



Berkeley Housing Authority

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Office of the Executive Director

Item 6A
ACTION CALENDAR
July 14, 2011

To: Honorable Chairperson and
Members of the Berkeley Housing Authority

From: Tia M. Ingram, Executive Director

Subject: Establishing Principles and Process for Assessing the Future Operation of the BHA

RECOMMENDATION

Approve a resolution the principles and process for assessing the future operation of the BHA

BACKGROUND

BHA resumed autonomous operation, independent of the City of Berkeley in June 2007. As was the case before the separation, BHA has only been able to balance its budget with a General Fund contribution from the City, and/or use of existing program reserves in the Section 8 and/or Low Income Public Housing programs.

The City ceased to provide a General Fund subsidy beginning in Fiscal Year 2010-11. Reserves in both programs are anticipated to reach an alarmingly low balance at the end of this Fiscal Year. In addition, funding decisions relative to the Federal budget have, and continue to be a great concern.

As with many public agencies throught the State and beyond, we are carefully assessing our operations, and the ability to continue operations without significant modifications. We optimistically anticipate the findings from the Quadel Consultant study scheduled for completion in September 2011.

With the adoption of the FY 2011-12 budget, the Board reiterated a concern that we not look just to one year of operations, but that we begin taking a very serious look at the long-term viability of future operations of the BHA. The attached resolution sets forth the general principles and process for undertaking that assessment, and establishes a mid-year report (in December 2011), in anticipation of budget planning activities for Fiscal Year 2012-13.

CONTACT PERSON

Tia Ingram, Executive Director, 981-5471
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Attachment: Resolution

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 11-

PROCESS FOR EVALUATING FUTURE OPERATIONS OF THE BERKLEY HOUSING
AUTHORITY

WHEREAS, The Berkeley Housing Authority (“BHA” or “Authority”) is a public body, corporate and politic, organized pursuant to the Housing Authorities Law, California Health and Safety Code Section 34200 et. seq.; and

WHEREAS, BHA resumed autonomous operation, independent of the City of Berkeley (City) in June 2007; and

WHEREAS, BHA was required by the U.S. Department of Housing and Urban Development (HUD) to file an application to dispose of the Low Income Public Housing units by December 31, 2009; and

WHEREAS, in December 2010, BHA obtained approval from HUD to “dispose” of the 61 Public Housing units to an entity that will continue to operate the units as affordable rental housing; and

WHEREAS, BHA will approach the State Community Housing and Development Department to “dispose” of the 14 RHCP units as well; and

WHEREAS, in Fiscal Year 2010-11, the City ceased the practice of providing a General fund subsidy to BHA; and

WHEREAS, it is likely that the disposition process will be completed and BHA’s administration of the 75 unit Public Housing program will cease sometime in FY 2012-13; and

WHEREAS, recent and anticipated future reductions in Federal funding for the Section 8 programs further jeopardize the financial viability of the BHA; and

WHEREAS, Quadel Consulting is under contract to perform an assessment of Authority operations and advise areas where cost savings, opportunities for revenue enhancement, and/or operational efficiencies can be achieved; and

WHEREAS, Quadel Consulting will present the report findings to the full Board at the September meeting; and

WHEREAS, it is critical that we have a thoughtful process for evaluating the results of the Quadel study, and determining a long-term course for BHA.

NOW THEREFORE, BE IT RESOLVED that the Finance Committee be the lead agent for working with staff to develop a recommendation relative to the future operations of BHA.

BE IT FURTHER RESOLVED, that the review process be completed by December 2011, and include the results of the Quadel Study, information about the Federal 2012 budget, projected proceeds from the LIPH/RHCP disposition project, and any other pertinent information available

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
Tia M. Ingram, Secretary