

Housing Authority of Alameda County  
Commission Meeting Report  
November 13, 2024  
Peggy McQuaid

The Housing Authority of Alameda County (HACA) Commission met for the regular meeting on November 13, 2024.

### **3. Public Comment:**

There was no public comment

### **4. Executive Director Report**

#### **HACA Management Position Recruitments**

HACA continues to work with CPS HR Consulting to conduct recruitments for key management positions: Housing Programs Manager, Procurement & Purchasing Manager, Deputy Executive Director, and Administrative Analyst. Final interviews for the Housing Programs Manager and Procurement & Purchasing Manager positions have been completed, and top candidates have been identified for next steps in the process. Recruitments for the Deputy Executive Director and Administrative Analyst positions will be initiated in November.

### **5. New Business**

#### **5-1 Adopt Resolution No. 12-24 Approving the Revenue Stabilization Policy**

##### **BACKGROUND**

At the June 12, 2024 meeting, HACA's Housing Commission approved the FY2024-2025 Operating Budget. The Commission also directed staff to develop and present a Reserve Policy for consideration and approval at a future meeting.

##### **DISCUSSION AND ANALYSIS**

The Housing Authority of the County of Alameda (HACA) depends heavily on Administrative Funds from HUD, which provide approximately 85% of the funds for HACA operations. HACA has experienced significant volatility in these funds over past years, as HUD prorates these funds based on availability as appropriated by Congress. This causes significant uncertainty and hardship in planning for efficient operations to administer the Housing Choice Voucher (HCV) Program as required by HUD. As such, the establishment of a reserve will strengthen HACA's

financial planning and budgeting process by providing emergency funding to cover unanticipated and unbudgeted shortfalls in Administrative Funds received from HUD.

Passed unanimously

## **5-2: Adopt Resolution No. 13-24 Approving 2025 Payment Standards for the HCV and EHV Programs**

### **BACKGROUND**

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

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

The rents that a housing authority allows participating families to pay are determined, in large part, by HUD. Every year, HUD publishes "fair market rents" for each market area in the United States to be effective October 1 of that year (October 1 is the beginning of the federal fiscal year). Fair market rent (FMR) is the rent, including the cost of utilities (except telephone, internet and cable TV), that are paid in the market area to rent privately owned, decent, safe and sanitary rental housing that is modest (i.e., non-luxury and set at the 40th percentile of rents in the market area). It is not intended that the FMRs enable a participating family to rent every type of unit in a community.

After HUD publishes the FMRs, every housing authority must then adopt one or more "payment standard" schedules based on those FMRs. A county housing authority like HACA may either adopt a single payment standard for its entire FMR area or a separate payment standard for each city. HACA adopts payment standards by city and groups together those with the same payment standards.

The payment standard serves as a cap on HAP payments. It establishes the maximum gross rent (i.e., rent plus a utility allowance) that will be used by the housing authority to compute the monthly HAP that it will pay the landlord on behalf of the participant family. However, HUD regulations require the housing authority to conduct a 'rent reasonableness' review of the requested rent based on comparisons to similar units in the same general neighborhood, so some units rent for less than the payment standard as a result.

For the HCV program, the housing authority may establish the payment standard amount for a unit size at any level between 90% and 110% of the published FMR for that unit size. This is called the "basic range." HUD regulations allow the Emergency Housing Voucher (EHV) program payment standards to be set up to 120% of the FMR, which is what HACA adopted through Administrative Plan changes at the EHV program's inception.

## **DISCUSSION AND ANALYSIS**

Staff proposed to maintain the current 2024 payment standard rates for 2025. Although the FMRs have increased, HACA's payment standards continue to fall within the basic HUD range of 90 to 110 percent of the 2025 FMRs, and the current payment standards adequately support participants' ability to find affordable units. HACA intends to re-evaluate payment standards after the 1st quarter of 2025 to determine if funding projections support any potential adjustments.

