



Berkeley Housing Authority

DRAFT MINUTES

Thursday, February 11, 2010

North Berkeley Senior Center

1901 Hearst Avenue

Berkeley, CA 94709

REGULAR MEETING OF THE BOARD OF THE BERKELEY HOUSING AUTHORITY

6:00 p.m.

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CLOSED SESSION at the end of the Regular Meeting Agenda

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CAROLE NORRIS, CHAIR

VALERIE AGOSTINO

MARJORIE COX

GEORGE AUSTIN

KATHARINE GALE

DOROTHY HUNT

ADOLPH MOODY

1. **Call to Order**

The meeting was called to order 6:09 p.m.

2. **Roll Call**

Board Members present: Chairperson Norris and Commissioners Cox, Moody, Hunt (arrived at 6:10 p.m.) and Austin (arrived at 6:20 p.m.).

Board Member Gale (absent).

3. **Comments from the Public**

Four members of the public addressed the Commission.

4. **Ceremonial Matters**

Congresswoman Barbara Lee representative, Katherine Huong, presented the Berkeley Housing Authority a Certificate of Achievement in acknowledgment of the Berkeley Housing Authority certifying to standard performer.

5. **Consent Calendar**

A. Approval of Minutes: Regular Meeting, January 14, 2010

Minutes of the Regular meeting of January 14, 2010 were moved, seconded and carried (Cox, Moody; Abstain: None; Opposed: None; Absent: Gale, Austin).

B. Consideration of a resolution revising Chapter 6 of the Administrative Plan, "Eligibility for Admission," to include an option to receive applications for the Section 8 Housing Choice Voucher Program via the Internet – Tia Ingram, Executive Director

Resolution revising Chapter 6 of the Administrative Plan, "Eligibility for Admission," to include an option to receive applications for the Section 8 Housing Choice Voucher Program via the Internet was moved, seconded and carried (Cox, Moody; Abstain: None; Opposed: None; Absent: Gale, Austin).

C. Consideration of a resolution revising the following Sections of the Administrative Plan regarding Project Based Vouchers: Section 31.1 ("Introduction") and 31.11 ("Agreement to Enter Housing Assistance Payment Contract") to change the initial term for the Housing Assistance Payment (HAP) Contract for Section 8 Project Based assistance from 10 years to 15 years, consistent with Housing and Economic Recovery Act (HERA) – Tia Ingram, Executive Director

Resolution revising the following Sections of the Administrative Plan regarding Project Based Vouchers: Section 31.1 ("Introduction") and 31.11 ("Agreement to Enter Housing Assistance Payment Contract") to change the initial term for the Housing Assistance Payment (HAP) Contract for Section 8 Project Based assistance from 10 years to 15 years, consistent with Housing and Economic Recovery Act (HERA) was moved, seconded and carried (Cox, Moody; Abstain: None; Opposed: None; Absent: Gale, Austin).

D. Consideration of a resolution adopting a schedule of charges for the production of records as required by the Public Records Act and the Brown Act – Tia Ingram, Executive Director

Resolution adopting a schedule of charges for the production of records as required by the Public Records Act and the Brown Act (Cox, Moody; Abstain: None; Opposed: None; Absent: Gale, Austin).

6. **Report from the Executive Director**

Executive Director briefed the Board on the status of activities of the Housing Authority in the areas of overall administration, rental assistance in the Section 8 Voucher, and Authority owned rental housing programs, and informed the Board of potential significant actions/developments which may transpire prior to the next regular meeting. In the oral highlights:

- On January 13, 2010, HUD issued the official report of the Section 8 Management Assessment Program Certification in which it designated the Berkeley Housing Authority a standard performer with a score of 62% (60-89% is Standard).

