



**Berkeley Housing Authority**

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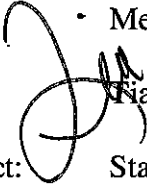
Office of the Executive Director

Item 4

**MEMORANDUM**

Date: November 17, 2011

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

From:  Nia 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:**

	Jul	Aug	Sept	Oct
50058 Reporting (requires min of 95%)	99.48%	100.06%	100%	100.06%
Utilization (assisted households)	1,768	1,754	1,750	1,744
Late Annual Recertification	12	13	11	7
Late HQS Inspections	14	12	19	38
Port Outs	63	65	67	65
Port Ins	23	22	21	22

- A. 50058 reporting – refers to the percentage of required annual recertifications (of family eligibility for continued assistance) completed and successfully submitted to HUD. We continue to perform well in this category, exceeding the minimum reporting rate of 95%.
- B. Utilization – refers to the number of units leased – as reported in the HUD Voucher Management System. We continue to lag in this category, as net program size continues to decrease from terminations (voluntary and involuntary) and families opting to transfer their assistance to another jurisdiction.
- C. Late Annual Recertifications – refers to the number of families that have not been recertified (and reported to HUD) within 14 months of the prior certification. We continue to perform very well in this category.
- D. Late inspections – refers to the number of assisted units that have not been inspected within 12 months of the prior inspection. We have not yet realized the improvement we would like to see in this category.

## 2. HUD Interface.

- A. Award of Project Based Vouchers to LIPH project. We received notice dated October 27, 2011 (Attachment 1) from HUD advising that your April 28, 2011 action, awarding 75 S8 Project Based Vouchers to the LIPH disposition project meets all program requirements.
- B. S8 Per Unit Cost. We were contacted by HUD via email on Nov. 2 regarding our high per unit cost in the S8 program. No findings or violations were noted, just concern that our costs are high relative to other jurisdictions. Over the past several months (beginning in July 2011) we have:
- a. Reduced our Payment Standards from 110% to 105% for all bedroom sizes;
  - b. Revised our process for reviewing owner requests for increases on existing contracts;
  - c. Aggressively negotiated rent for new contracts with landlords;
  - d. Worked to carefully evaluate requests for "reasonable accommodation" that result in an increase in voucher size (and thus subsidy).

We are considering an appeal to HUD to allow us restrict the utility allowance given to a family to the authorized voucher size. In the S8 program, the maximum subsidy is based on the Voucher size, but the utility allowance is based on the actual size of the unit leased. For discussion purposes, assume a family has a 1 bedroom voucher, but opts to live in a 2-bedroom unit. This family would qualify for 1-bedroom subsidy, but would receive a utility allowance for 2-bedrooms. This serves to decrease the family rent, and increase the BHA rental subsidy.

- C. Revision of Project Based Voucher awards. We reported last month that three of the five of the projects awarded Project Based Vouchers for "substantial rehabilitation projects" had requested to modify the proposed scope of work to \$1,000 per unit; the threshold expense required to qualify as an "existing" project. Our interpretation of the HUD rules was that such a change was not allowed, and that we would have to rescind the award, if the approved projects would not follow through with the original scope as identified in their applications. On October 25<sup>th</sup> we received an email message from HUD confirming our interpretation. We have notified the projects that they must perform the scope of work identified in the Project-based application prior to execution of the S8 Project Based HAP contract, and receipt of rental subsidies.

## 3. Operations.

- A. Staff Development. We continue to be challenged to perform the routine staff functions as a result of staff absences:
- a. Receptionist. As previously reported our Receptionist is out on extended leave through December 16, 2011. We have backfilled the position on a temporary basis, and the person is performing well – but there is a learning curve that is not easily mastered. She has committed to remain on board through December 13, 2011.

