023. These two transactions are complex and involve legal documents that must be created and submitted to the California Tax Credit Allocation Committee and the Secretary of State. In addition, there is a need for legal services to review and amend, as needed, loan documents from the new lender to protect the interests of HACCC and the new ownership entity of DeAnza Gardens Apartments.

Moreover, HACCC is continuing to work towards the conversion of its entire public housing portfolio to project-based Section 8 rental assistance in the coming years and real estate legal services needed for these transactions will be sporadic but necessary to ensure compliance with HUD regulations and state and local laws. Having this contract in place will facilitate the use of legal services as needed when the time comes.

Goldfarb & Lipman LLP is a leading California law firm in the fields of real estate, municipal law, affordable housing, and economic development. Their practice is focused on all aspects of real estate law including housing and economic development, real estate syndications, public finance, land use, fair housing, cooperatives, condominium and other subdivisions, leasing, financing, environmental law, related areas of tax, corporate and employment law, and litigation. Goldfarb & Lipman combines the expertise of a small boutique firm with a wide array of services often only available from larger firms. Since the founding of Goldfarb & Lipman in 1971, they have developed an extensive practice focused on providing superior legal representation to both public entities and private developers. This diverse combination of clients includes cities, counties, public housing authorities and other public agencies, as well as private developers, with expertise representing

nonprofit developers. Their broad public and private client base results in having attorneys with an unmatched ability to understand complex real estate development from multiple perspectives.

In soliciting this contract HACCC has made use of its ability to utilize interagency purchasing agreements. HUD requires housing authorities to competitively solicit goods and services. However, instead of conducting the entire procurement process in-house, HUD permits, and even encourages, housing authorities to procure goods and services via cooperative and interagency agreements. Such agreements can greatly simplify and expedite the procurement process since the housing authority does not have to develop specifications, solicit vendors for bids or evaluate those vendors that submit bids for every procurement. Also, cooperative agreements can offer substantial pricing discounts to housing authorities because vendors can price their products and services more aggressively when they know their customer base is significantly larger than just one agency. HACCC's responsibility when using a cooperative agreement involves confirming that the original procurement was executed according to HUD requirements.

Regarding the original procurement, the Oakland Housing Authority issued RFP #22-004 in accordance with the Oakland Housing Authority's Procurement Policy on February 24, 2022. A total of 632 vendors received notification of issuance of the RFP through the agency's bidding systems, Economic Engine and Infolane. The RFP was also publicly posted on the Oakland Housing Authority's website on February 24, 2022, and in the local newspapers on March 2, 2022, March 4, 2022, March 9, 2022, and March 11, 2022. Four firms responded by the deadline of April 7, 2022, for General Counsel Legal Services. All four responsive proposals were evaluated by the Evaluation Committee on August 23, 2022. A panel comprised of three individuals convened on August 23, 2022, to evaluate and rate each of the proposals.

All panelist scores were averaged, resulting in one final score for each company. The Evaluation Committee recommended awarding a contract to two firms: Goldfarb & Lipman LLP and Meyers Nave Riback Silver & Wilson PC. Goldfarb & Lipman for OHA's primary general counsel, human resources, law enforcement, real estate development and environmental legal services and Meyers Nave as a secondary general counsel firm for projects that may come up that may require their expertise. However, HACCC is only proposing to contract with Goldfarb and Lipman, LLP for its real estate legal services related to development activities.

HACCC anticipates that the total cost of the contract will be \$500,000 through October 27, 2027. At that time, if the contract with Oakland Housing Authority is renewed, then we will return to this Board to extend our contract with Goldfarb & Lipman for an additional period.

FISCAL IMPACT:

The Housing Authority's (HACCC) total cost for this service will not exceed \$500,000. Funding for this contract is included in HACCC's current budget using funds provided by the U. S. Department of Housing and Urban Development.

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board of Commissioners elect not to award the contract to Goldfarb & Lipman, HACCC will be required to go out to bid for real estate legal services. This process would be lengthier and likely more expensive than procuring via this interagency purchasing agreement process.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-387

Agenda Date: 9/12/2023

Agenda #: C.5

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: INVESTMENT REPORT FOR THE QUARTER ENDING JUNE 30, 2023

RECOMMENDATIONS:

RECEIVE the Housing Authority of the County of Contra Costa's investment report for the quarter ending June 30th, 2023.

