



Berkeley Housing Authority

1901 Fairview St., Berkeley, CA 94703
Telephone: (510) 981 5470 Fax: (510) 981 5480


Office of the Executive Director

Item 5

MEMORANDUM

Date: January 13, 2011

To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board

From:  Tia M. Ingram, Executive Director

Subject: Status of Berkeley Housing Authority Operations

This report summarizes the highlights of our current activities:

I. ADMINISTRATIVE

1. HUD Reporting.

A. Critical Performance Indicators.

There are four critical indicators that we monitor each month. While the numbers will fluctuate, we are mindful to study any drop in rates that may signal a larger problem as we approach year end.

- a. HUD Form 50058. This indicator measures the percentage of annual recertifications submitted (via HUD's electronic form 50058, an annually required submission for each participating household at recertification time) against the number of annual recertifications HUD anticipates, based upon the number of assisted reported households. Our score remained over 95% until October 2010 when it dipped to 94.12 (following the processing of several retroactive "End of Participation" certifications/part of the PIC clean-up). The December 31, 2010 score will not be posted until January 10th. As reported previously, we contacted HUD with what we perceived as an error in the formula and/or system that was resulting in an inaccurate assessment of our on-time completion of the required "certification" of family eligibility. As we suspected, the underlying cause was "portability". On December 29th we were advised by HUD staff that the problem is related to the discrepancy in the number of contracts managed under portability. Without getting too detailed, it appears OHA properly reflected "port-in" as the source for new (incoming) contracts, but failed to report "CA058" (the code for BHA) in Field 12f (PHA Billed Code) when the initial and/or annual recertifications were processed. Thus, when the system calculated the monthly score, the families were still assigned to BHA, but there was no current report of a certification. There was insufficient time to request OHA to process all the necessary corrections before the December 2010 report is posted, and we are in the process of having OHA

absorb the majority of the "port-in" contracts. We are working with OHA to complete the necessary transactions before the January 2011 figures are reported. We also confirmed with HUD that the situation is beyond our control, and there will not be any sanctions against BHA

- b. Utilization. This indicator measures the number of assisted households reflected in the HUD database (Voucher Management System), including households that have ported out, and ported into the jurisdiction. Our Annual Contributions Contract authorizes 1,841 Vouchers. This results in a maximum program of 22,092 unit months (1,841 x 12 = 22,092). Accordingly, we are now monitoring activities that increase program utilization (issuance of new vouchers, clients porting into the jurisdiction) and those that decrease program utilization (port-outs, terminations), to ensure that we do not exceed the maximum of 22,092 unit months for the Fiscal Year ending June 30, 2011. As of November 30th, PIC reported 1,905 active contracts (in jurisdiction and managed ports) and our records confirm payment to date for 9,475 unit months. Our goal is to adjust future utilization (contract months), without terminating assistance to any active family, through a combination of natural attrition, managing incoming portable contracts, and encouraging other PHAs to absorb our outgoing contracts. We are on target to end the year without exceeding the maximum allowed program size (unit months) allowed.
- c. Late Reexaminations (RX). A recertification for each participating family is due every 12 months, effective the anniversary of the rental assistance contract. Under this indicator, a recertification is late if it is not submitted with an effective date within 14 months of the prior annual recertification. It is important to note that it includes cases where BHA failed to process the recertification on time, as well as cases where the family was unavailable (i.e. hospitalized) and/or failed to cooperate, resulting in a delayed completion of the recertification or a later effective date (to provide the full 30-day notice of an increase in family rent).
- d. Late Housing Quality Standard Inspections (HOS). An inspection of each Section 8-assisted unit is required every 12 months (unlike the recertification indicator, there is no 2 month grace period). This indicator measures BHA's reporting of an annual unit inspection. It does not require that the unit be in "pass" status, only that BHA performed the inspection within 12 months.

Each of these indicators is updated by HUD monthly, the weekend after the end of the month. We have been advised that December scores will be posted the weekend of January 7, 2011.

- B. Memorandum of Agreement (LIPH). The quarterly report is due January 15, 2011. All of the deliverables items are complete and closed, except for complete implementation of the "repositioning plan"; this also verbally confirmed by Stephen Schneller, Public Housing Director. We will update the report to reflect HUD's December 22, 2010 approval, and any significant developments from our meeting with HUD SF Field Office staff.
- C. American Recovery Reinvestment Act (ARRA). The BHA was subject to a comprehensive monitoring review of our administration of the \$166,074 ARRA grant the Authority received the week of November 29, 2010. I am pleased to report that all of our records were in proper order, there were no discrepancies or findings noted. (Attachment 1).

D. Annual Plan. The BHA is required to submit an Annual Plan to HUD; the report is due April 15, 2011. The “Annual Plan” process includes:

- a. Appointment of a Resident Advisory Board (RAB) that consists of representatives from the Public Housing and Section 8 Programs;
- b. Review and revision of the discretionary policies contained in the Administrative Plan (Section 8) and the Admissions and Continued Occupancy Plan (Public Housing); and review and revision of the Capital Plan – major rehabilitation activities planned for the Public Housing program.
- c. Publication of the draft Administrative Plan (Admin Plan) and Admissions and Continued Occupancy Plan (ACOP) for a 30-day review and comment period.

The Annual Plan process will be significantly different this year; it will be simplified in that we will use 100% of the Capital fund for operations, and the Admin Plan will have more significance to public housing residents, as at some time in the near future, their assistance will convert to the S8 program, and will be governed by the Admin Plan. We extended an invitation to Public Housing residents to serve on the RAB in the January 2011 Public Housing Newsletter.

2. Operations.

A. Certification Demands. Our maximum program size is 1,841. For discussion purposes, let’s assume the contracts are evenly distributed throughout the year (that is not the case), we would expect to process 153 (1,841 / 12) certifications per month. During the month of December (when we expected some reduction in activity) staff processed 160 annual recertifications, plus 43 other certifications (38 interim recertifications and 5 new admissions). The 43 other certifications represent a 28% increase in workload for the month, and is difficult to absorb. Interim recertifications are triggered when a family experiences a change in income, household composition or allowed expenses, and requests a rent adjustment. Early signs are that the heavy volume of interim certifications will continue in response to (i) new State law reducing authorized hours for “care attendants” paid by Alameda County Social Services Department (In Home Support Services) and (ii) long-term unemployed who do not have any remaining eligibility for unemployment insurance benefits.

