

HOUSING AUTHORITY of the COUNTY OF CONTRA COSTA

CALENDAR FOR THE BOARD OF COMMISSIONERS

BOARD CHAMBERS ROOM 107, COUNTY ADMINISTRATION BUILDING
651 PINE STREET
MARTINEZ, CALIFORNIA 94553-1229

JOHN GIOIA, CHAIR
CANDACE ANDERSEN, VICE CHAIR
MARY N. PIEPHO
KAREN MITCHOFF
FEDERAL D. GLOVER
FAY NATHANIEL
TENANT VACANT

JOSEPH VILLARREAL, EXECUTIVE DIRECTOR, (925) 957-8000

PERSONS WHO WISH TO ADDRESS THE BOARD DURING PUBLIC COMMENT OR WITH RESPECT TO AN ITEM THAT IS ON THE AGENDA, WILL BE LIMITED TO THREE (3) MINUTES.

The Board Chair may reduce 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 closed session may be called at the discretion of the Board Chair.

ANNOTATED AGENDA & MINUTES October 13, 2015

1:30 P.M. Convene and call to order.

CONSIDER CONSENT ITEMS: (Items listed as C.1 through C.3 on the following agenda) - Items are subject to removal from the Consent Calendar by request from 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.

DISCUSSION ITEMS

D. 1 CONSIDER Consent Items previously removed.

There were no items removed for discussion.

D. 2 PUBLIC COMMENT (3 Minutes/Speaker)

There were no requests to speak at Public Comment.

- D.3 CONSIDER approving Resolution No. 5192 authorizing submission of a Rental Assistance Demonstration application to the U.S. Department of Housing and Urban Development that would increase the Housing Authority's previously approved applications for 90 vacant units to include all 214 units at Las Deltas in North Richmond.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	ABSENT
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Seat Vacant	ABSENT

- D.4 CONSIDER adopting the proposed 2016 meeting schedule for the Housing Authority of the County of Contra Costa Board of Commissioners, which has been coordinated with the Contra County County Board of Supervisors and the Contra Costa County Fire Protection District Board of Directors.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	ABSENT
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Seat Vacant	ABSENT

ADJOURN

Adjourned today's meeting at 1:40 p.m.

CONSENT ITEMS:

- C.1 DENY claim filed by Latasha Jones.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	ABSENT

Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Seat Vacant	ABSENT

- C.2 APPROVE refinancing an existing loan with Westamerica Bank for the purchase of the Housing Choice Voucher office located at 2870 Howe Road, Martinez, CA and AUTHORIZE the Executive Director and the Finance Director to submit and execute all required documents to complete the refinancing.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	ABSENT
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Seat Vacant	ABSENT

- C.3 ADOPT Resolution No. 5193 authorizing adoption of the Public Agencies Post-Employment Benefits Trust administered by Public Agency Retirement Services in order to provide for the funding of Post-Retirement Health Care obligations and/or unfunded Retirement Liabilities effective October 14, 2015; and taking related administrative actions.

Commissioner John Gioia	AYE
Commissioner Candace Andersen	AYE
Commissioner Mary N. Piepho	ABSENT
Commissioner Karen Mitchoff	AYE
Commissioner Federal D. Glover	AYE
Commissioner Fay Nathaniel	ABSENT
Commissioner Seat Vacant	ABSENT

GENERAL INFORMATION

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 of Commissioners 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 Commission 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, 651 Pine Street Room 106, Martinez, CA 94553; by fax: 925-335-1913; or via the County's web page: www.co.contracosta.ca.us, by clicking "Submit Public Comment" (the last bullet point in the left column under the title "Board of Commissioners.")

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) 335-1900; TDD (925) 335-1915. An assistive listening device is available from the Clerk, Room 106. Copies of taped recordings of all or portions of a Board meeting may be purchased from the Clerk of the Board. Please telephone the Office of the Clerk of the Board, (925) 335-1900, to make the necessary arrangements.

Applications for personal subscriptions to the monthly Board Agenda may be obtained by calling the Office of the Clerk of the Board, (925) 335-1900. The monthly agenda may also be viewed on the County's internet Web Page: www.co.contra-costa.ca.us

The Closed session agenda is available each month upon request from the Office of the Clerk of the Board, 651 Pine Street, Room 106, Martinez, California, and may also be viewed on the County's Web Page.

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

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: October 13, 2015



Contra
Costa
County

Subject: APPLICATION TO HUD TO EXPAND THE HOUSING AUTHORITY'S PREVIOUSLY APPROVED 90-UNIT RENTAL ASSISTANCE DEMONSTRATION PROGRAM

RECOMMENDATIONS

CONSIDER approving Resolution No. 5192 authorizing submission of a Rental Assistance Demonstration application to HUD that would increase the HACCC's previously approved applications for 90 vacant units to include all 214 units at Las Deltas in North Richmond.

BACKGROUND

In response to the ongoing lack of funding for public housing, HUD created the Rental Assistance Demonstration (RAD) program as a financing tool to preserve existing units by converting the underlying public housing subsidy to a project-based contract with HUD that permits private financing. This will allow public housing units across the country to be modernized or replaced by new construction while providing more stable long-term funding. Although it is still a limited and newly developing program, RAD is HUD's primary tool to fund required rehabilitation or reconstruction of existing public housing.

On March 30, 2015, HUD approved HACCC's RAD applications to convert 90 vacant public housing units at Las Deltas in North Richmond to Project-Based Vouchers (PBV) that will be used to develop affordable replacement housing elsewhere. When staff submitted HACCC's RAD applications in December 2013, the intention was to also submit Section 18 Demolition/Disposition (Section 18) applications to HUD for the remaining, occupied units at Las Deltas. The primary advantage of a Section 18 application is that it provides a better long-term subsidy stream than the RAD program does. The primary disadvantages are that HUD has made it very difficult to get a Section 18 application approved and HUD does not provide vouchers to replace vacant public housing units lost under a Section

Action of Board On: **10/13/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Karen Mitchoff,
 Commissioner
 Federal D. Glover,
 Commissioner

ABSENT: Mary N. Piepho,
 Commissioner
 Fay Nathaniel,
 Commissioner
 Seat Vacant, Commissioner

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: October 13, 2015

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

BACKGROUND (CONTD)

18 application. Even the funding of vouchers to replace occupied public housing units has been reduced to such a minimal level that it may takes years, if at all, before they are received.