BACKGROUND:

California Government Code (CGC) Section 53646 requires the Housing Authority of the County of Contra Costa (HACCC) to present the Board of Commissioners with a quarterly investment report that provides a complete description of HACCC's portfolio. The report is required to show the issuers, type of investments, maturity dates, par values (equal to market value here) and the current market values of each component of the portfolio, including funds managed by third party contractors. It must also include the source of the portfolio valuation (in HACCC's case it is the issuer). Finally, the report must provide certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and; (2) HACCC will meet its expenditure obligations for the next six months. (CGC 53646(b)).

The state-mandated report has been amended to indicate the amount of interest earned and how the interest was allocated. The amended report is attached.

In summary, HACCC had \$29,307.14 in interest earnings for the quarter ending June 30th, 2023. That interest was earned within discrete programs and most of the interest earned is available only for use within the program which earned the interest. Further, interest earnings may be restricted to specific purposes within a given program.

The Housing Choice Voucher Program reserve as of 12/31/2013 held in cash and investments was transitioned to HUD held program reserve account.

Non-restricted interest earnings within both the voucher and public housing programs must be used solely within those programs, but such interest earnings can be used for a wider range of purposes within the individual programs. The interest earned in the State and Local fund can be used for any purpose within HACCC's scope of operations.

The interest earned for the quarter ending June 30th, 2023, is shown below. A more detailed report is attached.

FISCAL IMPACT:

None. For reporting purposes only.

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board of Commissioners elect not to accept the investment report it would result in an audit finding of non-compliance and could ultimately affect future funding from the U.S. Department of Housing and Urban Development (HUD).

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:

Public Housing	Housing Choice Voucher Fund		Central Office	State & Local
Unrestricted Interest Earned	Restricted Interest Earned	Unrestricted Interest Earned	Unrestricted Interest Earned	Unrestricted Interest Earned
\$15,787.94			\$2,307.72	\$11,211.48

HOUSING AUTHORITY OF CONTRA COSTA COUNTY INVESTMENT REPORT : PORTFOLIO HOLDINGS BY TYPE

For Period Ending: 6/30/2023

Issuer	Investment Type	Amount Invested	Yield	Investment Date	Maturity Date	Estimated Value@ Maturity Date
Cantella & Company						
Fidelity Market Reserves	Money Market	76,487.11	4.680%	ongoing	ongoing	76,487.11
Goldman Sacs	Certificate of Deposit	100,000.00	3.300%	7/25/18	7/25/23	116,509.04
Commenty Capital Bank	Certificate of Deposit	120,000.00	3.250%	8/13/18	8/14/23	139,521.37
Citi Bank NA	Certificate of Deposit	145,000.00	3.000%	2/15/19	2/15/24	166,761.92
Morgan Stanley Private Bank	Certificate of Deposit	160,000.00	2.200%	7/25/19	7/25/24	177,619.29
State Bank of India	Certificate of Deposit	140,000.00	1.100%	5/28/20	5/28/25	147,704.22
Texas Exchange Bank	Certificate of Deposit	105,000.00	1.000%	6/19/20	6/19/25	110,252.88
State Bank of India	Certificate of Deposit	105,000.00	1.000%	4/27/21	4/27/26	110,252.88
Sally Mae Bank	Certificate of Deposit	75,000.00	1.050%	9/23/21	9/22/26	78,937.50
Synchrony Bank	Certificate of Deposit	100,000.00	0.950%	9/24/21	9/24/26	104,752.60
Federal Home Loan bank	Govt Agency	115,000.00	1.350%	1/27/22	1/27/26	121,214.25
Federal Home Loan bank	Govt Agency	110,000.00	1.750%	2/04/22	1/27/27	119,588.08
American Express national Bank	Certificate of Deposit	247,000.00	2.000%	3/09/22	3/09/27	271,713.53
Capital One Bank, USA	Certificate of Deposit	230,000.00	2.250%	3/23/22	3/23/27	255,889.18
Ally Bank	Certificate of Deposit	220,000.00	3.100%	5/19/22	5/09/25	240,291.84
BMO Harris Bank	Certificate of Deposit	150,000.00	3.300%	6/15/22	6/15/27	174,763.56
Morgan Stanley Bank	Certificate of Deposit	150,000.00	3.750%	6/30/22	6/30/27	178,140.41
Discover Bank	Certificate of Deposit	140,000.00	3.300%	7/20/22	7/20/26	158,492.66
Sallie Mae Bank	Certificate of Deposit	173,000.00	3.300%	7/20/22	7/21/25	190,158.28
Federal Home Loan bank	Govt Agency	150,000.00	4.000%	9/02/22	8/25/27	179,884.93
Capital One NA	Certificate of Deposit	245,000.00	4.300%	9/30/22	9/30/27	297,703.86
CIBC Bank USA	Certificate of Deposit	150,000.00	4.350%	5/16/23	5/15/28	182,642.88
GRAND TOTALS		3,206,487.11				3,599,282.27