Albany's payment standards:

0 bedroom - \$1790

1 bedroom - \$2111

2 bedroom - \$2589

3 bedroom - \$3494

4 bedroom - \$3949

5 bedroom - \$4498

6 bedroom - \$5083

7 bedroom - \$5743

Passed unanimously

### **5-3: Award Contract to Scott-Miller Consulting for Housing Inspection Services**

#### **BACKGROUND**

All Housing Choice Voucher (HCV) and Special Program units require initial and subsequent annual or biennial inspections and must meet HUD Housing Quality Standards (HQS). In addition, HACA is required to conduct special inspections in response to tenant or owner requests. When repairs are needed, HACA must also conduct a re-inspection.

#### **DISCUSSION AND ANALYSIS**

In October 2024, HACA issued a Request for Proposals (RFP) for housing inspection services. Staff received proposals from three (3) firms which were evaluated by a selection committee comprised of the Housing Programs Manager, the Special Programs Manager and the Senior Management Analyst. The proposals were evaluated in accordance with the criteria established in the RFP, and Scott-Miller Consulting (SMC) was ranked number 1 with 251 points out of a maximum possible 300 points.

HACA's historical housing inspection services expense has fluctuated from a low of \$116,000 to as high as \$150,000 per year depending on the number of inspections as well as the need for additional coverage due to unanticipated circumstances (such as the pandemic or to cover staff leave). For the new contract award, staff estimates a need of \$175,000 per year to maintain the current volume of required inspections, support unanticipated coverage needs, and to incorporate the option for the new vendor to assist with scheduling inspections as needed. If additional funds are required during the contract term, Commission approval will be requested.

Passes unanimously with a request staff return to the commission prior to extending the contract after the initial period.

### **5-4 Approve an Amendment to the Contract with I Sterling, Inc. for Housing Inspection Services**

#### **BACKGROUND**

In April 2019, HACA executed an initial one-year contract with I Sterling, Inc. for \$158,600 for housing inspection services. The Commission subsequently approved three amendments to the contract, for a total current contract amount of \$658,208, and the previous contract term expired on April 9, 2024. At the April 10, 2024 Commission meeting, the Commission approved an amendment to extend the contract through December 31, 2024, with the existing contract amount of \$658,208, to allow for a seamless transition while HACA completes a new solicitation for HQS inspection services.

#### **DISCUSSION AND ANALYSIS**

HACA issued a Request for Proposals (RFP) in October 2024 and is requesting the Commission's approval at the November 13, 2024, meeting to authorize the execution of a new contract for housing inspections services with a new vendor. HACA intends to terminate the I Sterling contract once a new vendor is ready to assume full inspections services, and no later than December 31, 2024.

HACA has determined that additional contract funds are needed for I Sterling to cover inspections services during the transition to a new vendor. Staff recommends the contract amount be increased by \$32,000, based on an estimated maximum of \$16,000 in monthly expenses for November and December, for a total not to exceed amount of \$690,208. The FY 2024-2025 budget already incorporates these anticipated expenses for inspections services.

Passed unanimously

## **5-5: Budget Status Report as of September 30, 2024**

### **BACKGROUND**

The Commission approved the FY2024-2025 Budget at their June 2024 meeting. This quarterly budget report informs the Commission about the status as of the end of September 30, 2024

### **DISCUSSION AND ANALYSIS**

**Housing Choice Voucher Program (HCV):** The HCV program received Housing Assistance Payment (HAP) grants in the amount of \$39.5 million and paid out \$38.5 million through September 2024. Administrative revenues were \$3.07 million vs the YTD budget of \$2.9 million primarily due to the increase in leased units. Administrative expenses were \$2.24 million vs the YTD budget of \$2.68 million. This is primarily due to salary and benefit savings caused by vacancies during the year and lagging expenses, which are typical of the first quarter in each fiscal year. Staff anticipates that actual expenses will catch up with budgeted expenses as the year progresses.

**Housing Development Fund (HDF):** HDF revenues were \$570.6 thousand vs the YTD budget of \$532.1 thousand primarily due to better than budgeted investment income. Expenses were \$194.4 thousand vs the YTD budget of \$251.3 thousand. Salaries and administrative expenses were less than anticipated resulting in greater than budget income of \$376.3 thousand.