- b. Administrative Assistant. I am pleased to report the temporary hire of Corean Todd to this position. Ms. Todd came on board effective October 31<sup>st</sup>; her presence is already having a significant impact on operations. Her temporary assignment is through January 31, 2012.
- c. Housing Specialist. We averaged 3 out of 5 Housing Specialist over the past 30-days with employees absent for Jury Duty; death of immediate family members; sick leave; or approved vacation. On at least one day during the week of November 8<sup>th</sup> there were but 2 Housing Specialist on duty. With a small staff, it is very difficult to absorb the work when one member is absent. When the absences overlap, it is even more challenging.
- d. Housing Authority Collaboration/Reciprocity. We strive to respond affirmatively to other Housing Authorities when they need staff assistance with an oral board (interviews for new hires), informal hearing or other administrative task. Unfortunately, we were not able to assist in two recent instances when assistance was requested to serve on an oral panel for Finance Manager and another for Housing Specialist. We need to be mindful of these regrettable inability to reciprocate to other housing authorities, as we may be in need of "free" help one day for similar tasks.
- e. Personnel Management. Managing a personnel (human resource) function is a major undertaking. In the absence of a Human Resource department (or staff expert) this function is the responsibility of the Executive Director. Staying on top of the various elements is difficult and time consuming. For example, a disciplinary action proposed the first week of September is still pending, as we work with the union to identify a date/time for the required Skelly meeting. In dealing with staff, especially disciplinary action, one error or omission can negate an otherwise well-documented case. For this and other reasons, we will be investigating options for professional HR services through the independent payroll system or the contract for a labor negotiator. Another example of problems that arise from BHA attempting to self-manage the HR function is difficulty experienced in negotiating what on the surface, was a straight forward contract for a payroll service. The process became quite complex when the other variables involving contracts for various benefits, and how payment would be processed arose. It now appears we may need expert advice from a tax/labor attorney to make sure BHA understands all the required changes, and how those changes will impact operations and budget, before any contracts are signed. NOTE-the Alameda City Housing Authority is in the process of separating from the City of Alameda, and they are contemplating contracting with a firm to manage the transition, and possibly the ongoing HR function.

B. Elite Hardware/Software.

- a. Slow Speed/Server. After months of ongoing complaints from staff about slow speed when processing transactions in the Elite software (annual and interim reexaminations) and slow speed in printing word, excel, PDF and other documents, we met with the City IT staff and learned of a problem with the server. A plan of correction has been initiated, and can hopefully

be fully implemented before there are other consequences (for more information see item 6c on the agenda this evening).

- b. Elite Master Release (MR) 1.9.2. With the Elite system, Emphasys upgrades the software via “patches” and updated software releases. Each Housing Authority is allowed to determine the implementation schedule for converting to the latest version of the software. We work with the IT department to test each patch before conversion. With other competing priorities we had fallen behind, and were operating off of M.R. 1.9.1. We scheduled training for all staff; tested the upgrade; and on October 31<sup>st</sup>, completed the conversion to M.R. 1.9.2, the current version.
  - c. Inspections Module. In October we completed a full year’s implementation cycle going live with the handheld inspections module. This month we experienced another setback with problems uploading inspections results from the handheld to the database. We believe a permanent correction has been achieved.
  - d. 2010 Wait List. We are working with Emphasys to load the 2010 S8 tenant based and project based wait lists which were opened via an online system through HAPPY Software. Once Emphasys successfully loads the waitlists into our database, the next step is to post the wait list on the website (with redacted birthdays and using last four numbers of one’s social security number, properly encrypted) so that applicants can confirm their status as “active” without contacting BHA.
- C. Wait List Processing. We have begun processing applications from the 2010 Wait List. The top 75 applicants on the wait list were mailed an eligibility packet, which they are to return by November 9. We anticipate a final decision on these applications by the end of the year, either awarding a voucher, or removing the family from the waitlist for cause. We will continue mailing to batches of 75 each month until we are fully leased (for the year). We are intentionally phasing the issuance of vouchers to allow the families a realistic opportunity to secure housing during the 60-day voucher term (120 days for seniors and disabled).

Later this month we will mail notice to the entire S8 tenant based wait list to confirm if there is interest in being placed on the Project Based wait list – so that in addition to waiting to reach the top of the tenant based wait list, they can also be considered for vacancies at one of the properties with project based assistance (this is limited to households 62 years or older and families that qualify for 3 bedroom units, since we are quickly running through names that qualify for those two categories on the Project-based waitlist).