L.A.I.F. (Acct # 25-07-003)	Liquid Account	110,527.22	3.36%	ongoing	ongoing	110,527.22
De Anza Gardens, LP	Loan	1,000,000.00	3.00%			1,000,000.00
GRAND TOTALS		4,317,014.33				4,709,809.49

HOUSING AUTHORITY OF CONTRA COSTA COUNTY
INVESTMENT REPORT BY FUND
For Period Ending 6/30/2023

Issuer	Amount Invested	Amount Invested by Fund:				
		Public Housing	Management	Central Office	Housing Choice Voucher	Rental Rehabilitation
<u>Cantella & Company</u>						
Fidelity Market Reserves	76,487.11	59,287.89	4,095.78	13,103.44		
Goldman Sacs	100,000.00	100,000.00				
Commenty Capital Bank	120,000.00	117,281.65		2,718.35		
Citi Bank NA	145,000.00			145,000.00		
Morgan Stanley Private Bank	160,000.00		-	160,000.00		
State Bank of India	140,000.00		140,000.00			
Texas Exchange Bank	105,000.00		105,000.00			
State Bank of India	105,000.00	105,000.00				
Sally Mae Bank	75,000.00	-		75,000.00		
Synchrony Bank	100,000.00	100,000.00				
Federal Home Loan bank	115,000.00	115,000.00				
Federal Home Loan bank	110,000.00	110,000.00				
American Express national Bank	247,000.00	247,000.00				
Capital One Bank, USA	230,000.00	230,000.00				
Ally Bank	220,000.00	220,000.00				
BMO Harris Bank	150,000.00	150,000.00				
Morgan Stanley Bank	150,000.00	150,000.00				
Discover Bank	140,000.00	140,000.00				
Sallie Mae Bank	173,000.00		173,000.00			
Federal Home Loan bank	150,000.00	150,000.00				
Capital One NA	245,000.00	245,000.00				
CIBC Bank USA	150,000.00		150,000.00			
GRAND TOTALS	3,206,487.11	2,238,569.54	572,095.78	395,821.79	-	-
L.A.I.F. (Acct # 25-07-003)	110,527.22	-	-	-		110,527.22
De Anza Gardens, LP	1,000,000.00		1,000,000.00			
GRAND TOTALS	4,317,014.33	2,238,569.54	1,572,095.78	395,821.79	-	110,527.22

HOUSING AUTHORITY OF CONTRA COSTA COUNTY

Report per CGC 53646 CURRENT MARKET VALUE

For Period Ending 6/30/2023

Issuer	Investment Type	Maturity Date	Amount Invested	Current Market Value (at 6/30/23)	Yield
Cantella & Company					
Fidelity Market Reserves	Money Market	ongoing	76,487.11	76,487.11	4.68%
Goldman Sacs	Certificate of Deposit	7/25/2023	100,000.00	99,863.00	3.30%
Commenty Capital Bank	Certificate of Deposit	8/14/2023	120,000.00	119,709.60	3.25%
Citi Bank NA	Certificate of Deposit	2/15/2024	145,000.00	142,938.10	3.00%
Morgan Stanley Private Bank	Certificate of Deposit	7/25/2024	160,000.00	154,619.20	2.20%
State Bank of India	Certificate of Deposit	5/28/2025	140,000.00	129,098.20	1.10%
Texas Exchange Bank	Certificate of Deposit	6/19/2025	105,000.00	96,346.95	1.00%
State Bank of India	Certificate of Deposit	4/27/2026	105,000.00	93,012.15	1.00%
Sally Mae Bank	Certificate of Deposit	9/22/2026	75,000.00	65,474.25	1.05%
Synchrony Bank	Certificate of Deposit	9/24/2026	100,000.00	86,987.00	0.95%
Federal Home Loan bank	Govt Agency	1/27/2026	115,000.00	105,453.85	1.35%
Federal Home Loan bank	Govt Agency	1/27/2027	110,000.00	99,940.50	1.75%
American Express national Bank	Certificate of Deposit	3/09/2027	247,000.00	219,605.23	2.00%
Capital One Bank, USA	Certificate of Deposit	3/23/2027	230,000.00	206,192.70	2.25%
Ally Bank	Certificate of Deposit	5/09/2025	220,000.00	210,889.80	3.10%
BMO Harris Bank	Certificate of Deposit	6/15/2027	150,000.00	139,198.50	3.30%
Morgan Stanley Bank	Certificate of Deposit	6/30/2027	150,000.00	141,612.00	3.75%
Discover Bank	Certificate of Deposit	7/20/2026	140,000.00	131,833.80	3.30%
Sallie Mae Bank	Certificate of Deposit	7/21/2025	173,000.00	165,946.79	3.30%
Federal Home Loan bank	Govt Agency	8/25/2027	150,000.00	145,006.50	4.00%
Capital One NA	Certificate of Deposit	9/30/2027	245,000.00	235,690.00	4.30%
CIBC Bank USA	Certificate of Deposit	5/15/2028	150,000.00	144,076.50	4.35%
			3,206,487.11	3,009,981.73	
L.A.I.F. (Acct # 25-07-003)	Liquid Account	ongoing	110,527.22	110,527.22	3.36%
De Anza Gardens, LP	Loan		1,000,000.00	1,000,000.00	3.00%
GRAND TOTALS			4,317,014.33	4,120,508.95	