In discussions with HUD and others it has become clear that it will be difficult to get Section 18 applications approved for Las Deltas. While staff will continue to explore the possibility of submitting Section 18 applications over the remainder of the calendar year, it is in HACCC's best interest to also submit RAD applications for the remainder of the property in order to maximize the chances that the entire property can be converted to project-based assistance that can be used to develop replacement housing elsewhere.

In response to HACCC's request earlier in the year to expand its original RAD applications, HACCC's HUD Transaction Manager indicated that staff should submit an informal amendment request. The goal was to seek an expeditious approval by HUD's Washington RAD staff. The Board approved this action at its August 18, 2015 meeting. However, HUD RAD staff in Washington have communicated to both our Transaction Manager and staff that HACCC must submit formal applications to convert the remainder of the property using RAD.

Attached are two Board Approval forms that must be submitted with each application. HACCC has two contracts with HUD for Las Deltas, which is why there are two forms to approve. In general, the forms show the sources and uses of funds to convert the project to RAD.

FISCAL IMPACT

If approved by the U. S. Department of Housing and Urban Development (HUD), the Housing Authority's (HACCC) revised Rental Assistance Demonstration program (RAD) applications would convert all 214 public housing units at Las Deltas into project-based vouchers. The project-based voucher subsidy for these units will be worth approximately \$66 million in funding over the next 30 years.

CONSEQUENCE OF NEGATIVE ACTION

Should the Board of Commissioners elect not to approve Resolution No. 5192, authorizing submission of an expanded RAD application to HUD, it is likely that 124 of the existing 214 public housing units at Las Deltas will remain as public housing. Such a scenario is not viable financially for HACCC.

CLERK'S ADDENDUM

AGENDA ATTACHMENTS

Las Deltas CA0116 Approval Form

Las Deltas CA0117 Approval Form

Res. 5192

MINUTES ATTACHMENTS

Signed Resolution No. 5192

Attachment 1A: Board Approval Form

Housing Authority of the County Contra Costa RAD Application for LAS DELTAS ANNEX 1

AMP No:	CA011600000
Units	138

Type of Conversion

PBV (Project Based Vouchers)

Proposed Units for Conversion and De Minimis

Summary	Total Units Proposed for Conversion	Units Proposed to be Reduced	de minimis threshold
	86	52	7
Explanation for de minimis reduction			Unit Count
Partial conversion			52

Pro Forma Sources and Uses

Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$0	\$0
Public Housing Operating Reserves	\$0	\$0
Public Housing Capital Funds	\$759,000	\$8,826
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Public Housing operating reserves	\$19,054	\$222
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$778,054	\$9,047
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$19,054	\$222
Construction Costs	\$0	\$0
Relocation Costs	\$759,000	\$8,826
Professional Fees	\$0	\$0
Loan Fees and Costs	\$0	\$0
Reserves	\$0	\$0
Developer Fees	\$0	\$0
Total Uses of Funds	\$778,054	\$9,047

Stabilized Cash Flow Pro Forma

	Total	TPUPA
Gross Potential Rents for RAD Units	\$830,604	\$9,658
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$41,530)	-\$483
Other Income	\$0	\$0
Effective Gross Income	\$789,074	\$9,175
Total Operating Expenses	(\$726,772)	(\$8,451)
Annual Deposit to Replacement Reserve	(\$26,000)	(\$302)
Net Operating Income	\$36,302	\$422
First Mortgage Debt Service	\$0	\$0
Operating Cash Flow	\$36,302	\$422

PHA's Explanation of Any Relocation of Tenants (Estimated Relocation Cost is \$759,000)

A relocation plan has been drafted to permanently relocate the households remaining in the Las Deltas Annex 1 property. Tenant-based vouchers and vacant public housing units shall be used as needed to assist these households. The residents of Las Deltas have a right to go to the replacement RAD PBV units if they so choose. In addition, priority will be provided to them for the site-based waiting list created for all RAD PBV replacement unit properties.

PHA's Explanation of Capacity and Experience to Carry Out the RAD Conversion

The Executive Director and staff have provided nearly 500 units of PBVs to nonprofit developers in Contra Costa County. HACCC also has experience in converting public housing units into an increased number of tax credit units. Due to HACCC's ongoing work with PBV and tax credit units, staff are in regular contact with developers who could successfully utilize RAD units. Furthermore, HACCC's consultants, Hawkins, Delafield & Wood, LLP and CSG Advisors have extensive experience with RAD and similar HUD conversion actions.

Attachment 1A: Board Approval Form

Housing Authority of the County Contra Costa RAD Application for LAS DELTAS ANNEX 1

PHA's Explanation of the Proposed Total Operating Cost being less than 85% of the 3 Year Historical Operating Expenses

3 Year Historical Average Comparison	2009	2010	2011	Average	Proposed
	\$957,558	\$853,302	\$796,713	\$869,191	\$726,772

The proposed operating expenses were derived by applying an inflation escalation ratio of 5% (2.8 % in 2014 and 2.2% in 2015) to the Per Unit Per Annum amount approved in HACCC's 2013 RAD application (\$8,049) for the same property. The new PUPA (\$8,451) was applied to the 86 units in this application to arrive at the proposed conversion operating expenses.

PHA's Explanation of the Capital Needs and Replacement Reserves Estimates

The proposal is to expand the initial CHAPs from 52 to 138 units. The proposal is to replace all units, of which 64 units are vacant - some (34) have been vacant for over two years, with off site project based vouchers units that need no capital work.

