We are sending this memo to all of you as a follow-up to the memo we sent on June 29, 2023, and in response to the June 17th letter from the Tenants Association which included several requests. This memo is going to first outline our response to the requests from the Tenants Association, then summarize the status of the building repairs and schedule, as follows:

**Tenant Association Requests:**

1. Hire Regular Security to Patrol the Building: We have indicated our plan to hire on-site security at the property for the hours when the property management staff is not at the building and the office is open. We anticipate that the property management offices will be open from approx. 9:00am to 6:00pm each day, except perhaps on weekends. Therefore, our goal will be to have on-site security from 6:00pm to 9:00am each day, but a final decision on this will have to be determined with our budgeting efforts with the new property management company once they are hired and depend on the revenue the property generates from rents in this post-eviction moratorium operating phase. Additionally, the property already has over 20 cameras on-site which will be monitored by a security company off-site which may help reduce the expense and need for on-site security staff.

2. New Office Management that will be response to tenant Requests: We are in the process of selecting a new property management company that will hire new staff that work for their company to work at the property. We are still in discussions with two potential companies. A decision will be made to select one of these companies within the next couple of weeks with the input of our ownership group and the City, County and State. This is not a decision that the Tenant Association can participate in, but once the new company is selected, they will meet with the Tenant Association with the goal of establishing a good relationship to make sure that tenant concerns are addressed consistently.

3. Provide a 60-Day Displacement Fund for both affordable and market rate tenants: Here are the facts – a) yes the weather was an “Act of God”; b) we did not cause the flooding – the flooding was caused by a combination of the extreme rains and the City storm drains not being maintained so that they could receive a greater amount of the rains over the weekend of December 31, 2023; c) we are responsible for maintaining the
stormwater planters on the property per the Stormwater Treatment Measures Agreement which are the landscaped planters along three sides of the property – these have been maintained; d) the sump pumps have worked for the 3-years that the property has been operational, and no flooding has occurred in the garage over this period; e) the sump pumps only stopped working when the building loss power; f) under the Municipal Code we are not responsible for the relocation payments if there is flooding and an Act of God; and g) the City has made available to affordable tenants funding if a tenant wanted to relocate, however the period to access those funds has expired to our knowledge.

4. Send out weekly communication updates about the status of the work being done at the property: We have not sent our “weekly” memos because there was not normally new information to communicate on a weekly basis. We have sent out clear and transparent memos at least once every month with an update on the status of the work being done, along with communicating on other issues regarding the plan for all tenants to be able to move back into the building. We will continue to send out regular memos now that we are getting closer to the time when tenants can move back into the building.

5. Provide childcare stipends and/or children’s resources: As we indicated, we don’t have funding to provide this. We have built this property to provide quality affordable housing to 110 families. This mission has been disrupted by this unfortunate event, but as property owners we are limited in our ability to fund these additional needs that the tenants have. We understand that these needs are important and will ask our new property management team and non-profit owner/partners to seek ways to provide additional resources for children living at the property.

6. Reduce rent for tenants for 12 months: As we indicated, we cannot provide reduced rents to tenants moving back into the property. We are required by law (City, County & State) to charge the affordable rents established for the 55 affordable units at the property, which are set based on the tenants making 50% or 60% of the AMI level. For the market rate tenants, the rents are set based on the market, and can’t be reduced because the revenue from these units is also needed along with the affordable rents to support the operations of the property. Also, any tenants that paid rent in January or February 2023 will have their ledger credited once they move back into the property, but there will be no further credits for the period you have been living off the property in hotels that have been paid for by ownership and the City.

7. Income-based tenants should get extra time to recertify: Our new property management company will be working with all affordable tenants to get them recertified asap, which is a requirement of the City, County & State. This must be done asap to meet the requirements of the tax credit program of the State.
**Construction Repairs Status:**

As we indicated in our last memo to you on June 29th, work on the construction repairs to the building is well underway and is continuing so far with no major issues. Most recently, in fact, last Thursday July 13th, representatives of the City, County & BART toured the property to see the extent of the repairs needed and view the progress. We believe that these representatives saw that the repairs are moving along very well. Yes, it has taken longer due to the complicated nature of the repairs and the coordination required with 7 subcontractors.

Below is an update on the progress:

- Replacement of all contaminated molded sheetrock has been completed in the main building and garage, and the work is complete in the eastern stairway.
- The main electrical switch gear equipment has been completed in both electrical rooms; we have received a “Green Tag” from the City inspection, and PGE should be energizing the main power in the building during this coming week of July 17th-21st which will allow us to remove the temporary generator in the garage. This is a major accomplishment.
- Work also started on installing the new back panels for the unit electrical meters, and new fire alarm and elevator equipment installation occurred last week. Once the main switch gear is energized, this will allow these subs to connect their equipment to the main power in the building so that the elevator, fire alarm, and other equipment can be operational.
- New plumbing equipment has also been installed, with the remaining new plumbing equipment scheduled for installation by the end of July.
- We have also completed air quality testing inside selected units near the spaces in the building affected by the above flooding and have not encountered any issues that will not be addressed with the repair work.
- All necessary repair work in the lobby and management office id underway, and following an upcoming inspection by the City, this work can be completed within the next few weeks.

All this work requires a lot of coordination among the various subcontractors, and the City will be inspecting and approving the final re-occupancy of the building before tenants can move back into the building. **Finally, we have the same important update - the projected schedule still anticipates that all repairs will be completed by the middle to end of August, which will result in re-occupancy for all tenants by late August.**
As we have previously indicated any future changes in this schedule will be reported to you as
the work progresses. We are sorry this has taken so long, and that the completion schedule
has been extended, but it could not be avoided given all that needs to be done. We do plan to
provide you with a target of 30 days advance notice when you will be able to move back into
the building.

Please note, Ownership hopes this letter responds to all the Tenant Association questions. We
realize that we are not able to provide the response that you have requested to all items but
are doing our best under the circumstances and given our resources.

Finally, we have requested that the District 6 Council Member – Kevin Jenkins hold a
meeting with the Tenant Association and tenants so that these items can be further
discussed. We will also have a Community Relations consultant present to facilitate the
meeting on behalf of the Ownership Group. We will be in touch to schedule this soon, and
include City, County & BART staff.

Again, we welcome the opportunity for a positive relationship between our new property
manager and the tenants at Coliseum Connections to begin. We look forward to the building
opening again with a focus on building a community, improved maintenance, and more
security for the tenants. We appreciate the difficult situation this has been for all tenants,
and for your patience as we worked through everything that has been necessary to complete
these repairs after the unforeseen flooding that occurred.