HOUSING AUTHORITY OF CONTRA COSTA COUNTY

Investment Interest Earnings Report

For Period Ending 6/30/2023

150189	Amount Invested	Interest Earned this Qtr	Interest Earned this Quarter by Fund				
			Public Housing	Management	Central	Rental Rehab	Housing Voucher
			Unrestricted	Unrestricted	Unrestricted	Unrestricted	Unrestricted
<u>Cantella & Company</u>							
Fidelity Market Reserves	76,487.11	882.64	684.17	47.26	151.21	-	-
Goldman Sacs	100,000.00	813.70	813.70	-	-	-	-
Commenty Capital Bank	120,000.00	961.64	939.86	-	21.78	-	-
Citi Bank NA	145,000.00	1,072.60	-	-	1,072.60	-	-
Morgan Stanley Private Bank	160,000.00	867.95	-	-	867.95	-	-
State Bank of India	140,000.00	379.73	-	379.73	-	-	-
Texas Exchange Bank	105,000.00	258.90	-	258.90	-	-	-
State Bank of India	105,000.00	258.90	258.90	-	-	-	-
Sally Mae Bank	75,000.00	194.18	-	-	194.18	-	-
Synchrony Bank	100,000.00	234.25	234.25	-	-	-	-
Federal Home Loan bank	115,000.00	382.81	382.81	-	-	-	-
Federal Home Loan bank	110,000.00	474.66	474.66	-	-	-	-
American Express national Bank	247,000.00	1,218.08	1,218.08	-	-	-	-
Capital One Bank, USA	230,000.00	1,276.03	1,276.03	-	-	-	-
Ally Bank	220,000.00	1,681.64	1,681.64	-	-	-	-
BMO Harris Bank	150,000.00	1,220.55	1,220.55	-	-	-	-
Morgan Stanley Bank	150,000.00	1,386.99	1,386.99	-	-	-	-
Discover Bank	140,000.00	1,139.18	1,139.18	-	-	-	-
Sallie Mae Bank	173,000.00	1,407.70	-	1,407.70	-	-	-
Federal Home Loan bank	150,000.00	1,479.45	1,479.45	-	-	-	-
Capital One NA	245,000.00	2,597.67	2,597.67	-	-	-	-
CIBC Bank USA	150,000.00	804.45	-	804.45	-	-	-
-	3,206,487.11	20,993.70	15,787.94	2,898.04	2,307.72	-	-
L.A.I.F. (Acct # 25-07-003)	110,527.22					916.18	
De Anza Gardens, LP	1,000,000.00	7,397.26		7,397.26			
GRAND TOTALS	4,317,014.33	29,307.14	15,787.94	10,295.30	2,307.72	916.18	-



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-388

Agenda Date: 9/12/2023

Agenda #: C.6

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: ADOPT AND APPROVE THE HOUSING CHOICE VOUCHER PAYMENT STANDARDS EFFECTIVE October 1, 2023

RECOMMENDATIONS:

ADOPT and APPROVE the Housing Choice Voucher payment standards for the Housing Authority of the County of Contra Costa effective October 1, 2023.

BACKGROUND:

Payment standards are used to calculate the housing assistance payment (HAP), or subsidy, that a housing authority (HA) will pay on behalf of families leasing units under the program. Each HA must establish a schedule of payment standard amounts by bedroom size. The range of possible payment standard amounts is based on HUD's published fair market rent (FMR) schedule for the FMR area within which the HA has jurisdiction. HACCC's payment standards are based on the FMRs for the Oakland-Fremont, CA Metro area which includes all of Alameda and Contra Costa Counties. FMRs are based on the 40th percentile of rents charged for standard housing in the FMR area. This is the dollar amount below which 40 percent of the standard-quality rental housing units are rented. HAs may set their payment standards amounts from 90% to 110% of the published FMRs without HUD approval. Payment standards can be set higher or lower than this basic range in response to market conditions with HUD approval.