**PACH:** PACH revenues were slightly higher than budget at \$1.53 million primarily due to greater than budgeted investment income. Expenses were \$836.3 thousand vs the YTD budget of 1.15 million due to reduced allocation of salaries and benefits as well as other cost savings across

the board. Expenses are expected to catch up with budgeted expenses as the year progresses.

## **5-6: Quarterly Investment Portfolio Report for the Quarter Ended September 30, 2024**

### **BACKGROUND**

Public agencies are required to file an investment policy with their governing boards and to provide quarterly financial reports on the status of the agency's investments and to certify to their compliance with the approved investment policy.

### **DISCUSSION AND ANALYSIS**

\$29.99M, or 100% of the portfolio is invested in the State of California Local Agency Investment Fund (LAIF). LAIF is managed by the California State Treasurer's Office and provides local agencies with the opportunity to participate in a major portfolio which invests billions of dollars using the investment expertise of the State Treasurer's office. It has its own oversight board and investment policy with an emphasis on safety and liquidity. LAIF had investments totaling \$19.6 billion as of September 30, 2024. HACA's investments earned a total of \$351,457.52 in investment income for the quarter.

The Housing Choice Voucher program had no funds invested at the end of the reported quarter. The re-establishment of HUD-held program reserves and the dwindling balance of Unrestricted Net Position (UNP) has made even short-term investment infeasible.

Ocean Avenue has a total investment of about \$404.7K, which is 1% of the total investment portfolio.

Park Terrace has a total investment of about \$1.64M, which is 6% of the total investment portfolio. The Housing Development Fund has a total investment of \$7.07M, which is 24% of the total investment portfolio. 26

PACH has a total investment of about \$14.52M, which is 48% of the total investment portfolio.

The Health Care Services Agency (HCSA) Flexible Housing Subsidy Program has \$6.36M, which is 21% of the total investment.

The FSS Participant Escrow Accounts are maintained in a savings account, in accordance with HUD regulations, at US Bank.

## **6: Program Activity Report**

Currently there are 7022 Section 8 HCV (Housing Choice Voucher) program units under contract. The average HAP (housing assistance payment) subsidy is \$1874, the average tenant paid rent is \$602, the average contract rent is \$2477.

PACH (Preserving Alameda County Housing, Inc) has 217 PBV (Project Based Voucher) Units. These are properties owned by HACA.

Albany currently has 11 HCV contracts. The average contract rent is \$1804 the average HAP payment is \$1450, the average rent paid by family is \$354 (20% of total rent).

### **The Family Self Sufficiency Program (FSS)**

The FSS Program is a partnership between low-income families on the Section 8 Housing Choice Voucher program and the US Department of Housing and Urban Development (HUD). This five-year program, which began 30 years ago, helps families who are receiving rental assistance move to economic independence.

### **FSS PROGRAM ACTIVITIES**

#### **Orientations**

On Thursday, October 24, 2024, the FSS team provided an orientation with nine participants in attendance. Future orientations will be scheduled as space becomes available in the program.

#### **Participant Spotlight**

This participant was employed and attended school when she joined the FSS program in 2019. She was promoted from secretary to office manager, accomplishing her goal of obtaining an administrative position. She more than doubled her income while in FSS. She earned two associates degrees and received her California Tax Education Council (CTEC) Tax Preparer license. Despite the challenges of balancing employment, education and parenting three children, she never gave up on obtaining her FSS Contract of Participation (COP) goals. She continues to set goals for herself outside of the FSS program. Her next goal is to start her own tax business. Additionally, she is hoping to become a first-time homeowner. The FSS team is proud to highlight her accomplishments.

### **FSS PROGRAM SUMMARY**

October 2024

Total Clients Under Contract: 199

Graduates: 3

Escrow Disbursed: \$52,193.67

Ports In: 0

Ports Out: 1

Terminations: 2  
New Contracts: 1  
Case Management Referrals: 34  
Job Referrals: 42