The demand for interim recertifications significantly increases the work load for staff (operations and finance), and adversely impact our ability to engage staff (Housing Specialist) in field training – a precursor to assigning responsibility for unit inspections.

B. Security Deposit Loan Program. (120 outstanding loans). Since we are not processing new Vouchers from our wait list, new loan activity is minimal (2 new loans were approved in the month of November) with most of our activity focused on collections. Of the 115 loans, 46 are current, with these families making at least the minimum monthly payment. We are strictly enforcing the conditions of the loans, including denying families the opportunity to transfer their assistance to another jurisdiction until payment in full is received.

07/10	08/10	09/10	10/10	11/10	12/10	7-12/10	
\$1,826	\$1,674	\$2,586	\$4,933	\$3,708	\$4,581	\$19,308	

C. Repayment Agreements (11 agreements).

In addition to the Security Deposit Loan program, we have receivables from current and/or former Section 8 program participants for over-payments made to/on their behalf. We have repayment agreements in place with 10 participants (households), 6 of which are current with the minimum monthly payment.

7/10	08/10	09/10	10/10	11/10	12/10	7-12/10	
\$1,892	\$726	\$1,026	\$2,699	\$424	\$13,483*	\$20,250	

In addition to the "participant" collection accounts, we have 40 landlord accounts totaling \$72,096 where we are attempting collection; most are the result of rental subsidy payments a landlord continued to receive after having knowledge that the family was not residing in the unit (absent for medical treatment or termination of tenancy). *includes recovery from one landlord of \$12,568.

II. SECTION 8 PROGRAMS

1. S8 Project Based Vouchers (Ashby Arts)

In March 2009, Ashby Arts, a proposed 87 unit senior housing development (CitiCentrix), was awarded S8 Project Based Vouchers. Through various actions by the Board, the allocation of vouchers was reduced to 62 and the award was conditioned on the owner securing all required financing by December 31, 2010. We have been advised that the owner was not able to secure the required financing (Attachment 2). Accordingly, and with the owners' acknowledgement, the award of 62 S8 project based vouchers has expired.

The Annual Plan process provides a timely opportunity to review and revise the discretionary policies governing our S8PB program (contained in the Admin Plan). We hope to engage the Board (and City Housing Department staff) in preliminary discussion in February, and adopt changes, as appropriate, in March. Accordingly, we propose that the Board not take any action relative to award of S8PB vouchers until April, 2010 at the earliest. This will allow for the return to duty of our Management Analyst (out on parental leave) and revisions to the Admin Plan as may be necessary. Attached for your information is a report to the City of Berkeley Housing Advisory Commission discussing the various projects in the pipeline, with or seeking a funding allocation.

2. Shelter Plus Care (S+C) Rollover

The City of Berkeley participates in the Shelter Plus Care Program. This program offers a combination of rental housing assistance and supportive services for homeless, disabled, individuals and families. At one time in the past the City partnered with the BHA to graduate (rollover) households stable households from S+C to traditional S8 Voucher assistance. This practice was consistent with a continuum of care philosophy, of allowing households to get stable, then move on to create an opportunity for another eligible family without forfeiting the rental assistance. Certain HUD clearances were not obtained, and BHA was ordered to cease the transfers. We learned recently that other Housing Authorities have implemented a similar "rollover" program. We have entered in preliminary talks with the City of Berkeley Housing department about, subject to HUD approval, resurrecting our program.

3. New HQS Standard

Effective January 1, 2011, we require a carbon monoxide detector in every unit that has gas powered heat or cooking facilities. The Federal Housing Quality Standards (HQS) do not require carbon monoxide detectors; we added the requirement as a safety enhancement. We advised owners of the requirement in our September and December 2010 Newsletters. We encouraged immediate installation, but advised we would not begin enforcing the requirement until January 2011. (We are working with our maintenance contractor to complete install carbon monoxide detectors in all of the occupied public housing units by mid-February).

III. AUTHORITY OWNED HOUSING

1. Relocation Project. We were advised by letter dated December 22, 2010, that our Inventory Removal Application has been approved. News of the approval has been shared with all public housing residents, and is posted on the BHA website.

Chairperson Carole Norris and Executive Director Tia Ingram met with Stephen Schneller and key HUD staff to discuss the approval, and critical next steps. There was a very beneficial exchange of information. We obtained information on four critical issues:

- a. We cannot lease any current or new vacancies (without prior HUD approval);
- b. We remain subject to the Annual Plan process, but can assign 100% of the Capital Fund grant to operations;
- c. We are eligible for (replacement) Section 8 Housing Choice Vouchers;
- d. Current residents that are eligible for assistance in the S8 program do not have to go through the normal wait list process to receive voucher based assistance.

Additional information on funding for the program during the transition period is forthcoming.

2. Resident Engagement.

- a. We are moving forward on our commitment to collaborate with residents around activities that are beneficial to the resident body. Thus far resident representatives include Keith Carlisle (Ward St), Kelly Carlisle (Ward St) and Tracy Matthews (7th and Jones). We are excited about the initial dialogue, and our very productive January 6, 2011 meeting. Additional meetings are planned, and we anticipate sharing concrete concepts and proposals to all residents in the February Newsletter.
- b. The January 2011 Newsletter was distributed and posted at the BHA office on January 3, 2011. A copy is enclosed (Attachment 3).
- c. Condolences, on behalf of the Staff and Board, were extended to the family of long-term resident Eric Frye (Ward St) at his passing.

3. Property Management.

- a. An investigation initiated in November identified a major problem with rent collection. We acted immediately to remedy the situation, issuing 14-day notices and demanding payment from households with rent in arrears. Most families responded promptly, leaving just 3 cases where eviction action has been initiated. We addressed the issue of rent collection in the January 2011 Newsletter.