Discussion of QAP timing

N/A

Demonstration of recent success obtaining 9% LIHTCs

N/A

Likelihood of obtaining 9% LIHTCs

N/A

I hereby certify to the following: (1) that I have the requisite authority to execute this application on behalf of the owner; (2) that HUD can rely upon this certification in evaluating the Application, (3) that I acknowledge that I have read and understand PIH Notice 2012-32 (the "Notice"), which describes the Rental Assistance Demonstration (RAD) (the "Program"), and agree to comply with all requirements of the Program or Notice; (4) that all materials submitted in association with the application are accurate, complete and not misleading; (5) that the application meets all applicable eligibility requirements for the Program set forth in the Notice; (6) that the owner approves the creation of a single-asset entity of the affected project if required by the lender to facilitate financing; (7) that, if selected for award, the owner will comply with the fair housing and civil rights requirements at 24 CFR 5.105(a) (general requirements) and will affirmatively further fair housing; (8) that there are no debarments, suspensions, or Limited Denials of Participation in Federal programs lodged against the applicant, PHA Executive Director, Board members, or affiliates; (9) that this Board Approval Form has been approved by the Board of Commissioners on the date noted below; and (10) that, if selected for an award, the PHA will comply with all provisions of HUD's Commitment to Enter into a HAP (CHAP), which shall indicate the HUD-approved terms and conditions for conversion of assistance, or will indicate to HUD within 15 days that it is refusing the terms of the CHAP and withdrawing from RAD participation.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 USC Sections 1001, 1010, 1012; 31 USC Sections 3729, 3802)

PHA Certification: By Joseph Villarreal (Executive Director)

Signature:

October 13, 2015
Date:

Attachment 1A: Board Approval Form

Housing Authority of the County Contra Costa RAD Application for LAS DELTAS

AMP No:	CA011700000
Units	76

Type of Conversion

PBV (Project Based Vouchers)

Proposed Units for Conversion and De Minimis

Summary	Total Units Proposed for Conversion	Units Proposed to be Reduced	de minimis threshold
	38	38	5
Explanation for de minimis reduction	Unit Count		
Partial conversion	38		

Pro Forma Sources and Uses

Sources of Funds	Amount	Per Unit
New First Mortgage Loan	\$0	\$0
Public Housing Operating Reserves	\$0	\$0
Public Housing Capital Funds	\$341,000	\$8,974
Replacement Housing Factor	\$0	\$0
Low Income Housing Tax Credit Equity - 4%	\$0	\$0
Low Income Housing Tax Credit Equity - 9%	\$0	\$0
Public Housing operating reserves	\$8,498	\$224
Other	\$0	\$0
Other	\$0	\$0
Total Sources of Funds	\$349,498	\$9,197
Uses of Funds	Amount	Per Unit
Acquisition Costs	\$8,498	\$224
Construction Costs	\$0	\$0
Relocation Costs	\$341,000	\$8,974
Professional Fees	\$0	\$0
Loan Fees and Costs	\$0	\$0
Reserves	\$0	\$0
Developer Fees	\$0	\$0
Total Uses of Funds	\$349,498	\$9,197

Stabilized Cash Flow Pro Forma

	Total	PUPA
Gross Potential Rents for RAD Units	\$373,980	\$9,842
Gross Potential Rents for Other Apartment Units	\$0	\$0
Gross Potential Rents for Commercial	\$0	N/A
Vacancy Loss and Bad Debt Loss	(\$18,699)	-\$492
Other Income	\$0	\$0
Effective Gross Income	\$355,281	\$9,350
Total Operating Expenses	(\$300,235)	(\$7,901)
Annual Deposit to Replacement Reserve	(\$19,000)	(\$500)
Net Operating Income	\$36,046	\$949
First Mortgage Debt Service	\$0	\$0
Operating Cash Flow	\$36,046	\$949

PHA's Explanation of Any Relocation of Tenants (Estimated Relocation Cost is \$341,000)

A relocation plan has been drafted to permanently relocate the 14 households remaining in the Las Deltas property. Tenant-based vouchers shall be issued to these households as needed. The residents of Las Deltas have a right to go to the replacement RAD PBV units if they so choose. In addition, priority will be provided to them for the site-based waiting list created for all RAD PBV replacement unit properties.

PHA's Explanation of Capacity and Experience to Carry Out the RAD Conversion

The Executive Director and staff have provided nearly 500 units of PBVs to nonprofit developers in Contra Costa County. HACCC also has experience in converting public housing units into an increased number of tax credit units. Due to HACCC's ongoing work with PBV and tax credit units, staff are in regular contact with developers who could successfully utilize RAD units. Furthermore, HACCC's consultants, Hawkins, Delafeld & Wood, LLP and CSG Advisors have extensive experience with RAD and similar HUD conversion actions.

Attachment 1A: Board Approval Form

Housing Authority of the County Contra Costa RAD Application for LAS DELTAS

PHA's Explanation of the Proposed Total Operating Cost being less than 85% of the 3 Year Historical Operating Expenses

3 Year Historical Average Comparison	2009	2010	2011	Average	Proposed
	\$903,961	\$747,970	\$689,750	\$780,560	\$300,235

The proposed operating expenses were derived by applying an inflation escalation ratio of 5% (2.8 % in 2014 and 2.2% in 2015) to the Per Unit Per Annum amount approved in HACCC's 2013 RAD application (\$7,525) for the same property. The new PUPA was applied to the 38 units in this application to arrive at the proposed conversion operating expenses. Four of the 38 units at this site are non-dwelling units proposed for conversion.

PHA's Explanation of the Capital Needs and Replacement Reserves Estimates

The proposal is to expand the initial CHAP from 38 to 76 units. The proposal is to replace all units, of which 47 units are vacant - some (27) have been vacant for over two years, with off site project based vouchers units that need no capital work.

Discussion of QAP timing

N/A

Demonstration of recent success obtaining 9% LIHTCs

N/A

Likelihood of obtaining 9% LIHTCs

N/A

I hereby certify to the following: (1) that I have the requisite authority to execute this application on behalf of the owner; (2) that HUD can rely upon this certification in evaluating the Application, (3) that I acknowledge that I have read and understand PIH Notice 2012-32 (the "Notice"), which describes the Rental Assistance Demonstration (RAD) (the "Program"), and agree to comply with all requirements of the Program or Notice; (4) that all materials submitted in association with the application are accurate, complete and not misleading; (5) that the application meets all applicable eligibility requirements for the Program set forth in the Notice; (6) that the owner approves the creation of a single-asset entity of the affected project if required by the lender to facilitate financing; (7) that, if selected for award, the owner will comply with the fair housing and civil rights requirements at 24 CFR 5.105(a) (general requirements) and will affirmatively further fair housing; (8) that there are no debarments, suspensions, or Limited Denials of Participation in Federal programs lodged against the applicant, PHA Executive Director, Board members, or affiliates; (9) that this Board Approval Form has been approved by the Board of Commissioners on the date noted below; and (10) that, if selected for an award, the PHA will comply with all provisions of HUD's Commitment to Enter into a HAP (CHAP), which shall indicate the HUD-approved terms and conditions for conversion of assistance, or will indicate to HUD within 15 days that it is refusing the terms of the CHAP and withdrawing from RAD participation.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 USC Sections 1001, 1010, 1012; 31 USC Sections 3729, 3802)

