



September 16, 2015

Presiding Judge Winifred Y. Smith
Alameda County Superior Court
1225 Fallon Street, Department One
Oakland, California 94612

Dear Judge Smith:

Attached please find our response to the 2014-2015 Alameda County Grand Jury Final Report, entitled "Oakland Housing Authority Board Travel". We appreciate the opportunity to respond to the Grand Jury Report and value and recognize the input from the Grand Jury, and its efforts to ensure that government agencies in Alameda County are open, transparent, and accountable.

Respectfully submitted,



Gregory D. Hartwig
Board Chair

CC: Cassie Barner c/o
Alameda County Grand Jury
1401 Lakeside Drive, Suite 1104
Oakland, California 94612

Attachment: Grand Jury Response "Oakland Housing Authority Board Travel"

OAKLAND HOUSING AUTHORITY'S RESPONSE TO GRAND JURY REPORT

Finding 15-24: *Between 2010 and 2013 the Oakland Housing Authority Board of Commissioners' failure to rein in excessive travel spending by two board members violated the public's trust in the Oakland Housing Authority's management of taxpayer funds.*

Response: The Board of Commissioners partially agrees and partially disagrees with the finding. While the OHA Board of Commissioners understands how individuals on the Grand Jury may have concluded that in their opinion two board members spent excessively on travel, we believe a different conclusion could have been reached.

As the Grand Jury report notes, during the period in question OHA had a budget of \$750 million dollars annually, serving over 16,000 families in Oakland, and through a contract with HUD, providing housing assistance payments and monitoring for an additional 41,000 families in multifamily properties located throughout Northern California. There is not another housing authority in California that has both the size and scope of operations as OHA. The next largest housing authority in Northern California has an annual budget of \$240 million dollars, or roughly a third our size. OHA administers and operates a complex and diverse range of programs, development projects, resident services programs, and even its own fully accredited police department, the only housing authority in the state to do so. Each area represents its own complex arena of regulations and oversight, and also advocacy and interaction at the regional, State and Federal levels. We mention this as we understand the Grand Jury made inquiries and comparisons to other housing authorities during its review, and we respectfully submit that there is not a comparable agency in the region.

OHA, along with many other housing authorities and community development organizations, belongs to the National Association of Housing and Redevelopment Officials ("NAHRO"), the leading national affordable housing and community development advocacy organization based in Washington DC. The two commissioners in question actively participated in this organization in leadership roles, participating on board committees, national conferences and legislative meetings. This advocacy is essential to our competing for funding and regulatory changes and relief that has allowed the agency to prosper. In addition to this important work, the conferences and trainings offered by NAHRO uniquely focus on our issues, and are very beneficial to commissioners in their leadership role at OHA.

All of the NAHRO conferences provide sessions that are specifically designed for commissioners. For example, this year's National Conference and Exhibition, to be held in October in Los Angeles, will include a course on Ethics for the Housing and Community Development Commissioner, given in four separate sessions totaling six and a half hours. The Washington Conference provides, in addition to real-time information about current or pending legislation affecting PHAs, an opportunity for commissioners to meet with diverse members of Congress to provide input of the legislative issues, priorities, and challenges facing our communities and programs. Since Congress authorizes appropriations and oversees HUD, which regulates programs and oversees housing authorities, a presence in Washington is essential.

The fact that two of the seven OHA commissioners attended the most conferences during the period you reviewed had primarily to do with their availability to travel. The other commissioners, due to work and other commitments, did not have the same availability, with very few trips made by other commissioners, and several unable to travel at all. The overall budget for commissioner travel has never been fully expended, and in fact has been reduced in recent years. While the Grand Jury may have felt that travel should have been divided more equally among all the commissioners, this simply was not practical given the professional and private schedules and availability of the other commissioners.

The fact that two commissioners were willing and had time to represent Oakland at the regional and national level, benefitted the agency, our residents and communities, and our Board. During the three-year period (2010-2013) of our internal audit, which you used for your review, a total of \$155,404 was expended in commissioner travel, or \$7,400 per commissioner per year. This Board does not see that as an excessive amount per commissioner given the issues and complexity of our operation, the pending debates and challenges in Washington DC around sequestration and cuts to our programs during that period, and the impacts that would have on the families we serve.

The OHA Board has taken significant actions related to travel, both in terms of its Policy and budget approval in recent years. In August of 2014 OHA issued its thorough internal audit on Board Travel Expenses Calendar Years 2010-2013, and made it available on its web site. Also, during the FY2015 budget approval request process, the Board established an Ad Hoc Travel Policy Committee, to review the existing OHA Travel Policy and recommend changes to that policy to the full Board. Additionally, in May of 2014, the Board's Budget Committee reviewed and reduced the budget for commission travel to an amount not to exceed \$30,000 annually for FY2015. As reported to the Board at their June 1, 2015 meeting, the total expended on OHA Commissioner Travel for FY2015 was \$17,090.37, or \$2,441.48 per commissioner.

Recommendation 15-20: *The Oakland Housing Authority Board of Commissioners must set a policy that total travel expenditures be publicly reported quarterly, and copies of these reports be sent to the mayor of Oakland.*

Response: This recommendation has already been implemented in part. Twice annually travel amounts are reported to the board at an OHA Board of Commissioners meeting. First during the annual budget process, which includes how much to budget for upcoming the Fiscal Year, the Board receives a report detailing the amount expended in total, and by individual commissioner on travel for the previous year. The second public review is mid-year, when the Board approved which conferences and meetings to approve for commissioners to attend for the upcoming calendar year, and again we receive a travel expenditure report on the funds expended in total and by individual commissioner.

Both these meetings are public and the records readily available. The Board disagrees that this should occur quarterly, and also disagrees that there is a need to routinely provide the Mayor's office copies. Should the Mayor wish to review travel

records for any commissioner at any point, those are readily available. OHA can, however, make the mayor aware that these travel expenditure reports exist, and we will provide them upon request.

Recommendation 15-21: *The Oakland Housing Authority Board of Commissioners must ensure that training and other materials of value obtained from travel are shared with other commissioners and publicly report on the value of the travel.*

Response: This recommendation has already been implemented, and, in fact, has been in effect for many years. The commissioners who travel do report back and share materials with other commissioners. Moreover, commissioners who travel often attend and make presentations to the Resident Advisory Board (the "RAB") and other Board and community meetings.

Recommendation 15-22: *The Oakland Housing Authority Board of Commissioners must take advantage of local training and teleconference opportunities.*

Response: This recommendation has been implemented. OHA commissioner travel is as much or more about advocacy, as it is about training. That said, commissioners do participate in, and take advantage of, local training opportunities, and NAHRO is increasing the availability of this on-line remote training options, as is HUD, and we anticipate utilizing these on-line tools.