- In PIC Reporting, Berkeley Housing Authority maintained a score of 95% or higher for July- December 2009.
- The Voucher Management System (VMS) is the financial system tracking program utilization. BHA reports program utilization on a monthly basis by Annual Budget Authority (ABA) and Annual Contributions Contract (ACC). This report is financial in nature, and can fluctuate significantly month to month as adjustments are constantly made to reflect changes (new contracts, contracts porting in and out of the jurisdiction, and contract terminations). Recent changes in the requirements limit the amount of time BHA has to report changes, making it increasingly important to carefully monitor all transactions and ensure their timely processing. It is critical to achieve 95% utilization for the year because:
 - i. HUD can recapture monies advanced for Housing Assistance Payments that were not utilized;
 - ii. Funding for the next year is based in part on utilization in the prior year;
 - iii. Administrative Fee is calculated based on the reported unit lease-up in VMS; and,
 - iv. It impacts the SEMAP scoring:
 1. Annual budget utilization less than 95% earns 0 points and makes it difficult to achieve a minimum “standard performer” score of 60%;
 2. Annual utilization of 95-97% earns 15 points; and
 3. Annual utilization of 98% or more earns 20 points.
- Revised Statements for the Capital Improvement Plan (FY2009-10 & 2010-2011) have been submitted as requested by HUD staff on January 21, 2010, and are waiting for approval.
- The last Memorandum of Agreement was submitted January 15, 2010, and HUD’s response is due on or before March 15, 2010. We met with HUD staff on January 5, 2010 to discuss some of our previous submissions, and anticipate that they will sign-off on the items in their response. We will be requesting a modification to the Plan, specifically a revision to the requirement to contract for management services if the BHA does not certify “standard” under the Physical Housing Assessment System (PHAS). Otherwise, we remain on schedule to satisfactorily complete the MOA.
- The response to the January 13, 2010 SEMAP Confirmatory Report, consisting of a cover letter and a draft SEMAP CAP report, was submitted on February 3, 2010 (attachment 2). We are awaiting notice from HUD that the SEMAP CAP as drafted is ready for execution.
- Collection efforts for July-December 2009 brought in a total of \$16,584. Collection efforts for January 2010 brought in \$1,123.83. There is a total of 13 Repayment Agreements which brought in a total of \$3,546.42 for July-December 2009 and \$680 for January 2010. BHA received one payment of \$1,920.14 for the month of February 2010.
- The Executive Director and Management Analyst attended the NorCal NAHRO conference in Napa, CA with particular interest in training on “reasonable accommodation” and “universe and quality control under SEMAP. The Housing Specialists, Management Analyst and Property Manager are scheduled to attend an all-day training session on February 10, 2010 at the San Francisco HUD Field Office where changes to the “Enterprise Income Verification” (EIV) system will be discussed. This is a system HUD requires the PHA to use in identifying family income.

- The schedule for the 2010-2011 Annual Plan adoption was reviewed by the Executive Director.
- The Housing Authority is required to review the utility allowance schedule at least annually, and to adjust the allowances if there is an increase in rate of 5% or more. We are again contracting with Nelrod Corporation for the HUD required study; we requested a quotation for the HUD required annual review, and an alternate bid for two additional schedules which would include Certified Energy Efficient units, Constructed (1998 or later) Newer units and all other units.
- Beginning with Fiscal Year ending June 30, 2008, BHA contracted for an independent financial audit. An RFP is being developed for a two-year contract, with a one-year renewal option for a total possible contract term of three years.
- Closed since 2001, we are finalizing plans to open the Section 8 Housing Choice Voucher Program Wait list for five days, Monday, March 1st through Friday, March 5, 2010. The entire application process will be via Internet.
- We have been very aggressive in our efforts to exhaust the current Wait List so that we can initiate the process of establishing a new Wait List. There are approximately 150 active applications on the Wait List, including 20 from "other singles" (non-elderly, non-disabled single person households).
- As suggested in the SEMAP Confirmatory report, we are gathering data to determine if there is a basis for an exception payment standard (120% of Fair Market Rent (FMR)). Note, as of December 31, 2009, we are on schedule to utilize 97.80% of our annual budget authority this fiscal year. An increase in Payment Standard will result in a deeper subsidy per client and could result in a smaller number of families being assisted.
- All staff members are actively participating in the ongoing effort to finalize eligibility determinations, issue vouchers, expedite inspections and execute contracts.
- On January 8, 2010, the commission approved a revision to the Procurement Policy to comply with the latest HUD requirement, associated with the award of ARRA funds. We also submitted revised paperwork, to reflect our contractor substitution on the roofing project. The remaining ARRA money will be used for additional roofing work at three public housing units and 18 or more awnings. The bids are due on February 12, 2010. A recommendation for the lowest bidder will be presented at the February 25, 2010 Board Meeting and funds will be fully obligated before the end of the obligation period.
- K&S Company, Inc. was determined the lowest responsible bidder for the Maintenance RFP, and was awarded the contract to provide building and grounds maintenance services for the 75 units of Housing Authority owned rental housing. The result is a continuation of service provided since April 2008. An invitation has been extended to all residents to attend a workshop on Wednesday, February 17th at 10:00 a.m. or at 5:15 p.m. where K&S representatives will be present to review the process for requesting maintenance service and how to have customer service issues addressed.
- Residents received two notices advising the process for requesting retroactive payment for the "city sewer service" fee on the EBMUD bill: a letter dated January 22, 2010 and the February Newsletter.
- On January 25, 2010 we released a Request for Qualifications (RFQ) for a Project Manager to assist with the resident/community engagement portion of this project (attachment 8). Based on inquiries received, we anticipate a good response; responses are due by February 8, 2010.