PHA Certification: By Joseph Villarreal (Executive Director)

Signature:

October 13, 2015
Date:

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

RESOLUTION NO. 5192

RESOLUTION AUTHORIZING SUBMITTAL OF AN APPLICATION FOR THE
RENTAL ASSISTANCE DEMONSTRATION PROGRAM

WHEREAS, the Housing Authority of the County of Contra Costa (HACCC) owns the Las Deltas development totaling 214 units; and

WHEREAS, Congress has not appropriated sufficient public housing operating subsidy or public housing capital funds to preserve public housing units or to maintain their affordability for the long term; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) has introduced its Rental Assistance Demonstration (RAD) Program that converts public housing to another form of subsidy that provides a more reliable funding stream than public housing; and

WHEREAS, HACCC is approved for a 90 unit RAD application for Las Deltas; and

WHEREAS, it is HACCC's desire to submit a RAD application to expand the approved 90 units to include all 214 units at the Las Deltas public housing development;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the County of Contra Costa hereby authorizes the Executive Director or his designee 1) to expand the existing RAD application to HUD to include all 214 units at Las Deltas and 2) to submit any documents or information requested by HUD and 3) to execute any and all documents and approvals that may be required by any party to complete the application and conversion process.

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

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 _____
JOSEPH VILLARREAL, SECRETARY
OF THE BOARD OF COMMISSIONERS
AND EXECUTIVE DIRECTOR

BY _____



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

RESOLUTION NO. 5192

**RESOLUTION AUTHORIZING SUBMITTAL OF AN APPLICATION FOR THE RENTAL ASSISTANCE
DEMONSTRATION PROGRAM**

WHEREAS, the Housing Authority of the County of Contra Costa (HACCC) owns the Las Deltas development totaling 214 units; and

WHEREAS, Congress has not appropriated sufficient public housing operating subsidy or public housing capital funds to preserve public housing units or to maintain their affordability for the long term; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) has introduced its Rental Assistance Demonstration (RAD) Program that converts public housing to another form of subsidy that provides a more reliable funding stream than public housing; and

WHEREAS, HACCC is approved for a 90 unit RAD application for Las Deltas; and

WHEREAS, it is HACCC's desire to submit a RAD application to expand the approved 90 units to include all 214 units at the Las Deltas public housing development;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the County of Contra Costa hereby authorizes the Executive Director or his designee 1) to expand the existing RAD application to HUD to include all 214 units at Las Deltas and 2) to submit any documents or information requested by HUD and 3) to execute any and all documents and approvals that may be required by any party to complete the application and conversion process.

PASSED AND ADOPTED ON October 13, 2015 by the following vote of the Commissioners:

AYES: Gioia, Andersen, Mitchoff, Glover

NOES: None

ABSENT: Piepho, Nathaniel

ABSTAIN: None

*Tenant Seat Vacant

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

ATTESTED: October 13 2015

Joseph Villarreal, Secretary of the Board of Commissioners
and Executive Director

By , Deputy,

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: October 13, 2015



Contra
Costa
County

Subject: PROPOSED 2016 MEETING SCHEDULE FOR THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

RECOMMENDATIONS

ADOPT the proposed 2016 meeting schedule for the Housing Authority of the County of Contra Costa Board of Commissioners, which has been coordinated with the Contra County County Board of Supervisors and the Contra Costa County Fire Protection District Board of Directors:

January 12, 2016
 February 9, 2016
 March 8, 2016
 April 12, 2016
 May 10, 2016
 June 14, 2016
 July 19, 2016
 August 16, 2016
 September 13, 2016
 October 25, 2016
 December 6, 2015

Action of Board On: **10/13/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Karen Mitchoff, Commissioner
 Federal D. Glover,
 Commissioner

ABSENT: Mary N. Piepho, Commissioner
 Fay Nathaniel, Commissioner
 Seat Vacant, Commissioner

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: October 13, 2015
 Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: Joseph Villarreal
 925.957.8011

cc:

BACKGROUND

Each year, the Board of Commissioners adopts a meeting schedule that designates regular meeting dates and any dates on which meetings must be canceled in anticipation that a quorum of the Board will not be present. In order to provide for at least one monthly meeting, the proposed schedule works around those Tuesdays that fall during a week with a holiday, the fifth Tuesday of a month, and Tuesdays that fall during those weeks in March, May, July, and November in which the annual policy and legislative meetings of the National Association of Counties (NACo) and the California State of Counties (CSAC) are attended by one or more of our Commissioners. The proposed meeting schedule provides 11 meetings for the Board of Commissioners (no meeting is scheduled for November) and has been coordinated with the Contra Costa County Board of Supervisors and the Contra Costa County Fire Protection District. The proposed meeting schedule recognizes the time demands on the Board members due to their participation on committees, and numerous regional and local legislative bodies and task forces, which require preparation, attendance, and involve travel. There are legal provisions to schedule a special meeting to address any urgent need that cannot be accommodated in the standing meeting schedule.

The 2016 proposed meeting schedule has been prepared in consultation with the incoming Board Chair, the County Administrator, and the Fire Chief, and is recommended for the Board's adoption. The Board of Supervisors has already adopted its schedule, and the Fire District will take independent action to adopt its meeting schedule.

CLERK'S ADDENDUM

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: October 13, 2015



Contra
Costa
County

Subject: Claim for the Housing Authority

RECOMMENDATIONS

DENY claim filed by Latasha Jones.

BACKGROUND

*

FISCAL IMPACT

No fiscal impact.