- b. Concern of possible damage from the winter storms, we have followed up with residents following every major rain and/or wind incident. I am pleased to report no reported damage.
- c. Heavy rains have fueled accelerated growth of grass and other ground cover. We are monitoring the situation, and have requested that the Landscaper perform rear yard maintenance at all units in March.

CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471

Attachments:

1. Year 2 ARRA Grant Monitoring Report
2. Email from CityCentric dated December 29, 2010
3. January 2011 LIPH Newsletter
4. Housing Trust Fund Projects – Informational Report



U.S. Department of Housing and Urban Development
 San Francisco Regional Office - Region IX
 600 Harrison Street
 San Francisco, California 94107-1387
 www.hud.gov
 espanol.hud.gov

DEC 28 2010

Ms. Tia M. Ingram
 Executive Director
 Berkeley Housing Authority
 1901 Fairview Street
 Berkeley, CA 94703

SUBJECT: Berkeley Housing Authority (CA058)
 American Recovery and Reinvestment Act (ARRA) of 2009
 Year 2 ARRA Monitoring Report

Dear Ms. Ingram:

On November 29, 2010, Norma Penamante, Facilities Management Specialist, conducted a comprehensive review of the Housing Authority's administration of the 2009 ARRA formula grant. The purpose of the review was to determine if the Housing Authority was administering the program in accordance with all applicable regulatory and programmatic requirements. The scope of the review included the following:

1. Follow-up on prior review items, if applicable,
2. Contract Administration; and
3. Other ARRA requirements

The attached report described all the issues discovered during the review. Since there were no discrepancies noted, we are closing this review. The Housing Authority is reminded that 60% of the grant must be expended within 2 years from receipt of the grant and 100% must be expended within 3 years. Any unexpended funds will be recaptured.

We would like to thank you and your staff for the courtesy shown to Ms. Penamante during this review. If you have any questions, please call Ms. Penamante at 415-489-6441.

Sincerely,

Stephen Schneller
 Director
 Office of Public Housing

2011 JAN -3 AM 8:48

CITY OF BERKELEY
 HOUSING AUTHORITY

Enclosure

U.S. Department of Housing and Urban Development
American Recovery and Reinvestment Act of 2009
On-Site Monitoring Report

PHA Name: Housing Authority of the Berkeley		Grant Number: CA39S05850109		
PHA Number: CA058		Grant Amount: \$166,074.00		
Amount Obligated in LOCCS: \$166,074.00		Amount Expended in LOCCS: \$158,758.00		
Confirmed Obligations: \$166,074.00		Confirmed Expenditures: \$154,758.00		
SUMMARY OF ISSUES - None				
Issue No.	Issue	Authorization: Statute, Regulation, Notice, FAQs	Date Response Due to HUD	Corrective Actions Recommend/Required
1	NA	NA	NA	
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Aguilar-Vasquez, Celinda

From: Ingram, Tia
Sent: Wednesday, December 29, 2010 9:43 AM
To: Gonzales-Levine, Rachel; Yturalde, Jesusa Eva; Aguilar-Vasquez, Celinda
Subject: FW: Ashby Arts

Importance: High

From: Mark Rhoades [mailto:mrhoades@citycentric.net]
Sent: Wednesday, December 29, 2010 9:39 AM
To: Micallef, Jane; Ingram, Tia
Cc: Kamlarz, Philip; Daniel, Christine
Subject: Ashby Arts
Importance: High

Dear Ms. Ingram and Ms. Micallef,

As you know, Citycentric has been working on the construction financing for Ashby Arts (1200 Ashby Avenue at San Pablo Avenue) as a 100% below market rate mixed-use housing project for senior citizens for more than a year. The City of Berkeley City Council, Berkeley Housing Authority, and respective staff have been very helpful in moving the project forward with a Housing Trust Fund allocation and with Project-Based Section 8 vouchers. We were excited earlier this year when we entered into a contract with Bridge Housing and Development Corporation to assist with financing and development. Our deadlines for using the City's funding expire at this end of this year and we have been working right until today to find ways to close the funding gap that still exists.

Unfortunately, we have concluded that Ashby Arts will not be able to take advantage of either the HTF allocation or PBS8 Vouchers and are relinquishing them back to the City and the Housing Authority. It has become clear in our collaboration with Bridge Housing and with the State of California Department of Housing and Community Development that a project of this size and community benefit is typically supported by the local agency with three or four times the Housing Trust Fund allocation that were able to be allocated to Ashby Arts. It is indeed unfortunate that the City of Berkeley is not in a better financial position to fill this funding gap.

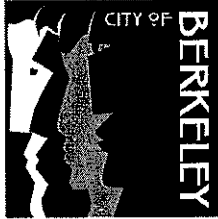
We thank you for your patience and will look forward to other opportunities in Berkeley. Citycentric remains dedicated to providing high-quality, affordable, transit-oriented housing development in Berkeley. If you have any questions please do not hesitate to contact me at 510.420.6900.

Sincerely,

Mark Rhoades, AICP
Principal
510.420.6900



citycentric
www.citycentric.net



Housing Advisory Commission

HOUSING ADVISORY COMMISSION
Regular Meeting
Thursday, December 9, 2010

Time: 7:00 p.m.

South Berkeley Senior Center
2939 Ellis Street - Berkeley

DRAFT MINUTES

Call to Order: 7:06 p.m.

1) Roll Call

Present: Casalaina, Coulter, Levenson, Sawicki (7:19 p.m.), Wolfe, Calfee, Soto-Vigil
Absent: Dunner
Staff Present: Lee
Members of Public Present: 4

2) Approval of the Agenda

The agenda was approved unanimously (M/S/C: Casalaina/Levenson. Unanimous).

3) Public Comment

None.

4) Minutes of the November 4, 2010 Housing Advisory Commission Meeting

The minutes of the November 4, 2010 HAC meeting were approved (M/S/C: Casalaina/Calfee. Unanimous) with the following changes:

1. On Page 1, Section 5: After "Berkeley Housing Authority" insert the words: "as part of an earlier HTF application round."
2. On Page 2, Section 6: Fourth line after "reapply" insert the words "and that new ones could not apply."

