

Office of the City Manager



Berkeley Housing Authority

**MEETING OF THE
3X3 COMMITTEE OF THE
BERKELEY CITY COUNCIL AND THE BERKELEY HOUSING AUTHORITY
Workshop B Room, North Berkeley Senior Center
1901 Hearst Avenue
Thursday, July 16, 2015
5:30 p.m. to 7:00 p.m.**

Berkeley City Council:
Mayor Tom Bates
Councilmember Darryl Moore
Councilmember Jesse Arreguin

Berkeley Housing Authority (BHA) Commission:
Commission Chair Carole Norris
Commissioner Marjorie Cox
Commissioner Adolph Moody


This meeting will be conducted in accordance with the Brown Act, Government Code Section 54653. Any member of the public may attend this meeting. Questions regarding this matter may be addressed to Christine Daniel, City Manager, at 510-981-7000.

AGENDA

1. Call to Order
2. Public Comment
3. Approval of Minutes: March 20, 2014 (Attachment 1)
4. Update on BHA Project Based Section 8 contracts and allocation process
5. Update on BHA Budget
6. Adjourn

NOTES: Attendees at public meetings are reminded that other attendees may be sensitive to various odors, whether natural or manufactured, in products and materials. Please help respect these needs.

- **Communication Access Information (A.R.1.12)**

 *This meeting is being held in a wheelchair accessible location. To request a disability-related accommodation(s) to participate in the meeting, including auxiliary aids or services, please contact the Disability Services specialist at 981-6342 (V) or 981-6345 (TDD) at least three business days before the meeting date. Please refrain from wearing scented products to this meeting."*

- **SB 343 Disclaimer**

Any writings or documents provided to a majority of the Committee regarding any item on this agenda will be made available for public inspection at the City Clerk's Department located at 2180 Milvia Street, 1st Floor, during their normal business hours.

- **Communications Disclaimer**

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3x3 Committee Meeting of the City Council and the
Berkeley Housing Authority
March 20, 2014
South Berkeley Senior Center, 2939 Ellis Street, Berkeley

Meeting Notes

1. Call to Order

5:30 pm: Present: Mayor Tom Bates; Councilmember Jesse Arreguin, Councilmember Darryl Moore; BHA Chair Carole Norris, Commissioner Adolph Moody, Commissioner Marjorie Cox

2. Public Comment:

None

3. Approval of Minutes:

M/S/C: Bates/Norris: To approve Minutes from last meeting (May 23, 2013). Unanimous. Motion Passed.

4. Update from Berkeley Housing Authority regarding transfer of public housing units to Berkeley 75

The agreements closed 2/14/14. Work started 2/17/14.

Francisco Street is almost complete. An Open house is scheduled for April 12th, 11:30 am – 1 pm. Occupancy by 4/14. Demolition of interiors and interior renovation is under way. They started with Francisco Street because it is all vacant.

Mayor Bates asked what happened with the tenants.

BHA responded that 32 households were relocated during the process.

The balance are still in tenancy and will move off-site during renovation and will move back. 17 of 32 opted to leave and exercise new Section 8 vouchers.

11 will reside in Berkeley; 16 left the City and occupy single family dwellings.

6 families are still in tenancy and over 60% AMI

5 families are eligible for Section 8 but have not found a unit yet – unfortunately these families are over-housed which means that if they remain this would result in BHA receiving less revenue from Related in the future because the Section 8 voucher is for a 2-bedroom unit.

Mayor Bates asked how much revenue is generated to BHA.
BHA responded that it is carrying a note of \$11 million over 15 years.

BHA received a payment at closing of \$2.7 million.

Regarding the RHCP state financed units, the State will extend its loan so BHA does not have to pay that back now. There is \$763,000 in escrow awaiting resolution of the state loan. If the loan is extended again, then \$763,000 will be released to BHA.

Mayor Bates asked about the annual return.
In Year 5 BHA starts receiving residual receipts of \$100,000 to \$150,000 per year.

Mayor Bates asked about the operating budget including revenue & expenses for BHA.

Chair Norris responded that BHA is planning a retreat to discuss the future of the agency and City staff invited to attend.

Councilmember Arreguin suggested that the next 3 x 3 Committee meeting should be held after the BHA retreat to consider BHA Budget.

A councilmember asked: Why did the tenants leave the City?
Response: They moved to Antioch/Brentwood, etc. and got 3 – 4 bedroom single family dwellings.

A councilmember asked: Are owners unwilling to rent to Section 8?
BHA Director Tia Ingram indicated that the City should require developers of projects with City money to include Section 8.

Councilmember Arreguin asked how can subsidies be made available to support new non-profit housing.

Director Ingram indicated that BHA has a \$300,000 deficit.
Mayor Bates requested information regarding the budget & costs for additional programs.

5. Waiver / Property Transfer Tax

Councilmember Moore suggested that a per door cost should be charged to the City of Berkeley to assist keeping the BHA in Berkeley.

6. Project Based Voucher (PBV) Program

Next award cycle is October. BHA Priorities: Families / Disabled / Emancipated Youth and 1-, 2- and 3-bedroom units

A new program would enable people in Shelter plus Care and Mod/rehab units to move into Section 8 units, which would then free up the S&C and Mod/Rehab units. BHA will be figuring out how much this will cost.

Councilmember Moore asked how many project based section 8 vouchers were still available?

BHA responded that there are 79 project based vouchers available in total.

Councilmember Arreguin expressed his concern about not renewing vouchers that were previously awarded and also his concern that the categories for new awards are too narrow.

Chair Norris indicated that the BHA does not want to fund any more senior housing as family size housing is needed.

Councilmember Arreguin asked if the categories could include homeless.

Chair Norris indicated that there may be circumstances when projects awarded vouchers in the past now have sufficient cash flow to subsidize their own rents.

Mayor Bates asked how many project based vouchers are currently allocated and for how long?

BHA responded that 302 are in use or committed. They are 15 year contracts.

Mayor Bates asked what happens at end of 15 years?

BHA responded that they could be extended or taken back.

City Manager Daniel requested a list of projects & the timeline for existing 302 project based vouchers to provide to 3 x 3 Committee.

Councilmember Arreguin asked if there is any urgency to issue the project based vouchers now and whether the timing could be aligned with the next Housing Trust Fund round?

Chair Norris indicated that BHA had no problem postponing the allocation.

Mayor Bates asked how much money is in the Housing Trust Fund.

HHCS Director Jane Micallef replied that there is about \$1.2 million with several projects in the pipeline. She indicated that in about 8 months the City could

consider another funding round for the Housing Trust Fund and that a couple of projects in the pipeline could meet the BHA criteria for project based Section 8. Commissioner Moody indicated that BHA knows the demographics of need for affordable housing in the community and the City should consider that information. Mayor Bate stated that the market has changed with the Palmer decision and developers can provide money to the Housing Trust Fund or provide units. Only one developer has paid the money.

7. New Office Location for Berkeley Housing Authority

Open house will take place on March 27th at 4:30 p.m.

8. General Fund / CDBG Allocation / Security Deposit Loan Fund Balance

The Committee discussed the Security Deposit Revolving Loan Fund and how it could apply to the Shelter plus Care and Mod Rehab program. City staff indicated that the approach seemed acceptable but requested a memo with details of the proposal. Questions were asked about CDBG funding; staff replied that if BHA applies for the public services category that is a capped category and would require Council to decide to defund another program. The community agency RFP process starts in November 2014 for FY 16.

The Committee indicated that its next meeting should be 2 weeks after the BHA retreat.

9. Adjourn

Adjournment approved by acclamation.