Action of Board On: **10/13/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Karen Mitchoff,
 Commissioner
 Federal D. Glover,
 Commissioner

ABSENT: Mary N. Piepho,
 Commissioner
 Fay Nathaniel, Commissioner
 Seat Vacant, Commissioner

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: October 13, 2015

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: Joellen Balbas
 925-335-1906

cc:

CLERK'S ADDENDUM

ATTACHMENTS

Claim for L. Jones

HOUSING AUTHORITY
OF THE
COUNTY OF CONTRA COSTA



NOTICE OF UNTIMELINESS
AS TO A PORTION OF THE CLAIM

September 10, 2015

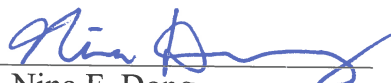
TO: Latasha Jones
131 California Street
Rodeo, CA 94572

Please Take Notice as Follows:

In regards to the claim you submitted on your behalf, portions of the claim are timely and portions are untimely. The portions of the claim prior to March 9, 2015 that you presented against the Housing Authority of Contra Costa County governed by the Board of Commissioners fail to comply substantially with the requirements of California Government Code Sections 901 and 911.2 because they were not presented within six months after the event or occurrence as provided by law. Because the portions of the claim prior to March 9, 2015 were not presented within the time allowed by law, no action was taken on those portions of your claim. The claim was forwarded to the Board for action only on the timely portions of the claims.

The only recourse at this time is to apply without delay to the Housing Authority of Contra Costa County governed by the Board of Commissioners for leave to present a late claim as to the claims which are untimely. (See Gov. Code, §§ 911.4 to 912.2 inclusive, and § 946.6.) Under some circumstances, leave to present a late claim will be granted. (See Gov. Code, § 911.6)

SHARON L. ANDERSON
COUNTY COUNSEL

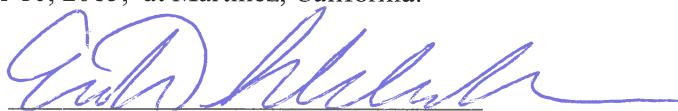
By: 
Nina F. Dong
Deputy County Counsel

CERTIFICATE OF SERVICE BY MAIL

(Code Civ. Proc., §§ 1012, 1013a, 2015.5; Evid. Code, §§ 641, 664)

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Office of the County Counsel, 651 Pine Street, 9th Floor, Martinez, CA 94553-1229. On September 10, 2015, I served a true copy of this Notice of Untimeliness as to a Portion of the Claim by placing the document in a sealed envelope with postage thereon fully prepaid, in the United States mail at Martinez, California addressed to Latasha Jones as set forth above. I am readily familiar with Office of County Counsel's practice of collection and processing of correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the above is true and correct. Executed on September 10, 2015, at Martinez, California.



Erik Schlenker

cc: Clerk of the Board of Supervisors (original)
Risk Management

CLAIM

BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF CONTRA COSTA COUNTY

BOARD ACTION: 10/13/2015

NOTICE TO CLAIMANT

Claim Against the County, or District Governed by)
the Board of Commissioners, Routing Endorsements,)
and Board Action. All Section references are to)
California Government Codes.)

The copy of this document mailed to you is your
notice of the action taken on your claim by the
Board of Commissioners (Paragraph IV below), given
Pursuant to Government Code Sections 913, 915.2,
915.4. Please note all "Warnings".

AMOUNT:
CLAIMANT: Latasha Jones
ATTORNEY:
ADDRESS: 131 California St.
Rodeo CA 94572

RECEIVED

SEP 08 2015

COUNTY COUNSEL
MARTINEZ, CALIF.

BY DELIVERY TO COB ON: 9/8/2015

BY MAIL TO COB POSTMARKED:

I. FROM: Board of Commissioners

TO: County Counsel

Attached is a copy of the above-noted claim.

DAVID TWA, Clerk

By: Deputy Stephanie Melbo

Dated: 9/8/2015

II. FROM: County Counsel

TO: Board of Commissioners

This claim complies substantially with Sections 910 and 910.2.

This Claim FAILS to comply substantially with Sections 910 and 910.2, and we
are so notifying claimant. The Board cannot act for 15 days (Section 910.8).

Parts of the are
Claim is not timely filed. The Clerk should return claim on ground that it was filed late and
send warning of claimant's right to apply for leave to present a late claim (Section 911.3).

Other:

Dated: Sept. 9, 2015

By: , Deputy County Counsel

III. FROM: The Board of Commissioners

TO: County Counsel (1)

County Administrator (2)

() Claim was returned as untimely with notice to claimant (Section 911.3).

Dated: DAVID TWA, CLERK, By , Deputy Clerk

IV. BOARD ORDER: By unanimous vote of the Commissioners present:

() This Claim is rejected in full.

() Other:

I certify that this is a true and correct copy of the Board's Order entered in its minutes for this date.

Dated: David Twa, CLERK, By , Deputy Clerk

WARNING (Gov. Code section 913)

Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the mail to file a
court action on this claim. See Government Code Section 945.6. You may seek the advice of an attorney of your choice in connection with this
matter. If you desire to consult an attorney, you should do so immediately. *For Additional Warning See Reverse Side of This Notice.

AFFIDAVIT OF MAILING

I declare under penalty of perjury that I am now, and at all times herein mentioned, have been a citizen of the United States, over age 18; and
that today I deposited in the United States Postal Service in Martinez, California, postage fully prepaid a certified copy of this Board Order and
Notice to Claimant, addressed to the claimant or claimant's attorney as shown above.

Dated: 9/10/15 DAVID TWA, CLERK, By Stephanie Melbo, Deputy Clerk

Claim to: BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY
OF THE COUNTY OF CONTRA COSTA
INSTRUCTIONS TO CLAIMANT

- A. Claims relating to causes of action for death or for injury to person or to personal property or growing crops and which accrue on or before December 31, 1987, must be presented not later than the 100th day after the accrual of the cause of action. Claims relating to causes of action for death or for injury to person or to personal property or growing crops and which accrue on or after January 1, 1988, must be presented not later than six months after the accrual of the cause of action. Claims relating to any other cause of action must be presented not later than one year after the accrual of the cause of action. (Govt. Code §911.2.)
- B. Claims must be filed with the Clerk of the Board at its office in Room 106, County Administration Building, 651 Pine Street, Martinez, CA 94553, either by mail or in person.
- C. If the claim is against more than one public entity; separate claims must be filed against each public entity.
- D. Fraud. See penalty for fraudulent claims, Penal Code Sec. 72 at the end of this form.