7. **Report from the Chairperson**

- A. Consideration of a procedure for conducting the annual performance appraisal for the Executive Director - Chairperson Norris

Chairperson Norris suggested that an ad hoc committee be created to go over the Executive Director's annual performance who will then report to the full Board at a closed session. Chairperson Norris stated that the review would not be as formal as last year, but felt that it was worth providing feedback on the goals. Board Members Moody, Hunt and Austin were selected for the committee. At the last annual performance appraisal, the Executive Director was given 11 items/goals to work on for the year. She will be invited to attend the closed session to review her performance and review the goals that were given to her at the last appraisal.

- B. Consideration of a resolution delegating authority to the LIPH Feasibility Committee to appoint members to serve on the Planning/Advisory Committee – Chairperson Norris
Resolution delegating authority to the LIPH Feasibility Committee to appoint members to serve on the Planning/Advisory Committee was moved, seconded and carried (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

- C. Goals and principles to govern the repositioning of the 61 Federal and State financed large family rental units – Chairperson Norris & Tia Ingram, Executive Director
Resolution to approve goals and principles to govern the repositioning of the 61 Federal and State financed large family rental units was moved, seconded and carried (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

8. **Information**

- A. Budget Report - Marjorie Cox, Chair, Finance Committee & Tia Ingram, Executive Director

Board Member Cox reported that the projected deficit for Fiscal Year 2009-10 remains on the order of \$200,000. The size of the deficit could increase if administrative fee revenues continue to decline (for example, receiving jurisdictions continue to absorb port outs) or costs increase. Staff received a bill in legal costs between \$20,000-\$30,000.

If BHA is awarded money from the Housing Trust Fund, we would break even or end up with a small deficit. Any further subsidy from the City of Berkeley is unlikely and the Section 8 Program is not self supporting.

Board Member Cox reported that staff's plan for closing the gap is as follows:

1. Obtain the remaining authorization needed for use of restricted capital funds.
2. Continue efforts to increase Section 8 administrative revenues by continuing to issue new vouchers to individuals and issue 39 Project Based vouchers if resolutions are approved. Staff is also planning to open up the Section 8 wait list in hopes of increasing the pool of eligible applicants who live in Berkeley who can lease in place.
3. Continue to control costs by leaving the Housing Occupancy Manager position vacant through this fiscal year; abolishing the Sr. Office Assistant position and initiating the related lay off procedure; utilizing the Happy Software WaitListCheck to accept new applications for the Section 8 Housing Choice Wait List; containing inspection costs by having staff perform re-inspections when possible and make reminder calls in an effort to

reduce no-shows; foregoing additional trainings or utilize webcasts and other less expensive internet training options. These efforts total \$106,000.

4. Voluntary furlough of six days for the Executive Director.
5. Furlough of staff for up to 3 days between March and June 2010 if the Executive Director deems such action necessary; and
6. Use of unrestricted cash reserve of \$233,686.

B. Fiscal Year 2009-10 SEMAP Certification: Mid-year Update –Tia Ingram, Executive Director
Information received.

C. Memorandum of Agreement with HUD: Status Update – Tia Ingram, Executive Director
Information received.

9. **New Business**

A. **Section 8 Project Based Vouchers** – Rachel Gonzales-Levine, Management Analyst

1. Consideration of separate resolutions:

a. Approving the allocation of a total of 39 Project Based Vouchers to the below listed existing projects, and authorizing the Executive Director to execute all appropriate Housing Assistance Payment Contracts and all other related documents:

- Shattuck Senior Homes: 5 One-bedroom units;
- Allston House: 4 Two-bedroom units;
- Hillegass Apartments: 4 studio units;
- Helios Corner: 19 One-bedroom units and 1 Two-bedroom unit;
- Albany Creekside Apartments: 2 One-bedroom units;
- Northern California Land Trust:
 - 1342 & 1348 Blake Street: 2 One-bedroom units;
 - 3011 Shattuck Avenue, #3: 1 One-bedroom unit; and,
 - 2425 California Street, #1: 1 One-bedroom unit.