The level at which the payment standards are set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants. If the payment standard amount is too low:

- Families may need to pay more for rent than they can afford; or
- Families may have a hard time finding acceptable units or units in more desirable areas; or
- Housing choices will be narrowed and the HA's efforts to affirmatively further fair housing will be undermined.

If the payment standards amounts are too high, owners may be encouraged to ask for higher than reasonable rents.

As approved by the Board on January 12, 2016, HACCC's payment standards were split into two different amounts. One payment standard was established for all cities located in East County and a second payment standard was established for the rest of the cities in HACCC's jurisdiction. This was done to give families greater access to housing opportunities in low poverty neighborhoods throughout the County and to limit the tendency for families to lease in high poverty areas concentrated in East County

The proposed payment standards are shown below. They are based on the revised FMRs published by HUD

on August 31, 2023, and made effective on October 1, 2023. The results of the study indicated that FMRs for all bedroom-size units have gone up between 6.3% and 10.07%.

Since payment standards must be within a range of 90% to 110% of the FMR, HACCC was adjusted the Payments Standards to keep them from exceeding the maximum threshold range. The amount of the payment standards for the East County cities of Antioch, Bay Point, Bethel Island, Brentwood, Byron, Discovery Bay, Knightsen and Oakley will remain at the same percentage of the FMR as in FY2023. The new East County Payment Standards will be set at 100% of the FMRs and will result in an increased Payment Standard of \$162 to \$360, depending on the bedroom size. For FY2024, the rest of the County will have the payment standards set at approximately 110% of the FMRs. The increase in the Payment Standard will be between \$179 and \$396 depending on the bedroom size.

The changes will be effective October 1, 2023. All annual certifications that have already been processed will not have to be re-calculated since the implementation date of the new payment standards will be January 1, 2024. However, all new contracts and tenancies will begin to use the new Payment Standards on or after October 1, 2024.

The proposed payment standards and the new FMRs are attached.

FISCAL IMPACT:

Funding for this program is provided by the U.S. Department of Housing and Urban Development (HUD). Funding for the proposed change is provided for in the Housing Authority of the County of Contra Costa's (HACCC) current budget.

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board of Commissioners not adopt and approve the proposed payment standards, then HACCC will not be in compliance with HUD regulations and could be subject to financial sanctions or other penalties.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:

ALL HCV PROGRAM PARTICIPANTS IMPORTANT PROGRAM INFORMATION



EFFECTIVE DATE: October 1, 2023

SECTION 1: NEW PAYMENT STANDARD

EAST COUNTY - Antioch, Bay Point, Bethel Island, Brentwood, Byron, Discovery Bay, Knightsen, Oakley

	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	7-BR
PS	\$1,825	\$2,131	\$2,590	\$3,342	\$3,954	\$4,547	\$5,140	\$5,733
% of FMR	100%	100%	100%	100%	100%	100%	100%	100%

EFFECTIVE DATE: October 1, 2023

All Other Cities Except Pittsburg:

	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	7-BR
PS	\$2,007	\$2,344	\$2,849	\$3,676	\$4,349	\$5,001	\$5,654	\$6,306
% of FMR	109.97%	110.00%	110.00%	109.99%	109.99%	109.98%	110.00%	109.99%

FMR	\$1,825	\$2,131	\$2,590	\$3,342	\$3,954	\$4,547	\$5,140	\$5,733
110% of FMR	\$2,007	\$2,344	\$2,849	\$3,676	\$4,349	\$5,001	\$5,654	\$6,306

SECTION 2: INCOME LIMITS EFFECTIVE 05/15/2023

Family Size (# of persons)	Extremely Low (30%) Income	Very Low (50%) Income	Low (80%) Income
01	\$31,050	\$51,800	\$78,550
02	35,500	59,200	89,750
03	39,950	66,600	100,950
04	44,350	73,950	112,150
05	47,900	79,900	121,150
06	51,450	85,800	130,100
07	55,000	91,700	139,100
08	58,550	97,650	148,050

Disclaimer: This information is provided as a courtesy of the Housing Authority of the County of Contra Costa to assist you on determining if you are eligible for housing programs within the agency. **Payment Standards represent the maximum subsidy permitted not the maximum rent available. All rents are subject to Rent Reasonableness Determination.** This information is subject to change without notice.