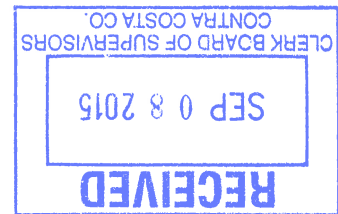
RE: Claim By:

) Reserved for Clerk's filing stamp

Ms. Latasha Jones

Name

)
)



Against: The Housing Authority of the County of Contra Costa

The undersigned claimant hereby makes claim against the Housing Authority of the County of Contra Costa in the sum of _____ and in support of this claim represents as follows:

1. When did the damage or injury occur? (Give exact date and hour)

Damage Occurred From 3/2007 - 3/2015

2. Where did the damage or injury occur? (Include city and county)

131 California St., Rodeo, Contra Costa

3. How did the damage or injury occur? (Give full details; use extra paper if required)

The End unit Brought in a roach infestation that started small but became a health hazard

4. What particular act or omission on the part of county or district officers, servants or employees caused the injury or damage?

Resident manager Never Took Action to Eliminate the Roach Infestation

5. What are the names of county or district officers, servants or employees causing the damage or injury? Beth Campbell, Dwyer or mandegol
Housing Program 925-957-8045

6. What damage or injuries do you claim resulted? (Give full extent of injuries or damages claimed. Attached two estimates for auto damage.) Damage of
Food Contamination, inoculation of (on Pale)

7. How was the amount claimed above computed? (Include the estimated amount of any prospective injury or damage.)
I Itemized my loss of Property & Food

8. Names and addresses of witnesses, doctors and hospitals.
Adriana Green 14 Monte Carlo Way America Canyon 945
Yvette

9. List the expenditures you made on account of this accident or injury:
Itemized list of Cleaning Supplies

<u>DATE</u>	<u>ITEM</u>	<u>AMOUNT</u>
-------------	-------------	---------------

<u>SEND NOTICE TO: (Attorney)</u> <u>Name and Address of Attorney</u> <u>Pro-Per</u>	Gov. Code Sec. 910.2 provides: "The claim must be signed by the claimant or by some person on his behalf." <u>(Claimant's Signature)</u> <u>(Address)</u> <u>Telephone No. 570-691-2451</u>
--	--

NOTICE

Section 72 of the Penal Code provides:

"Every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city or district board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is punishable either by imprisonment in the county jail for a period of not more than one year, by a fine of not exceeding one thousand (\$1,000), or by both such imprisonment and fine, or by imprisonment in the state prison, by a fine of not exceeding ten thousand dollars (\$10,000) or by both such imprisonment and fine."

6. Disease - Causing Bacteria. Bites allergies and this lead to me having to discard personal items and food.

1 Chaise Lounge	\$499.99	
Couch	\$299.99	
Microwave & Island	\$70.00	39.99 ea.
Rugs (1) Runner, (2) Mats Set	\$129.99	
(1) Area Rug 8x12	\$89.99	
fish tropical & Food	\$70.00	
towels 3 Set	\$40.00	
3 Comforter Set queen size	\$59.99	ea.
5 Sheet Set queen size	\$100.00	19.99 ea.
2 Comforter Sets twin	\$29.99	ea.
3 Sheet Sets	\$60.00	19.99 ea.

Total	1625.93
Cleaning +	200.00
+	\$30.00

1845.93

8

9. Cleaning Supplies
Hauling \$100.00
Laundry \$100.00
\$200.00

Lysol all Purpose \$100.00
Clorox \$20.00 @ 2.99 ea.

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: October 13, 2015



Contra
Costa
County

Subject: REFINANCING OF LOAN WITH WESTAMERICA BANK FOR PURCHASE OF 2870 HOWE RD. MARTINEZ, CA

RECOMMENDATIONS

APPROVE refinancing an existing loan with Westamerica Bank for the purchase of the Housing Choice Voucher office located at 2870 Howe Road, Martinez, CA 94553 and AUTHORIZE the Executive Director and the Finance Director to submit and execute all required documents to complete the refinancing.

BACKGROUND

On December 12, 2006, the Board authorized the purchase of the Howe Road property for \$3,375,000. A purchase agreement was executed on December 15, 2006 with an initial rate of 7.25% fixed for 10 years, with a balloon payment due January 1, 2017. The loan has subsequently been refinanced several times in response to drops in the prime lending rate. This first refinance occurred on June 1, 2008 at a 6.75% rate, then on January 1, 2012 at 6% and finally on January 1, 2013 at 5.25%. In all cases, the loan was refinanced at a fixed 10-year rate with a balloon payment of \$2,255,000 due by January 1, 2017.

Federal funding for the program has declined significantly during the term of the loan. Because of this decline, it is no longer financially prudent for the Housing Authority to make the balloon payment of \$2,255,000 that is due on January 1, 2017. HACCC staff contacted Westamerica Bank seeking to extend the term of the loan, eliminate the balloon payment provision and lower the interest rate further. After negotiations, Westamerica Bank has agreed to extend the loan by ten years and eliminate the balloon payment by offering HACCC a fixed, fully amortized rate of 4.85% per year. All other terms of the original Purchase Agreement with Westamerica Bank will remain the same.

Action of Board On: 10/13/2015 ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Karen Mitchoff,
 Commissioner
 Federal D. Glover,
 Commissioner

ABSENT: Mary N. Piepho,
 Commissioner
 Fay Nathaniel,
 Commissioner
 Seat Vacant, Commissioner

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: October 13, 2015

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

Contact: 925-957-8028

cc:

BACKGROUND (CONTD)

Joseph Villarreal, Executive Director and John Hunter, Finance Director will sign all required loan documents.

A copy of Westamerica's Loan Refinance Proposal is attached.

FISCAL IMPACT

As of September 14, 2015, the outstanding principal balance on the existing loan was \$2,349,282. Refinancing for 10 years will result in a total loan cost of \$2,979,222. Payments would be made on the full value of the interest and principal and, so there would be no balloon payment due at the end of the term. The final payment would be made in the fall of 2025. While refinancing will increase the total cost of the loan by \$62,994, this will be spread over 10 years and is preferable to having a balloon payment of \$2,255,000 due on January 1, 2017. A balloon payment at the beginning of 2017 would decrease HACCC's anticipated voucher reserves by over 60%. Additionally, HUD is now proposing to cut HACCC's voucher administrative funding by 9% beginning on that date as part of a national change in program funding. The loan will also cost HACCC \$1,155 in fees, which will be paid immediately. HACCC will continue to use voucher administrative fees from the U.S. Department of Housing and Urban Development to fund all loan payments and fees.