- D. Preserving/Expanding Housing Opportunities. A primary goal in our Section 8 Program is to provide maximum housing opportunities for participants, including gaining access to units outside areas of high poverty concentration. Achieving that goal requires that we (a) encourage acceptance of S8 assisted tenancies in neighborhoods, (b) hold owners accountable for maintaining the units, (c) hold households accountable for their behavior, and that of their

guests, and (d) that we respond to neighborhood concerns when they arise. To that end, we have and continue to foster a great working relationship with the Berkeley Police Department (BPD) and the City of Berkeley Office of Neighborhood Services (ONS) to combine our resources to address crime and nuisance in neighborhoods (and properties) where families, and property owners are benefitting from S8 rental assistance. Recent examples include situations where both individual households and entire neighborhoods are impacted by illegal drug or violent criminal behavior, or general nuisance behavior that significantly distracts from peaceful enjoyment.

We also have worked with representatives of two City Council members to resolve nuisance behavior and/or disputes/claims of poor service from BHA. I am pleased to report that in both instances, the Council member aids were better informed, and supported BHA's efforts, after understanding the situation in more detail, and as subject to HUD regulations.

These very important issues cannot be handled by BHA, the Office of Neighborhood Services, or even Berkeley Police Department alone. BHA's decision to participate in this exchange is very time consuming, but has proven effective in helping us hold owners responsible for proper management of their properties, effectively responding to families that risk their rental assistance by engaging in criminal or nuisance behavior, and building an image of BHA as a responsible, engaged, public entity.

- E. Due Process/Appeals. By Federal regulation, whenever assistance is denied (applicant) or terminated (participant), the household has a right to appeal the action, and have it reviewed by an impartial party that did not participate in the decision to terminate. There is discretion within the Federal regulation to adopt a policy/practice for the local jurisdiction (Administrative Plan). Our local policy and practice are in full conformance with the Federal regulations, including appropriate allowances for "reasonable accommodation." If a household does not prevail in the administrative appeal process, they have a final right to file a writ in Superior Court. We have experienced a recent spike in requests from East Bay community Law Center for us to reconsider decisions to terminate assistance. The requests were not based on errors in the process, but rather the hardship it would create if the household were to lose its assistance. Our position is the hardship is no different than it is for the thousands of households on our wait list who do not have assistance. However, our decision to hold firm in our position is complicated by the fact that should EBCLC file a law suit, we would incur significant legal fees to defend the action. We are going to meet with EBCLC to ascertain what is causing the spike in appeals, and how we can work more efficiently in our common goal of assisting financially disadvantaged households in the City of Berkeley.
- F. Labor Contracts. A major consideration for the next few months is negotiation of new labor contracts for our 12 represented employees. We are currently party to two contracts: SEIU Local 1021 that represents 10 of the 14 staff, and Local One that represents two of the 14 staff (there are two unrepresented positions: Executive Director and Administrative Assistant).

Both the Local 1021 and Local One contract expire in June 2012. Given the dire financial challenges that we face, it is critical that we initiate the negotiations process as soon as possible. Staff will be working with the Finance Committee to develop a list of goals to govern the negotiations. The Quadel report recommends that BHA reduce total aggregate staff compensation (salaries and benefits) by as much as practical, but not less than 10% and effective no later than July 1, 2012 (more on the Quadel report in Item 6.A.b.).