Resolution approving the allocation of project based subsidy to Satellite Housing for Helios corner: 19-one bedroom and one (1) two-bedroom units, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents was moved, seconded and carried (Agostino, Moody; Abstain: Hunt; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to Affordable Housing Associates for Shattuck Senior Homes: five (5) one-bedroom units, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents was moved, seconded and carried (Agostino, Moody; Abstain: None; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to Affordable Housing Associates for Allston House: four (4) two-bedroom units, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related

documents was moved, seconded and carried (Cox, Hunt; Abstain: Hunt; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to Affordable Housing Associates for Hillegass Apartments: four (4) studio units, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents was moved, seconded and carried (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to Northern California Land Trust for 1342 & 1348 Blake Street: two (2) one-bedroom units, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents was moved, seconded and carried (Agostino, Hunt; Abstain: None; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to Northern California Land Trust for 2425 California #1: one (1) one-bedroom unit, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents was moved, seconded and carried (Agostino, Hunt; Abstain: None; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to Northern California Land Trust for 3011 Shattuck Ave. #3: one (1) one-bedroom unit, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents (Agostino, Hunt; Abstain: None; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to resources for community development for Creekside Apartments: two (2) one-bedroom units, with \$1,000 per unit upgrades, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute housing assistance payment contracts and all other related documents was moved, seconded and carried (Cox, Agostino; Abstain: None; Opposed: None; Absent: Gale).

2. Approving the allocation of a total of 92 Project Based Vouchers to the below listed new construction projects, and authorizing the Executive Director to execute Agreements to enter into Housing Assistance Payment Contracts and all other related documents:
 - Ashby Arts: 72 One-bedroom units and 15 Two-bedroom units; and,
 - Harmon Gardens: 5 studio units.

Resolution approving the allocation of project based subsidy to five (5) studio units at Harmon Gardens, a new construction project, developed by Affordable Housing Associates, upon satisfactory completion of all HUD requirements and approvals, and authorizing the Executive Director to execute agreements to enter into housing assistance payment contracts, housing assistance payment contracts, and all other related documents was moved, seconded and carried (Agostino, Hunt; Abstain: Moody; Opposed: None; Absent: Gale).

Resolution approving the allocation of project based subsidy to 87 units (72 one-bedrooms and 15 two-bedrooms) at Ashby Arts, a new construction project, developed by CityCentric, upon (a) satisfactory completion of all HUD requirements and approvals, (b) securing necessary financing no later than June 30, 2010, and authorizing the Executive Director to execute agreements to enter into housing assistance payment contracts, housing assistance payment contracts, and all other related documents was moved, seconded and carried (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

- B. Consideration of a resolution authorizing the Executive Director to enter into a contract for roofs, gutters and new entry roofs in an amount not to exceed \$61,000.

The Executive Director requested from the Board that the item be placed on the agenda as an emergency item. The Board moved, seconded and carried that the item be placed as 9B (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

Resolution authorizing the Executive Director to enter into a contract for roofs, gutters and new entry roofs in an amount not to exceed \$61,000 was moved, seconded and carried (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

C. Resident Advisory Board

Consideration of a resolution (1) appointing a Resident Advisory Board for the 2010-2011 Annual Plan process, and (2) continuing the policy of providing a \$15 meeting stipend, for a maximum of \$30 per month- Tia Ingram, Executive Director

Resolution (1) appointing a Resident Advisory Board for the 2010-2011 Annual Plan process, and (2) continuing the policy of providing a \$15 meeting stipend, for a maximum of \$30 per month was moved, seconded and carried (Cox, Moody; Abstain: Agostino; Opposed: None; Absent: Gale).

D. Housing Trust Fund

Consideration of a Resolution authorizing the Executive Director, working in concert with the LIPH Feasibility Committee of the Board of Commissioners to prepare and submit an application to the City of Berkeley under the 2010 Housing Trust Fund Notice of Funding Availability – Tia Ingram, Executive Director

Resolution authorizing the Executive Director, working in concert with the LIPH Feasibility Committee of the Board of Commissioners to prepare and submit an application to the City of Berkeley under the 2010 Housing Trust Fund Notice of Funding Availability was moved, seconded and carried (Cox, Hunt; Abstain: None; Opposed: None; Absent: Gale).

10. Adjournment to Closed Session

Meeting adjourned to closed session at 8:21 p.m.

Closed Session Pursuant to Government Code 54956.9 (b)-Conference with legal counsel- anticipated litigation: significant exposure to litigation.

Purpose: Pursuant to Government Code Section 54956.9 – Conference with Legal Counsel re existing litigation: Berkeley Housing Authority vs. Tequoia Nickson, Alameda County Superior Court No. RGO9458700, Berkeley Housing Authority v. Tequoia Nickson, Alameda County Superior Court No. BG09445568.