CONSEQUENCE OF NEGATIVE ACTION

If the Board does not approve the proposed refinance, then HACCC will be required to make a balloon payment in the amount of \$2,255,000 on January 1, 2017. Such a payment may jeopardize HACCC's financial health.

CLERK'S ADDENDUM

ATTACHMENTS

WestAmerica Proposal



MUIR STATION OFFICE

September 15, 2015

Joseph Villarreal
John Hunter
P.O. Box 2759
Martinez, CA 94553

Re: Preliminary Expression of Interest to: Housing Authority of the County of Contra
Costa
Property Location: 2870 Howe Road, Martinez, CA 94553

Dear Mr. Villarreal and Mr. Hunter:

In response to your recent application to modify your existing real estate loan, Westamerica Bank ("Lender") is pleased to express its interest to proceed with the processing of your application as referenced above.

The intent of this letter is to provide a Preliminary Expression of Interest to lend and should not be interpreted to be a loan commitment. Subject to Lender's standard underwriting guidelines, procedures and formal loan approval, the following terms and conditions are proposed:

1. Amount: Outstanding principal balance (as of 9/14/15; \$2,349,282).
2. Interest Rate: 4.85% fixed.
3. Term/Maturity: 10 years.
4. Amortization: 10 years.
5. Loan Fee: Waived.
6. Documentation Fee: \$750.
7. Prepayment Penalty: Waived
8. Appraisal: An internal property evaluation of the pledged real property collateral will be required. Property evaluation fee is \$400.
9. Flood: A flood recertification service fee will be charged in the amount of \$5.00 per parcel.

590 Center Ave., Martinez, CA 94553 – (925) 335-3060

10. Title Costs: N/A
11. Collateral: First Deed of Trust and Assignment of Lease and Rents, as applicable.
12. Insurance: Borrower to supply fire, extended coverage, general liability, and any special coverage as required by Lender.
13. Tax Lien Service: In file.
14. Environmental Survey: In file.
15. Other:
 - a. Borrower to pay any additional fees out of pocket.
 - b. Board minutes approving the loan request, listing names and titles of all officers, and stating which officers will sign documents.
16. Expiration Period: Should you wish to proceed with your application, subject to the general terms as outlined above, please sign and return this letter to Lender within 5 business days from the date of issuance.

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact Susan Macpherson, at the address and phone number shown on the first page, within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

NOTICE: The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning Westamerica Bank is: Federal Reserve Consumer Help Center, P.O. Box 1200, Minneapolis, MN 55480.

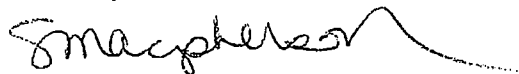
This Preliminary Expression of Interest is subject to such additional terms, conditions and requirements as may be provided in Lender's credit documents or otherwise required by Lender or its counsel.

Other restrictions may apply unless expressly waived in this Preliminary Expression of Interest Letter or ensuing Commitment Letter from Lender, if issued.

This offering is submitted with the understanding that borrower agrees to maintain its primary depository relationship with Westamerica Bank.

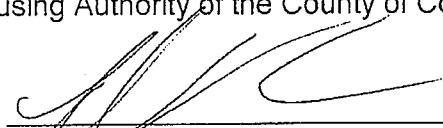
We look forward to assisting you with this transaction and your general banking needs.
Should you have any questions in this regard, please do not hesitate to contact me.

Sincerely,



Susan Macpherson
Business Relationship Manager

Acknowledged and Accepted:
Housing Authority of the County of Contra Costa

By:  Date: 9/15/15

Title: Executive Director

By:  Date: 9/15/15

Title: Finance Director

By: _____ Date: _____

Title: _____

To: Contra Costa County Housing Authority Board of Commissioners
 From: Joseph Villarreal, Housing Authority
 Date: October 13, 2015



Contra
Costa
County

Subject: PARTICIPATION IN THE POST EMPLOYMENT BENEFIT TRUST PROGRAM ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES

RECOMMENDATIONS

ADOPT Resolution No. 5193 authorizing adoption of the Public Agencies Post-Employment Benefits Trust administered by Public Agency Retirement Services in order to provide for the funding of Post-Retirement Health Care obligations and/or unfunded Retirement Liabilities effective October 14, 2015; and

APPOINT the Executive Director or his/her successor or his/her designee as the Plan Administrator; and

AUTHORIZE the Plan Administrator to execute the required legal and administrative documents to implement the Trust on behalf of the Authority and to take whatever additional actions are necessary to maintain the Authority's participation in the Trust.

BACKGROUND

On June 2, 2015, the Government Accounting Standards Board (GASB) finalized two new standards affecting the financial accounting and reporting of other post-employment benefits (OPEB) (non-pension benefits such as health plans) for state and local agencies. These new standards supersede prior guidance and bring OPEB accounting and reporting in line with the standards GASB issued for public pensions in 2012. The new standards are effective for fiscal years beginning after June 15, 2017. Since HACCC's fiscal year begins on April 1st, this means the effective date for HACCC is April 1, 2018.

Action of Board On: **10/13/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF COMMISSIONERS

AYE: John Gioia, Commissioner
 Candace Andersen,
 Commissioner
 Karen Mitchoff, Commissioner
 Federal D. Glover,
 Commissioner

ABSENT: Mary N. Piepho, Commissioner
 Fay Nathaniel, Commissioner
 Seat Vacant, Commissioner

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: October 13, 2015
 , Executive Director

By: June McHuen, Deputy

Contact: Joseph Villarreal
 925-957-8011

cc:

BACKGROUND (CONTD)

>

The first of these two new standards is GASB Statement No. 74, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans* (GASB 74) which governs the accounting standards used by OPEB plans in their financial reporting.

The second new standard is GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* (GASB 75) which updates the guidance for financial reporting by government employers that provide OPEB to their employees. GASB 75 replaces the requirements of GASB Standard No. 45 and GASB Statement No. 57. One of the most significant changes under GASB 75 is a first time requirement that the net liability for publicly sponsored retiree healthcare plans (and other post-employment benefits) be stated on balance sheets. For HACCC, and most employers, the result will be an increase in liability shown on the balance sheet. If not addressed, this could cause HACCC to be rated as “troubled” under HUD’s financial performance measurements among other negative outcomes.