5) Update on Progress by A Better Way with their CDBG-Funded Exterior Improvements Project

A Better Way Executive Director Shahnaz Mazandarani reported that the agency has obtained a permit for renovations to the corner of the building. The contractor initially chosen to perform the work decided to decline entering into a contract with A Better Way, so the agency has chosen to contract with the next highest bidder, Doherty

Construction. The agency's board of directors is also working with a company which may paint the exterior of the building for free. A timeline which outlined steps taken by A Better Way so far was distributed at the meeting. Ms. Mazandarani reported that Doherty will be able to start work on the project before January 3, 2011. Commissioners discussed extending the deadline by one month but ultimately decided to keep the deadline for the start of work January 3, 2011.

6) Staff Update on Housing Trust Fund (HTF) Projects

Public Comment:

Steve Wollmer reported that the Ashby Arts projects was unable to obtain additional funding as required by the City Council to retain a reservation of HTF funding. He encouraged the HAC to contact the Berkeley Housing Authority and ask that the 62 Project Based Section Eight vouchers initially committed to this project be redistributed to other projects in the pipeline.

Carolyn Bookhart, representing Resources for Community Development (RCD), stated that the affordable housing project U.A. Cooperative is still in need of funding. RCD has used its predevelopment funding from the Housing Trust Fund to obtain a physical needs assessment, architectural drawings and schematics and a seismic study. RCD's loan with CalHFA has a balloon payment which will come due in 2 years. RCD is requesting a commitment of City of Berkeley Funding to the project to enable them to be competitive in the June Low Income Housing Tax Credit round.

Discussion:

A memo from Housing Services Manager Kathryn Hoover was distributed which outlined the status of all HTF projects. Commissioners discussed the fact that the reservation of HTF funding for the Ashby Arts project will expire on December 31, 2010, and that 62 Project Based Section 8 vouchers were dedicated for the project. A motion was made and seconded (Wolfe/Levenson) to send City Council two memoranda, one recommending that HTF funding for the Ashby Arts project be made available to current projects in the pipeline and a second recommending that the 62 Project Based Section 8 vouchers dedicated to the Ashby Arts project be made available to current projects in the HTF pipeline. Vice Chair Casalaina proposed a friendly amendment to the motion; the memo regarding Project Based Section 8 vouchers should state that Council recommend that the BHA allocate the 62 vouchers as broadly as is feasible. After some discussion, a substitute motion was carried unanimously (M/S/C Sawicki/Levenson. Unanimous) to send an Action Item to City Council, recommending that HTF funding for the Ashby Arts project be made available to current projects in the pipeline, listing the HAC priorities for HTF funding as indicated in the May 6, 2010 HAC meeting minutes, and asking City Council to recommend to the Berkeley Housing Authority that the 62 Project Based Section 8 vouchers designated for the Ashby Arts project be made available to projects such as those on the HAC priority list. This item should attached Ms. Hoover's Memo as background information.

7) Staff Update on Applications Received under the Request for Proposals for Community Agency Funding

Secretary Lee distributed a list applications that will be reviewed by the HAC. Agencies submitted applications totaling \$906,076 for funding for Community Facilities improvements, about \$2.1 million in funding for Housing rehabilitation and other services, and \$903,654 in funding for public services. While the City of Berkeley CDBG allocation for FY2012 is unknown at this time, the requests exceed what is currently available for funding. Commissioners were encouraged to attend two opportunities for training on the new online application review system: Monday December 13, from 2 to 4 p.m. and Tuesday December 14, from 10 a.m. to noon.

8) HAC 2011 Meeting Schedule

The HAC adopted the 2011 meeting schedule as presented by Secretary Lee by acclamation with two changes: the HAC will meet on February 10 and September 8.

9) Filling CDBG Subcommittee Vacancy

Chair Coulter appointed Commissioners Soto-Vigil and Levenson to the CDBG Subcommittee. Commissioner Levenson accepted the appointment but will step aside if one of the newly appointed Commissioners to fill currently vacancies would like to serve on the subcommittee.

10) Announcements

Corie Calfee announced her resignation from the HAC. She is moving out of Berkeley and is no longer eligible to serve on the Commission. Commissioners Levenson, Wolfe and Coulter recapped a recent movie event sponsored by EveryOne Home regarding homelessness.

11) Future Agenda Items

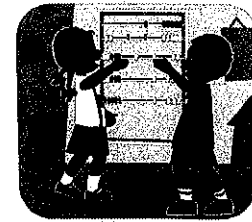
January 6: Presentations by applicants for funding, Ashby Arts Council item, A Better Way Update

January 13: Presentations by applicants for funding, Affordable Housing Impact Fee

February: Energy efficiency measures in Multi-Family Housing, public hearing on relocation ordinance.

12) Adjournment

The meeting was adjourned at 9:03 p.m. (M/S/C: Wolfe/Calfee. Unanimous).



Public Housing News January 2011

Repositioning Project...

On December 29, 2010, we received official word from the U.S. Department of Housing and Urban Development (HUD) that the Inventory Removal Application had been reviewed; comments in support of, and comments opposing the project had been reviewed; and (c) the application has been approved. As we celebrate this milestone in this multi-year project, it is important to underscore three things: a) our commitment to make your transition from Public Housing to a Section 8 form rental assistance as painless as possible; b) the vision of 75 rehabilitated large family affordable rental housing units; and c) long-term sustainability of BHA as a Section 8 only authority serving 1847+ low income senior, disabled and family households. While we are still at least seven months away from any mandatory moves (nothing before July), we anticipate a lot of activity as we move forward to identify and select a developer/development partner for the project. Watch for monthly (if not more frequent) written updates – all designed to keep you informed of all current developments (you can also visit our website <http://www.cityofberkeley.info/BHA>). Questions or comments can be submitted to Kathleen Sims, Project Manager at 510-482-1227 or email kathleen@rosewoodres.com or David Solis, Property Manager 510-981-5484 or email dsolis@ci.berkeley.ca.us.

It is NOT optional!

