




Berkeley Housing Authority

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Office of the Executive Director

Item 6

MEMORANDUM

Date: May 9, 2013
To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board
From:  Fia 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 (as of March 31, 2013)

Section 8 Voucher Program

	50058% (95% required)	Units Leased (1,822 ACC units)	Late Annual Recert	Late Annual Insp
Jan 2013	99.94%	1,784	8	17
Feb 2013	100.23%	1,786	10	23
Mar 2013	100%	1,780	14	28

Low Income Public Housing Program

	50059% (95% required)	Units Leased	We currently have 40 units in the Public Housing Program.
Jan 2013	92.5%	40	
Feb 2013	100.0 %	36	
Mar 2013	100.0%	35	

Because the last day of the month was on Tuesday, the HUD system will not be updated to reflect April 2013 stats until the weekend following Friday, May 3rd; thus there are no updates to this section.

2. HUD – Other

Velma Navarro, Public Housing Director, SF Regional Office, extended an invitation to meet with her and her staff for an overview of our operations, and an update on various submissions to her office. The meeting convened on April 30th, with Chairperson Norris and I in attendance. Highlights from the meeting include:

- A. Disposition Update. We provided an update on the LIPH disposition project, including our current best estimate of the date the transaction will close and we will submit our final End of Participation certification in HUD's PIC system (December 31, 2013). Ms. Navarro expressed her appreciation for the challenges associated with the project and the efforts of staff (and our consultants), and advised she is following up on the pending 35 replacement vouchers we anticipate receiving associated with the dispo. project.

There was general discussion about the shared desire to complete the transfer of title as soon as possible, to avoid penalties and poor performance under Public Housing rules. That said, Ms. Navarro acknowledged that it is not financially practical to invest money in studies and improvements – when we are on the verge of transferring the units to new ownership – but noted we remain subject to *all* of the Public Housing requirements until the units are removed from the Public Housing inventory.

B. HUD Waiver Requests.

- a. Energy Audit. Based on the discussion, staff will submit a revised request for a waiver; Ms. Navarro was optimistic that, given the December 2013 projected transfer, the waiver could be approved. Staff is working on the revised submission.
- b. Family Self Sufficiency Program. We proposed deferring implementation of a program to allow us to focus all efforts on completing the disposition (December 2013) – then begin planning in effort to implement the program in March 2014. Ms. Navarro identified the issues that should be included in a revised request, and suggested she would advocate for approval by HUD headquarters. Staff is working on the revised submission.
- c. Exception Payment Standard. We advised we are withdrawing the request for an exception payment standard (120% of Fair Market Rent for all unit sizes) until final action on the Federal Sequester.

- C. Public Housing Assessment System (PHAS) certification. Ms. Navarro reiterated that BHA is scored “substandard physical” – based upon the 2011 REAC inspections of our LIPH units. The normal requirement under such conditions is execution of a Memorandum of Agreement. Acknowledging the anticipated December 2013 completion of the transfer of the units, Ms. Navarro suggested a MOA is not the preferred response, and suggested we submit a revised response to the “substandard physical” score. Staff is working on the revised submission.

- D. Memorandum of Agreement (MOA). Ms. Navarro acknowledged our timely submissions of the quarterly MOA reports, and applauded staff for the thoroughness of the content. Going forward, HUD staff will resume sending a formal acknowledgement of receipt of the reports, and as appropriate, will raise any questions.

- E. S8 Project Based Vouchers. Ms. Navarro acknowledged the fact that there are incremental costs associated with administering a S8 Project Based Voucher program. She stressed that it is a local decision to administer a Project Based Program. She also acknowledged that the regulations are not clear with regard to the ability to assess fees (noting that some PHAs have assessed fees in the past). The issue is under review by HUD attorneys, and she suggested we take no action pending a final ruling.

Overall it was a very good meeting, with an excellent exchange of information.

II. OPERATIONS

1. Staffing. We have completed four months of operations without filling the authorized Housing Specialist position vacated in January 2013. The remaining staff are recognized for their professionalism and spirit of cooperation, that has resulted in our ability to process the required certifications. Our hope is that the existing safeguards are sufficient to avoid fraud and inappropriate subsidy payments.
2. Office Lease. The second largest cost saving recommendation from the Quadel Consultants was to reduce our rental expense (BHA office) by leasing vacant space from the City. A firm decision about our office space, and the associated cost, is critical to our ability to develop a budget for next Fiscal Year. We continue to work with Andrew Clough, City of Berkeley Public Works Director for information specific to the negotiations. Unfortunately he was absent from work for a brief period, and he advised the department recently experienced another reduction in staffing – effectively eliminating the entire Real Estate unit.
3. Labor Negotiations. We are negotiating with two unions: Local 1021 and Local One.
 - A. We had our first Mediation session with Local 1021 on April 24th;
 - B. We convened both unions (and the Mediator for Local 1021) on April 30th for a presentation of the anticipated proceeds from the disposition project. The proceeds were discussed by Don Lusty, Related Company of CA, LLC, and Marjorie Cox, Vice Chair of the Finance Committee provided an overview of the current and next Fiscal Year budgets.
 - C. Our next Mediation session (Local 1021) is scheduled for May 8th. We will report the results in the closed session on May 9th.
 - D. We have not proceeded to Mediation with Local One; our next meeting is tentatively scheduled for May 7.
4. \$300,000 Housing Trust Fund Allocation (HTF). Our first request for reimbursement of relocation expenses in the amount of \$223,309 was submitted on April 25, 2013. We were advised on April 30, 2013 that the submission was complete, and had been approved. We await receipt of the funds.

III. AUTHORITY OWNED HOUSING

1. Occupancy. We continue to enjoy success with each additional family that identifies an appropriately sized home for their family! As of May 2, 2013, fifteen (15) families requiring one or two bedroom assistance have completed their move (including two that began the formal move process on May 1st, and are expected to complete the move by May 6th). We had an Informal Hearing decision affirming our proposed termination (eviction) of a family in violation of the Public Housing lease. This two-bedroom eligible household will either vacate voluntarily, or be evicted during the month of May – without any relocation benefits .

Site	# Units	# Vacant Units
Fairview Street	3	3
7 th Street	3	2
Ward Street	12	7
Rose Street	2	1
8 th Street	2	1
Harper	2	1
Virginia Street	7	5
Francisco Street	16	11
Dwight Way / Valley Street	4	1
Channing Way/West Street	2	0
Alcatraz Street	4	1
Stuart Street	3	1
Sacramento Street	2	0
Sojourner Truth Court	7	2

2. Rent Collection. Rent is due on the 1st and late if not received by the 6th. As of May 2nd, 9 of the 35 households with a positive rent portion are in paid status.
3. Maintenance. No significant maintenance issues to report.
4. Rehabilitation scope. There was considerable activity this past month with regard to efforts by Related to gather information to be used in developing the final scope of work including detailed inspections associated with the Physical Needs Assessment and landscape design.

Special thanks to David Solis for facilitating notice to residents, and accompanying the various inspections teams. Extra special thanks to our residents for their cooperation in allowing access to their units.

CONTACT PERSON

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