CONTRA COSTA COUNTY

1025 ESCOBAR STREET
MARTINEZ, CA 94553

Staff Report

File #: 23-385

Agenda Date: 9/12/2023

Agenda #: C.7

To: Contra Costa County Housing Authority Board of Commissioners

From: Joseph Villarreal, Executive Director

Date: September 12, 2023

Report Title: ANNUAL REVIEW AND APPROVAL OF INVESTMENT POLICY

RECOMMENDATIONS:

ADOPT Resolution No. 5255 to invest HUD and non-HUD funds according to HACCC's Investment Policy.

BACKGROUND:

California Government Code (CGC) Section 53646(a)(2)] requires staff to annually prepare and submit a statement of investment policy, and any changes thereto, to the Board of Commissioners for consideration at a public meeting.

HACCC's Investment Policy was developed following guidelines set forth both by the State and the U.S. Department of Housing and Urban Development (HUD). In general, the State's approach to investing public funds is outlined in CGC Section 53600.5, which reads as follows:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

The majority of HACCC's funds are federal moneys received from HUD. When investing these moneys HACCC must follow both the broad guidelines listed above as required by the State and HUD's more specific requirements set forth in HUD PIH Notice 2002-13. It authorizes housing authorities to invest HUD funds in the following:

- United States Treasury Bills, Notes and Bonds;
- Obligations issued by Agencies or Instrumentalities of the U.S. Government;
- State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by County treasurers;
- Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by federal securities;
- Insured Money Market Deposit Accounts;
- Insured SUPER NOW accounts, provided that deposits in excess of the insured amount must be 100% collateralized by federal securities;
- Negotiable Certificates of Deposit issued by federally or state chartered banks or associations, limited to no more than 30% of surplus funds;
- Repurchase/Reverse Repurchase Agreements of any securities authorized by this section; securities purchased under purchase agreements shall be no less than 102% of market value;

- Sweep Accounts that are 100% collateralized by federal securities;
- Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds);
- Funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds;
- Funds held under the terms of a Trust Indenture or other contract or agreement including the HUD/PHA Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts; and
- Any other investment security authorized under the provisions of HUD Notice PIH 02-13.

Any non-HUD moneys controlled by HACCC may be invested in the following instruments permitted by the State (CGC Section 53601 et. seq.):

- Bonds issued by the local entity with a maximum maturity of five years;
- United States Treasury Bills, Notes and Bonds;
- Registered state warrants or treasury notes or bonds issued by the State of California;
- Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurer, other local agencies or Joint Powers Agencies;
- Obligations issued by Agencies or Instrumentalities of the U.S. Government;
- Bankers Acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank;
- Prime Commercial Paper with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial papers does not exceed 31 days up to 30% of surplus funds can be invested in commercial papers.
- Negotiable Certificates of Deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds;
- Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section, securities purchased under these agreements shall be no less than 102% of market value.
- Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.
- Medium term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds;
- Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds), limited to not more than 15% of surplus funds;
- Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements;
- Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations;
- Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment least-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds;
- Any other investment security authorized under the provisions of California Government Code Sections 5922 and 53601.

HACCC takes a conservative approach to investing. In the past, the majority of HACCC's available funds (over 50%) have been placed in the Local Agency Investment Fund (LAIF), an investment alternative for California's local governments and special districts that is under the oversight of the State Treasurer. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest or

principal. Under Federal Law, the State of California cannot declare bankruptcy, thereby providing some assurance that the investments are secure. HACCC's remaining investments are in certificates of deposit, money market accounts and government securities.

As a result of HUD's recapture of the Section 8 housing assistance payment reserves from every housing authority, the percentage of HACCC's invested funds held by LAIF has decreased to 2.70%.

In order to monitor HACCC's compliance with the Investment Policy, staff provide the Board of Commissioners with quarterly reports showing HACCC's investments and any recent activity or changes in those investments as required by CGC Section 53646(b). Compliance with the Investment Policy is also reviewed during HACCC's independent audit. HACCC has had no findings or comments regarding its investment activity.

Staff's recommendation is to maintain HACCC's current policy (see attachment). The attached policy was originally approved by the Board in 2007.

FISCAL IMPACT:

This policy requires the Housing Authority of the County of Contra Costa (HACCC) to take a prudent approach to investing and that HACCC will not make any speculative investments, considering the probable safety of the capital as well as the probable income to be derived. The primary objectives of HACCC's investment activities, in order of priority, are: safety; liquidity; return on investment.