The “it” to which we refer is “RENT” and it is NOT optional. Last year we were overly generous working informally with residents that were a little late with their rent. Unfortunately, rather than being greeted with thanks and responsiveness, some residents got too lax, and the only “gifts” they could buy in December was “past due rent” – if they wanted to preserve their housing. We have an obligation to you, our residents, and we strive to provide you a quality living environment, one free of hazards in your homes, in an environment that is reasonably safe and quiet. Accordingly, we have no hesitation to require you to do your part – and that requires your regular, on-time payment of all rent when due. Don’t let issues get in the way of your paying rent. If something in your unit needs repair, request maintenance service. If you disagree with the way your rent was calculated, request a hearing and provide your documentation – but in the meantime, continue to pay your rent. We will aggressively act on any resident that fails to pay rent, AND we will report all evictions to the credit bureau, and in HUD’s nationwide “bad debt tenant” tracking system.

Utility Allowance

The current utility allowance includes provision for gas, electricity, water and the sewer portion of the EMBUD (water) bill. If you have not completed an “Annual” or “Interim” recertification in the past 4 months, contact David Solis immediately so the appropriate transaction can be processed. February 10, 2011 is the deadline for submitting a request for reimbursement from any period through December 31, 2010.

Celebrating You

Last year we recognized one college graduate, and three first time homeowners. Our children are our future and we want to support them. If you or someone in your household is graduating this year (grade school, college, trade school) let us know. You are also encouraged to share

other academic or athletic achievements. We know the REAL story of families in public housing, and we want to share it with feature articles in future newsletters.

Kudos to **Sandra Cage** (Dwight Way) for having a “*better than* Better Homes and Gardens’ back yard! Way to go Sandra.

Your Voice is Important

We are looking for 3-5 residents to serve on the Resident Advisory Board (RAB) and work with staff on the “Annual Plan”. Your role will be to review and comment on the discretionary policies of the BHA included in the Administrative Plan (Section 8 Programs) and the Admissions and Continued Occupancy (Public Housing). This process is particularly important as both the ACOP and Admin Plan will apply to your assistance at some point this year.

Residents will receive a \$15 stipend per meeting, for a maximum of two meetings each month.

The tentative schedule is:

- a. February 15, 2011 - Receive draft documents for review
- b. March 9, 2011 - Overview of key policies
- c. April 1, 2011 - Comments on policies due to staff
- d. April 14, 2011 - Adoption by Board of Commissioners

To apply, please complete and return the enclosed form by February 7, 2011. If you have any questions please contact Celinda Aguilar-Vasquez at 981-5483 or email caguilar-vasquez@ci.berkeley.ca.us.

Maintenance Services

Last year we responded to 435 work orders. The average response time was 24-72 (from report for service, to a worker reporting to the unit for an assessment). In six customer service surveys you rated the response time, quality of work, and professionalism of contractors highly.

- Our roofing project was successful – and there have not been any reports of roof leaks
- Recycling has increased significantly following the new, larger containers
- Like other parts of the City, we had our experience with increased rodent (or other animal) activity in and about our units. We responded by increasing the frequency of service by Western Extermination, and with the patience of our residents, believe we got a handle on the problem.

Overall it was a good year. Residents are encouraged to report all maintenance needs immediately to K&S for service (510-528-1900 or email maintenance@kands.com). We realize that accidents happen, and there may be instances where a defect is “resident caused damage”. It is important that you report this so that a proper repair can be made. You can always appeal the decision of “tenant caused damage” and the associated maintenance charge; in the meantime, the unit remains safe for you and your family. A copy of the maintenance charge list is posted in the lobby of the BHA office and on the BHA website.

With the heavy rains we are concerned about rapid growth of vegetation in the rear yards. We have scheduled rear yard service (vegetation only) for early March. Thank you in advance for keeping the area free of excess items by properly disposing of unwanted items.

Newsletters

We want the Newsletter to be a valued resource for you, so let us hear from you. Share suggestions for articles; questions you would like addressed; or other feedback you have regarding the Newsletter. You are also invited to submit recipes or articles. Contact David Solis, Property Manager at 981-5484 or email dsolis@ci.berkeley.ca.us.

Not at My Home

We welcome you to join us in making sure that what goes on in and around your unit represents you and your values. We are proud that our families do not engage in illegal activity, and do not condone such behavior by guests or visitors. We are proud that our residents respect the privacy of neighbors by monitoring the noise level for television, radio, cars, and children at play. We are proud that our residents don't use the front (or rear) yards for unsightly dumping or auto repairs; finally, we are proud that our families with pets, care for the animals like a family member- and do not allow them to disturb neighbors or destroy property. We are proud that our residents take ownership of their neighborhoods, and report suspicious behavior to the police and BHA for action! We trust that in 2011 you will continue to manage your household in this manner.

Best wishes for a healthy and happy 2011!



Berkeley Housing Authority

1901 Fairview St., Berkeley, CA 94703
Telephone: (510) 981 5470 Fax: (510) 981 5480

RESIDENT ADVISORY BOARD NOMINATION FORM
PLEASE SUBMIT (MAIL OR PERSONAL DELIVERY) BY FEBRUARY 7, 2011

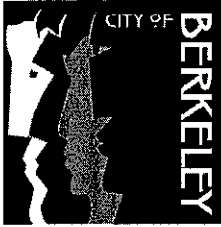
Name _____

Address _____ E-mail _____
Berkeley, CA

Res Phone _____ Cell phone _____

- I am interested in helping make my community a better place to live and raise a family. I would like to be considered to serve on the Resident Council and/or Resident Advisory Board.
- I understand that by agreeing to serve my community in an official capacity my attendance may be required at a meeting once, perhaps twice a month.
- I understand that if appointed to the Resident Council and/or Resident Advisory Board, I will be eligible to receive a stipend of \$15 per meeting, for a maximum of two meetings each month. This income IS NOT included in the calculation of family income.
- At this time I am not available to serve on the Resident Council and/or Resident Advisory Board.
- I am interested in receiving regular written updates on the status of rules, regulations and activities affecting residents of assisted housing.
- I would like to share the following comments about my observations and/or experiences for consideration by the Resident Council and/or Resident Advisory Board

Thank you for considering serving your community. If you have any questions please contact David Solis, Property Manager at 981-5484.