Pre-funding OPEB liabilities is not required under GASB 75. However, if the agency pre-funds OPEB through a plan that is administered through a GASB-qualifying trust (with irrevocable contributions, assets dedicated to providing OPEB in accordance with benefit terms, and assets protected from creditors), then it may report its “net OPEB liability”—its total liability net of the OPEB plan fiduciary’s net position available for paying benefits. If, however, the agency does not have a trust meeting the requirements above, it is required to report its total OPEB liability. Therefore, by pre-funding OPEB via a trust, HACCC will be able to reduce the OPEB liability shown on its financial statements, and thus improve its overall financial position.

By beginning to do so approximately 2 ½ years before required, HACCC should be able to improve its position further by the time it is required to report OPEB using GASB 75 standards. Staff believes it is prudent to start funding OPEB via a trust immediately. Provided HUD funding permits, HACCC will use the annual required contribution (ARC) to determine how much to fund the OPEB trust each year. ARC is an actuarially derived cost based on any new benefits earned in a given year (aka the “normal cost”) plus any additional amount that might be required to make up for shortfalls that have developed in the past. These amounts added together equal the ARC. HACCC’s current ARC rate is approximately \$300,000. The use of ARC to determine funding levels will have to be reviewed before HACCC falls under GASB 75, but it is in accord with current GASB standards and can be met under present HUD funding levels.

Because of the agency’s size and benefit levels, the amount of money in HACCC’s trust will remain relatively small for many years. In general, fees are more costly on a percentage basis for smaller trusts than they are for a larger trust. Because of this, and in order to stay in compliance with HUD procurement regulations, staff believes it is prudent that HACCC go out to bid/renege pricing more frequently for OPEB trust services, at least initially. Staff, therefore, proposes that HACCC should reevaluate pricing of trust services prior to falling under GASB 75 rules in 2 ½ years on April 1, 2018.

The three largest and most qualified firms that provide OPEB trust services for California counties and municipalities are: Public Agency Retirement Services (PARS), California Public Employees Retirement System (CalPERS), and ICMA-RC. HACCC sought and received quotes from all three firms. CalPERS quoted a fee of 0.10% of the deposit with a requirement to conduct an actuarial update every two years. ICMA’s fee is 0.15% with an actuarial update required every two years. PARS rate is 0.56%, but currently PARS only requires an actuarial update every three years (this will have to change to every two years under GASB 75). An actuarial for HACCC in the recent past has cost the agency about \$6,000. The total anticipated cost for the next two years for CalPERS will be \$6,900, for ICMA it will be \$7,350 and for PARS it will be \$5,040. Therefore, staff recommends that HACCC utilize PARS for its trust services until no later than April 1, 2018. Prior to that date, HACCC will reevaluate pricing.

FISCAL IMPACT

By pre-funding its OPEB costs via a trust, HACCC expects to reduce its outstanding OPEB liability by \$90,000 in the first year. Reductions after the first year will be dependent on the investment performance of the trust and the level of ongoing contributions by HACCC.

CONSEQUENCE OF NEGATIVE ACTION

Should HACCC not establish a trust to fund post-retirement health care obligations, then HACCC's financial position will be negatively impacted as will financial scoring with HUD. Further, not funding a trust for OPEB liabilities may impact HACCC's ability to secure favorable financing for current and future capital projects.

CLERK'S ADDENDUM

AGENDA ATTACHMENTS

HACCC Resolution No. 5193_OPEB Funding

MINUTES ATTACHMENTS

Signed Resolution No. 5193

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

RESOLUTION NO. 5193

RESOLUTION APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT
BENEFITS TRUST ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the Program" for the purpose of pre-funding OPEB obligations and/or pension obligations; and

WHEREAS, it is determined to be in the best interest of the Housing Authority of the County of Contra Costa (the "Housing Authority") to prefund the Authority's OPEB obligations as specified in the Authority's policies and/or applicable collective bargaining agreements; and

WHEREAS, the Housing Authority is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the Housing Authority's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the Housing Authority's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the Housing Authority reserves the right to make contributions, if any, to the Program;

NOW, THEREFORE, BE IT RESOLVED,

1. That the Board of Commissioners of the Housing Authority of the County of Contra Costa hereby adopts the PARS Public Agencies Post-Employment Benefits Trust effective October 14, 2015; and
2. That the Board of Commissioners hereby appoints the Executive Director, or his/her successor or his/her designee, as the Housing Authority's Plan Administrator for the Program; and
3. That the Housing Authority's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the Housing Authority and to take whatever additional actions are necessary to maintain the Housing Authority's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the Housing Authority's Program.

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

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 _____
JOSEPH VILLARREAL, SECRETARY
OF THE BOARD OF COMMISSIONERS
AND EXECUTIVE DIRECTOR

BY _____



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

RESOLUTION NO. 5193

RESOLUTION APPROVING THE ADOPTION OF THE PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS, PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the Program" for the purpose of pre-funding OPEB obligations and/or pension obligations; and

WHEREAS, it is determined to be in the best interest of the Housing Authority of the County of Contra Costa (the "Housing Authority") to prefund the Authority's OPEB obligations as specified in the Authority's policies and/or applicable collective bargaining agreements; and

WHEREAS, the Housing Authority is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the Housing Authority's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS, the Housing Authority's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the Housing Authority reserves the right to make contributions, if any, to the Program;

NOW, THEREFORE, BE IT RESOLVED,

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2. That the Board of Commissioners hereby appoints the Executive Director, or his/her successor or his/her designee, as the Housing Authority's Plan Administrator for the Program; and
3. That the Housing Authority's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the Housing Authority and to take whatever additional actions are necessary to maintain the Housing Authority's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the Housing Authority's Program.

PASSED AND ADOPTED ON October 13, 2015 by the following vote of the Commissioners:

AYES: Gioia, Andersen, Mitchoff, Glover

NOES: None

ABSENT: Piepho, Nathaniel

ABSTAIN: None

*Tenant Seat Vacant

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

ATTESTED: October 13, 2015

Joseph Villarreal, Secretary of the Board of Commissioners
and Executive Director

By [Signature], Deputy,