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board of Commissioners elect not to adopt Resolution No. 5255 approving the Investment Policy for the Housing Authority of the County of Contra Costa, HACCC would not be in compliance with HUD regulations and California Government Code.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED:

Joseph Villarreal, Executive Director

By:

THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY OF THE COUNTY OF CONTRA COSTA

RESOLUTION NO. 5255

RESOLUTION APPROVING THE INVESTMENT POLICY OF THE AUTHORITY

WHEREAS, The U.S. Department of Housing and Urban Development (HUD) has established requirements governing cash management and approved investment instruments for certain funds under the control of the Public Housing Authorities; and

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern, California Government Code (Government Code) Section 53600.6; and

WHEREAS; the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of HUD's Public and Indian Housing Notice 02-13 and Government Code Section 53601; and

WHEREAS, the Executive Director of the Housing Authority of the County of Contra Costa (HACCC) shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Commissioners of the Housing Authority at a public meeting [Government Code Section 53646 (a)(2)];

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Contra Costa that it shall be the policy of the HACCC to invest funds in a manner which will provide the maximum safety, liquidity and reasonable investment return while meeting the daily cash flow demands of the HACCC and conforming to all statues governing the investment of HACCC funds.

PASSED AND ADOPTED ON _____ by the following vote of the Commissioners.

Housing Authority of the County of Contra Costa Investment Policy

Scope

This policy covers the investment activities of all contingency reserves and cash reserves or surplus under the direct authority of HACCC.

Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard (Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. The Executive Director and his designees acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes. Any information received which identifies potential security risks or market price changes of significance shall be reported in a timely fashion and efforts to control adverse developments shall be pursued.

Objective

Section 53600.5 of the Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of HACCC investments activities shall be:

1. Safety: Safety of principal is the foremost objective of this investment policy. Investments of the HACCC shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the HACCC to meet all operating requirements, which might be reasonably anticipated.
3. Return on Investment: Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles consistent with HACCC investment policy, taking into consideration investment risk constraints and cash flow characteristics of the portfolio.

Investment Policy Page 2
Delegation of Authority

Authority to manage the investment program is derived from Section 401(E) of the Annual Contribution Contract (ACC) between HUD and HACCC, and the Government Code Sections 53601, et seq. Management responsibility for the investment program is hereby delegated to the Executive Director of HACCC, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping and repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Executive Director. The Executive Director, as authorized by the Housing Authority Board of Commissioners, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Executive Director is a trustee and a fiduciary subject to the prudent investor standard. (Government Code 53600.3)

Ethics and Conflicts of Interest

Officers and employees of the Housing Authority and such investment underwriters, bond counsel and other financial advisors or consultants involved in the investment process shall refrain from personal business activity which could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions.

Authorized Financial Institutions and Dealers

- A) The Executive Director will maintain a list of financial institutions that are authorized to provide investment services. Selection for placement on this list will be on the basis of credit worthiness, financial strength, experience and minimal capitalization. In addition, a list will also be maintained of approved security broker/dealers or investment bank underwriters who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.
- B) Selection: For brokers/dealers or investment bank underwriters of government securities and other investments, the Executive Director shall select only brokers/dealers or investment bank underwriters who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations; and, cannot have made any campaign contributions to any member of the Housing Authority's Board of Commissioners.

- C) Certification: Before engaging in investment transactions with a broker/dealer or investment bank underwriter, the Executive Director shall have received from said firm a signed Certification Form (See Exhibit 1). This form shall attest that the individual responsible for the Housing Authority's account with that firm has reviewed the Housing Authority's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Housing Authority that are appropriate under the terms and conditions of the Investment Policy.

Authorized and Suitable Investments

The Housing Authority is empowered by the HUD Notice 02-13 (See Attachment A) to invest HUD funds in the following:

- A. United States Treasury Bills, Notes & Bonds.
- B. Obligations issued by Agencies or Instrumentalities of the U.S. Government.
- C. State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF).
- D. Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100 percent collateralized by securities listed in A & B above.
- E. Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in A & B above.
- F. Insured Super NOW Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in A & B above.
- G. Repurchase Agreements of any securities authorized by this Section. Securities purchased under repurchase agreements shall be no less than 102 percent of market value. (See special limits in HUD Notice 02-13 (Attachment A) and Government Code 53601.0 (Attachment B).)
- H. Reverse Repurchase Agreements of any U. S. Treasury and Federal Agency Securities in portfolio. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only. (See also special limits in HUD Notice 02-13 (Attachment A) and GOVERNMENT CODE 53601.0 (Attachment B).)