Housing and Community Services Department
Housing Services Division

MEMORANDUM

To: Housing Advisory Commission
From: Kathryn Hoover, Housing Services Manager
Date: December 9, 2010
Subject: Housing Trust Fund Projects - Informational Report

Below are brief summaries of the HTF projects currently in the project pipeline:

1. Project Name: Harmon Gardens
Address: 3240 Sacramento Street
Owner: Harmon Gardens, LP (Affordable Housing Associates)
Type: Permanent Housing for Transitional Age Youth
No. of units: 16 (one manager unit + 15 studio apartments)
HTF Funding Approved: \$400,000 + refinance of existing HTF loan of \$378,761 of old principal & interest)
Total Project Costs: \$6,456,045

Status Report:

The project started construction in August, 2010 and is scheduled to be completed in June, 2011.

2. Project Name: Erna P. Harris Court
Address: 1330 University Avenue
Owner: Resources for Community Development
Type: Special Needs
No. of units: 35 (25 SRO and 10 one-bedroom units)
HTF Funding Approved: \$400,000 + refinance of existing HTF loan of \$1,164,902 of old principal & interest)
Total Project Costs (if known): \$9,589,815

Status Report:

Project started a significant rehabilitation in October 2010, and is scheduled to be completed in December 2011.

3. Project Name: Harper Crossings (former Prince Hall Arms site)

Address: 3135 Harper Street

Owner: Buckley Real Estate, Inc. (previously owned by MW Prince Hall Arms)

Type: Senior

No. of units: 42 (1 two-bedroom and 41 one-bedroom)

HTF Funding Approved: \$497,000 for acquisition

HTF Predevelopment Funding Approved: \$15,000

Total Project Costs: \$14,860,000

Status Report:

Satellite Housing is in a purchase agreement with Buckley Real Estate to purchase the Harper Street property, clear of all liens except the current City deed of trust which the outstanding interest and principal amounts to approximately \$980,000. There are currently two judgment liens on the property, which date back to 2002-2003. Before the largest judgment lien can be cancelled, a resolution to a creditor dispute between two different creditors who believe they are each owed the amount showing on the judgment lien. This dispute is currently winding its way through court and must be resolved before the current owner can pay off the judgment lien.

4. Project Name: 2500 Hillegass

Address: 2500 Hillegass Street

Owner: Affordable Housing Associates

Type: Family

No. of units: 19

HTF Funding Requested: \$342,175

Total Project Costs: \$541,100

Status Report:

The renovation activities included in the application appear to be not an "immediate" need and the refinancing of the City's HELP loan is a higher priority. Staff will be working with both AHA staff and the State HCD office to see if a repayment schedule can be negotiated on the City's HELP loan, which must be repaid in full during 2012.

5. Project Name: UA Cooperative

Address: 1450 University Avenue

Owner: Land: City of Berkeley

Improvements: University Avenue Partnership

Type: Family

No. of units: 47

HTF Funding Requested: \$980,000

HTF Predevelopment Funding Approved: \$15,000

Total Project Costs: \$9,174,982

Status Report:

The City has entered into an agreement with Resources for Community Development to complete schematic drawings design work for the UA Cooperative project. Resources for Community Development (RCD) applied for \$980,000 of HTF funds for this acquisition/rehabilitation project which is located on City-owned land. The original CalHFA loan made in the early 1980's comes due in 2013; additionally the project's Project Based Section 8 HAP contract (issued by HUD-SF) will expire in 2013. RCD has finished schematic drawings and will shortly be obtaining contractors' estimates. RCD anticipates submitting a LIHTC application in July 2011, and needs a HTF-funding reservation approved by City Council before submitting the application to the State.

6. Project Name: William Byron Rumford Plaza

Address: 3017 Stanton Street

Owner: Land: City of Berkeley

Improvements: South Berkeley Community Housing Development Corporation

Type: Family

No. of units: 43

HTF Funding Requested: \$970,000

Total Project Costs: \$970,000

Status Report:

The staff has collected more background information on the Rumford Plaza development and has met with the President of the Board of Directors. Staff has begun working with the staff of the John Stewart Company, the development's property manager, on a proposed structure of the HTF financing. Staff would like to see the close out of the limited partnership as a condition of financing and an asset management plan implemented for site.

7. Project Name: Oregon Park Senior Apartments

Address: 3017 Stanton Street

Owner: Oregon Park Senior Apartments

Type: Senior

No. of units: 61

HTF Predevelopment Funding: \$15,000

Total Project Costs: \$15,000

Status Report: Staff has been working with the Oregon Park Senior Apartments Board to execute the Predevelopment Loan Agreement with the organization and to undertake a physical needs assessment of the property and rental units, and to assist the needs of the organization's management. Housing Code Enforcement has identified 11 out of 15 stairways in need of replacement.

8. Amistad House

Address: 2050 Delaware Street
Owner: Amistad House LLC/Satellite Housing
Type: Senior Housing
No. of Units: 60
ARRA CDBG Funding Approved: \$300,000
Total Project Costs: Approximately \$8.5 million

Status Report:

Amistad House received ARRA CDBG funding in April 2009 and secured the remainder of its funding in spring 2010. Satellite Housing acquired the property from the Berkeley Pilgrimage Foundation in July 2010. Rehabilitation started in late July and is scheduled to be completed in late December 2010.

9. Regent House

Address: 2511 Regent Street
Owner: Resources for Community Development (RCD)
Type: Special Needs/SRO
No. of Units: 6
HTF Funding Approved: \$90,259
Total Project Costs: \$90,259

Status Report:

Regent House was awarded funding in July 2009. Staff and RCD recently closed the financing for the project and rehabilitation started in late November. Construction should be complete by early 2011.