## II. SECTION 8 PROGRAMS

### 1. S8 Project Based Voucher Assistance.

- A. Harmon Gardens. I am pleased to report that all 5 project based units at this property were leased as of August 2011. I am also happy to share that I was an invited speaker for the grand opening (Oct. 18, 2011), and that Rachel Gonzales-Levine and Tilda Barnes attended, representing BHA. It was quite a moment to have the BHA recognized for its critical role in making the vision of Harmon Gardens a reality.
- B. Senior Developments. We continue to experience problems with releasing units in Senior housing developments. We are expecting a vacancy loss claim for 2-3 units the owner was unable to occupy, and as of November 1<sup>st</sup> there are three vacancies at senior developments. It is quite possible that we will have to open the Project Based wait list for seniors to serve turnover needs at this property and the other three project-based senior developments (Sacramento Senior Homes, Helios Corner, Shattuck Senior Homes). Additionally, we will be responsible for providing names from our Project-based waitlist to Strawberry Creek Lodge and Oregon Park Senior Apartments, once they come on line (after rehab and once someone in a project-based unit moves out).
- April 2011 Awards.** Some six months have elapsed since the Board awarded project based vouchers to four substantial rehabilitation projects (excluding the award to BHA properties). A considerable amount of staff time has gone into discussions with the project managers to help facilitate the process, and much work remains undone. The delay concerns the awardees attempts to pull their financing together to conduct the rehabilitation, and now that they are aware that HUD will not allow reduced scope of work (as compared to what was indicated in their proposals to BHA), we can now move to the environmental review piece of the process. Additionally, one awardee must submit documents for HUD's required subsidy layering review (still awaiting those docs.). Once the environmental reviews are complete, an AHAP (Agreement to Enter into a HAP Agreement) may be signed, and then rehab may begin. After rehab., the units must be inspected, then a master HAP agreement may be signed, the intake process for the in-place families must occur, and subsidy may begin. Keep in mind that depending on the scope, the rehab. may take quite a bit of time (over a year). At least one applicant indicated 540 days in their application for the rehab. to be completed. It is clear that project-basing rehabilitated properties takes much more time to complete than project-basing existing units (where only \$1,000 per unit must be spent and where subsidy layering review is not a requirement).

- D. Next Round of Awards. Staff has been contacted informally regarding the timing for the next round of Project Based Vouchers. Given our current work load, the status of the April 2011 awards, and potential changes to our staffing plan, we do not have the capacity to initiate another round of awards this fiscal year. We would like to engage the Board in a discussion about revisions to the process for award, as well as a policy on renewal of expiring contracts before any additional vouchers are awarded. We don't anticipate initiating the discussion before the currently approved project based properties (with April 2011 award) are on line and receiving subsidy.
- E. Continuum of Housing. We enthusiastically shared with you our desire to leverage our Vouchers to help households move from homelessness, to shelters, to permanent affordable housing. This type of program was discussed, praised, and encouraged at a recent "Everyone Home" meeting (attended by our Executive Director) where Berkeley Mayor Tom Bates was awarded for the City's efforts to address homelessness. Unfortunately, there is no dedicated staff person for this project, and the administrative staff has been tasked with other competing demands that left no time for this project. We hope to resume discussion and planning after the first of the year.

### III. AUTHORITY OWNED HOUSING

1. Lease Enforcement. As a result of one termination (voluntary terminate in lieu of eviction) we currently have 65 occupied units (out of 75). We have one additional case that may result in termination of assistance: this case-involves actual or threats of violent criminal behavior.
2. Rent Collection. Currently 65 of the 75 units are occupied as of the writing of this report; 54 of the households have a positive family rent portion, the remaining 11 pay no rent and receive a monthly utility reimbursement (payment) from BHA. I am pleased to report that rent collection remained high (95%) for October.
3. Housing Advisory Commission. The HAC requested information on the status of the repositioning project. A copy of the communication provided is attached.

### CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471

### Attachments:

1. HUD Notice-Project Based Voucher Award-Scattered Sites



ATT 1

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

OCT 27 2011

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

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REC'D

Dear Ms. Ingram:

Subject: Project Based Voucher (PBV) Application – Scattered Sites

This office has reviewed the Project Based Voucher (PBV) Application and proposal submitted to our office on May 5, 2011, for the project located on scattered sites in Berkeley, CA, consisting of 75 units in 15 buildings. This project was subject to our office's review and approval as required by 24 CFR §983.51 (e). Due to the housing authority's identity of interest in this project, our office has reviewed the selection process and has approved the project-basing of these 75 units.

We have approved the selection of this project for PBV assistance based on a review of the documentation submitted by the PHA. This documentation included the Request for Proposals (RFP), the Application for Project-Based Voucher Assistance, the Site and Neighborhood Review conducted by the Housing Authority, as well as documentation demonstrating that the project will de-concentrate poverty and will expand housing and economic opportunities to extremely and very low income families.

Finally, before a Housing Assistance Payment contract may be executed, it will be necessary for the project to meet other program requirements which may include an environmental review and a subsidy layering review. If you have any questions, please contact Sarah Glover Johnson, Portfolio Management Specialist, at (415) 489-6448.

Sincerely,

Melina Whitehead  
Acting Director  
Office of Public Housing