Investment Policy Page 4

- I. Sweep Accounts that are 100 percent collateralized by securities listed in A & B above.
- J. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds). Such Funds must carry the highest rating of at least two national rating agencies. Not more than 15 percent or 20 percent of surplus funds can be invested in Money Market Mutual Funds.
- K. Funds held under the terms of a Trust Indenture or other contract or agreement, including the HUD/Public Housing Agency Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts.
- L. Any other investment security authorized under the provisions of HUD Notice PIH 02-13.

The Housing Authority is empowered by California Government Code (Government Code) Sections 5922 and 53601 et seq. to invest non-HUD funds in the following:

- A. Bonds issued by local government agencies with a maximum maturity of five years (See Attachment 2).
- B. United States Treasury Bills, Notes & Bonds.
- C. Registered warrants, treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurer, other local agencies or Joint Powers Agencies.
- E. Obligations issued by Agencies or Instrumentality of the U.S. Government.
- F. Bankers Acceptances with a term not to exceed 270 days. Not more than 40 percent of surplus funds can be invested in Bankers Acceptances and no more than 30 percent of surplus funds can be invested in the bankers acceptances of any single commercial bank.
- G. Prime Commercial Paper with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp. Commercial paper cannot exceed 15 percent of total surplus funds, provided, that if the average maturity of all Commercial paper does not exceed 31 days, up to 30 percent of surplus funds can be invested in Commercial paper.

Investment Policy Page 5

- H. Repurchase Agreements of any securities authorized by this Section. Securities purchased under repurchase agreements shall be no less than 102 percent of market value. (See special limits in Government Code 53601(Attachment B).)
- I. Reverse Repurchase Agreements of any U. S. Treasury and Federal Agency Securities in portfolio. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only. (See also special limits in Government Code 53601.0 (Attachment B).)
- J Medium term notes (not to exceed 2 Years) of U.S. corporations rated "A" or better by Moody's or S&P. Not more than 30 percent of surplus funds can be invested in medium term notes.
- K Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section. (Money Market Mutual Funds) Such Funds must carry the highest rating of at least two national rating agencies. Not more than 15% of surplus funds can be invested in Money Market Mutual Funds.
- L Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
- M Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- N Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a national rating service. No more than 30% of surplus funds can be invested in this category of securities.
- O. Any other investment security authorized under the provisions of Government Code 5922 and 53601.

Attachment A, HUD Approved Investment Instruments, and Attachment B, Government Code Section 53601, also provide a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. These attachments are included by reference in this investment policy.

Investment Policy Page 6
Prohibited Investments

Under the provisions of Government Code Section 53631.5, the Housing Authority shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only STRIPS derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity. In addition the provisions of Government Code Section 53601 et seq applies.

Collateralization

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party and valued on a monthly basis. The percentage of collateralization on repurchase agreements will conform to the amount required under Government Code 53601(1)(2).

Safekeeping and custody

All security transactions entered into by the Housing Authority shall be conducted during the normal business hours of the Housing Authority, on Housing Authority premises and on a delivery-versus-payment (DVP) basis. Only during an extreme emergency shall security transactions be conducted during non-business Housing Authority hours, not on Housing Authority premises. All securities purchased or acquired shall be delivered to the Housing Authority by book entry, physical delivery or by third party custodial agreement. (Government Code 53601)

Diversification

It is the policy of the Housing Authority to diversify its investment portfolio. The Housing Authority will diversify its investments by security type and, within each type, by institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following guidelines shall apply:

- A) Portfolio maturities shall be matched against projected liabilities to avoid an over concentration in a specific series of maturities.
- B) Maturities selected shall provide for stability and liquidity.
- C) Disbursement and payroll dates shall be covered by the scheduled maturity of specific investments, marketable U.S. Treasury Bills or notes or other cash equivalent instruments, such as money market mutual funds.

Investment Policy Page 7
Reporting

The Executive Director shall submit to each member of the Housing Authority Board of Commissioners a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed by third party contractors. The report will also include the source of the portfolio valuation. In the case of funds invested in The Local Agency Investment Fund (LAIF), Federal Deposit Insurance Corporation (FDIC) accounts or county investment pools, current statements from those institutions will satisfy the above reporting requirement. The report will also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and; (2) the Housing Authority will meet its expenditure obligations for the next six months. (Government Code 53646(b)). The Executive Director and/or his designee shall maintain a complete and timely record of all investment transactions.

Investment Policy Adoption

The Investment Policy shall be adopted by resolution by the Housing Authority Board of Commissioners. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Housing Authority Board of Commissioners.