10. UA Homes

Address: 1040 University Avenue
Owner: UA Housing Inc./RCD
Type: Special Needs/SRO
No. of Units: 73
HTF Funding Approved: \$778,816
Total Project Costs: Approximately \$10.5 million

Status Report:

UA Homes is an existing residential building with four ground floor commercial spaces. The building is an existing, non-conforming use. RCD has also been working with an architect to design a new 4,400 square foot community building to be constructed adjacent to the existing building on the site. In order to add the new community building as well as legalize the non-conforming use, RCD will need to secure a use permit from the City. RCD intends to submit its use permit application in January 2011 and apply for 9% tax credits in July. If the tax credit application is successful, construction of the new community building/rehab of the existing units will start in late 2011.

11. Savo Island

Address: 2017 Stuart Street
Owner: Savo Island Cooperative Homes
Type: Family Housing
No. of Units: 57 Units
HTF Funding Approved: \$300,000
Total Project Costs: Approximately \$6.8 million

Status Report:

The board of directors of Savo Island has been working with a consultant team to finalize the rehabilitation scope of work for the project and submit a loan application to HUD. Savo Island intends to submit its loan application to HUD in January 2011 in order to close its construction financing and start construction by early summer.

12. Strawberry Creek Lodge

Address: 1320 Addison Street
Owner: Strawberry Creek Lodge Foundation
Type: Senior housing
No. of Units: 150 Units
HTF Funding Approved: \$86,250
Total Project Costs: To be determined

Status Report:

Strawberry Creek's current HUD Section 202 mortgage loan matures in November 2012. Strawberry Creek was awarded funds in order to prepare a comprehensive scope of work and financial plan to rehabilitate and refinance the property. The board of directors of Strawberry Creek has engaged an architect, project manager, and financial consultant to initiate this process. Strawberry Creek is also attempting to secure additional project-based Section 8 vouchers from the Berkeley Housing Authority for the property. Generally, it is difficult to refinance HUD 202 mortgage loans prior to maturity. As a result, Strawberry Creek will work with its consultant team during 2011 in order to secure a new HUD-insured mortgage loan and other funding as necessary to refinance and rehabilitate the property in 2012.

13. Berkeley Housing Authority Roof Repairs

Multiple Addresses
Owner: Berkeley Housing Authority (BHA)
Type: Family
No. of Units: 61 units
HTF Funding Approved: \$236,000
Total Project Costs: Approximately \$400,000

Status Report:

Staff and BHA are working on the loan documents necessary to administer the HTF funds for the roof repairs. Staff estimates that funds will be available for disbursement in January 2012. BHA still anticipates getting approval from HUD to complete disposition of these units to an affordable housing developer.

14. Ashby Arts

Address: San Pablo Avenue and Ashby Avenue

Owner: CityCentric, Inc.

Type: Senior

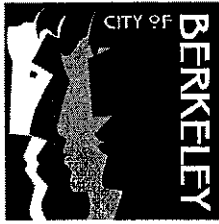
No. of Units: 98

HTF Funding Approved: \$1,381,450

Total Project Costs: Approximately \$30,700,000

Status Report:

CityCentric and Bridge Housing continued to seek funding from both the State of California and the Capital Magnet Fund program for this development. To date, they have not been successful. The HTF funding reservation is set to expire on December 31, 2010 unless renewed by the Berkeley City Council.



Office of the City Manager

CONSENT CALENDAR
December 14, 2010

To: Honorable Mayor and Members of the City Council
From: *PK* Phil Kamlarz, City Manager
Submitted by: Jane Micallef, Director, Housing & Community Services
Subject: Extension of the 2010 Housing Trust Fund Round

RECOMMENDATION

Adopt a Resolution extending the deadline for approving fund reservations from the 2010 Housing Trust Fund (HTF) round from December 31, 2010 to December 31, 2011 in order to allow the City to assist projects which could not be funded due to a shortage of available funds in the 2010 Housing Trust Fund account.

FISCAL IMPACTS OF RECOMMENDATION

Extending the period for approving HTF fund reservations to existing projects will allow the City to meet its annual Home Investment Partnerships Program (HOME) commitment by the August 31, 2011 deadline and allow developers with projects in the pipeline to compete for non-City funding for the development and rehabilitation of affordable housing projects. The competition for state and federal funding has increased significantly over the last few years and the evidence of a local commitment of funds has become a requirement in order to be successful in accessing other funding. Allowing consideration of funding applications currently under review by Housing & Community Services (HCS) department staff will expedite the approval process and give these projects a stronger chance of obtaining outside funding. All recommendations for funding will be reviewed by the Housing Advisory Commission (HAC) and submitted to the Council for approval.

CURRENT SITUATION AND ITS EFFECTS

Obtaining financing for affordable housing projects has become more difficult since September 2008 due to the problems within the financial sector. Fewer investors are purchasing low income housing tax credits and fewer lenders are providing either construction financing or permanent financing for projects. The competition for the limited financing available has become more intense. The American Reinvestment and Recovery Act of 2009 provided some assistance but that is not a permanent source of funding. HUD is considering a number of structural reforms and, as a result, has not issued a Super-NOFA (Notice of Funding Availability) this year. Once the Super-NOFA is published, there will be a limited time for developers to submit applications. The California Tax Credit Allocation Committee (TCAC) also has a short turn-around time for submitting applications for low income housing tax credits. In the past 2 years, the

normal HTF process has had to be waived in order to allow Berkeley projects to be successful in obtaining tax credit financing. Since local financing has become a prerequisite to outside funding, HCS staff recommends that the City create a pipeline of projects that can receive HTF fund reservations as funding becomes available. This would allow developers to fully prepare their projects for state or federal funding as they would know that the City commitment would be there in the future. It also allows HCS staff to work with developers on asset management plans in order to increase the long term viability of the projects.

BACKGROUND

This year, HCS received direct requests for funding from nine projects and another project (Strawberry Creek Lodge) was transferred to the HTF from the CDBG subcommittee. The total requests for 2010 HTF project funding from all affordable housing developers this year amounted to \$7,993,266. (EAH also applied for funding for the acquisition and development of the Prince Hall Arms site but since they did not have site control, their request is not included in this total). In addition, the City received requests for predevelopment loans from five developments in the amount of \$15,000 each -- \$75,000 total). The total list of 13 projects which requested funding is shown on Exhibit A. The City allocated \$3,399,516 to six projects during the HTF funding round. The other projects continue to need assistance. Extending the deadline for approving fund reservations will give these developments a chance to move forward if other funding becomes available.

Housing & Community Services (HCS) staff would like to include a requirement to develop and include a strong asset management plan as part of all future HTF funding requests. Council members have expressed concern that older projects often return to request HTF funding to correct deficiencies or deferred maintenance which should more properly be addressed using replacement or operating reserves. As part of its monitoring duties, HCS staff has begun inspecting units within its affordable housing portfolio. We have also started reviewing project operations and their financial management systems. Our reviews have shown that few owners have adequate asset management plans for their developments. Asset management plans should include detailed listings of the age, quality and condition of the units as well as the project's mechanical, electrical, plumbing and structural systems. The purpose of the plans is to provide direction to project owners and managers in developing both a scope of work and revising an operating budget for a project in order to provide for regular maintenance, replacement and operating reserves.

Almost all of these City's older projects had such a plan when they were first developed. However, unless the asset management plan is incorporated into the project's normal operations and is reviewed and updated regularly and used as part of the project owner's financial decision-making, it is not useful. Decisions regarding budgeting, staffing, procurement, and maintenance must be made with the goal to ensuring the project's long term viability. Unfortunately, part of the asset management plan includes making sure there is sufficient revenue to cover maintenance over time and many low

income residents are naturally reluctant to raise their own rents. Several of the older developments coming back to the City for funding are in this situation. This is one of the issues that housing staff is addressing as part of the regular monitoring system we are developing. We are working closely with the boards and developers for the properties that received small predevelopment loans and/or HTF allocations to make sure that these projects are taking a more comprehensive approach to their rehabilitation projects than they have in the past.

Developing the plan and working with the residents requires a great deal of time both on the part of the project's property management team and HCS staff. Extending the deadline for fund reservations through December 31, 2011 will allow time to develop this process.

RATIONALE FOR RECOMMENDATION

Extending the deadline for approving fund reservations from the 2010 Housing Trust Fund (HTF) round from December 31, 2010 to December 31, 2011 will allow pipeline projects to more successfully compete for outside funding, including HUD and tax credit funding during 2011.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Kathryn Hoover, Housing Services Manager, H&CSD, (510) 981-5415

Attachments:

1: Resolution

Exhibit A: HTP Pipeline Projects

RESOLUTION NO. ##,###-N.S.

EXTENSION OF THE 2010 HOUSING TRUST FUND ROUND DEADLINE FOR
FUNDING TO DECEMBER 31, 2011

WHEREAS, the City Council established a Housing Trust Fund Program to assist in the development and expansion of housing affordable to low and moderate income persons who either work or reside within the City of Berkeley, and authorized the City Manager to implement the Program; and

WHEREAS, there is a great need for affordable and special needs housing in the City of Berkeley as stated in the General Plan Housing Element and the City of Berkeley's Consolidated Plan; and

WHEREAS, the City received five applications for predevelopment funding from the following developments, University Avenue Homes, University Avenue Cooperative Housing, Amistad House, Oregon Park Senior Apartments in anticipation of the 2010 Housing Trust Fund Round; and

WHEREAS, the City received nine applications for funding from University Avenue Homes, University Avenue Cooperative Housing, Prince Hall Arms, Savo Island, Berkeley Housing Authority Low Income Public Housing, Hillegass Apartments, Grayson Street Apartments, William Byron Rumford Apartments, Strawberry Creek Lodge, and Ashby Arts during 2010; and

WHEREAS, the total demand for Housing Trust Fund monies equaled approximately \$8,000,000 and the amount of funding approved for projects during the 2010 Housing Trust Fund Round was \$3,399,516; and

WHEREAS, the City wishes to extend the deadline for approving fund reservations from the 2010 Housing Trust Fund Round in order to provide an opportunity for additional projects to obtain outside financing; and

WHEREAS, the City Council waived Section VI. (Project Selection) of the Housing Trust Fund Guidelines in order to extend the deadline for approving fund reservations to December 31, 2010.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley hereby waives Section VI. of the Housing Trust Fund Guidelines and approves extending the time period for approving fund reservations from December 31, 2010 to December 31, 2011.

Exhibits

A: HTP Pipeline Projects

EXHIBIT A
Housing Trust Fund Pipeline Projects

FY 2010 HTF Requests	Developer	Project Type	Amount Requested	Fund Reservation	Units
Ashby Arts *	CityCentric	New	\$1,381,450	\$1,381,450	98 - Senior
Prince Hall Arms	Satellite Hsg	New	\$750,000	\$497,000	42 - Senior
Savo Island	Savo Island	Rehab	\$300,000	\$300,000	57 - Family
Public Housing ** (Roofing Project)	BHA	Rehab	\$236,000	\$236,000	61 - Family
UA Homes	RCD	Rehab	\$778,816	\$778,816	74 - Special Needs
UA Cooperative	RCD	Rehab	\$890,000		47 - Family
Hillegass Apts.	AHA	Rehab	\$342,000		19 - Family
Grayson St. Apts.	AHA	New	\$2,000,000		15 - Family 5 - Special Needs
Wm Byron Rumford	SB-CHDC	Rehab	\$970,000		43 - Family
Strawberry Creek Lodge	Christian Church Homes	Rehab	\$345,000	\$86,250	150 - Senior
Total			\$7,993,266	\$3,279,516	

* This project did not apply to the HTF but received an HTF reservation due to expire 12/31/10

** Council has recommended a total of \$700,000 be reserved for the disposition of the public housing units.

FY 2010 Predevelopment Requests	Developer	Project Type	Amount Requested	Units
UA Homes	RCD	Rehab	\$15,000	74 - Senior
UA Cooperative	RCD	Rehab	\$15,000	47 - Family
Amistad House	Satellite Hsg	Rehab	\$15,000	40 - Senior
Oregon Park Senior Homes	Oregon Park Senior Homes	Rehab	\$15,000	60 - Senior
NCLT (scattered sites)	NCLT	Rehab	\$15,000 (not funded)	22 - Family