



Berkeley Housing Authority

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Telephone: (510) 981 5470 Fax: (510) 981 5480

Office of the Executive Director

Item 4

MEMORANDUM

Date: April 12, 2012
To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board
From: *Tia Ingram*
Tia 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:

	Sept	Oct	Nov	Dec	Jan '12	Feb
50058 Reporting-S8 (requires min of 95%)	100%	100.06%	100.65%	101.06%	100.12%	100.16%
Utilization (assisted households)	1,753	1,747	1,747	1,753	1,757	1,768
Late Annual Recertification	11	7	9	17	38	116
Late HQS Inspections	19	38	36	29	22	23
Port Outs	53	56	59	64	64	64
Port Ins	2	3	3	4	5	5
50059 Reporting-PH (requires min of 95%)	98.11%	98.08%	98.08%	98.08%	96.5%	92.31%

As noted previously, scores at the end of each quarter are particularly significant as they are a major consideration HUD uses in determining program performance. March 31, 2012 is a Saturday, so the system will not update until Monday, April 9, 2012. We will report the scores orally at the meeting. The February scores (reported orally at the March meeting) are reflected above, and the significant variances explained below:

- A. Late Annual Recertification. We confirmed that the huge spike in reported late recertifications was an error. We identified a "batch" containing more than a hundred annual recertifications was rejected; the fatal errors were corrected, and the batch was successfully resubmitted.

- B. Port Outs. These are BHA vouchers that ported to other jurisdictions and are managed by the receiving PHA. BHA (the initiating PHA) pays 80% of administrative fee to the receiving PHA for every port-out voucher they manage. A slight increase in the number of these vouchers in December, due to families receiving new vouchers and moving to other jurisdictions right away [families that lived or worked in Berkeley at the time of application are not required to lease-up in Berkeley for the initial year].
- C. Public Housing Recertifications. This indicator slipped to 92.31% in February 2012 (below the minimum required 95%), with 4 late/missing annual recertifications. The importance of completing the annual certification was stressed with the four families who missed their recerts. As of March 30th three had complied, and reports were successfully submitted to HUD. We are hopeful the last remaining family will comply soon, and avoid possible termination of assistance.
- D. Public Housing Assessment System (PHAS). We received official notice that our Public Housing Program is designated “troubled” for FY 2011. On March 5, 2012 we submitted an appeal to David Vargas, Deputy Assistant Secretary, (with copies to the SF Field Office); we await a reply and final determination of the PHAS rating for Fiscal Year ending June 30, 2011.

II. Operations.

- 1. Staffing. We have operated with temporary employees occupying the “receptionist” and “administrative secretary” positions for six or more months. Following the Board’s March 8th approval, on March 20 we initiated recruitments for Executive Assistant and Office Assistant I (receptionist). The filing period for both positions is March 20 through April 4, 2012. Response has been significant, with over 60 applications received for the Office Assistant I position, and 19 received for the Executive Assistant position as of April 5, 2012. BHA staff is tasked to manage the employment process beginning with recruitment and continuing through selection. Continuity and stability are important elements in our small organization, and contribute significantly to our ability to be responsive to all of our constituencies—program participants and applicants, property owners, City departments and residents, and HUD. We are optimistic that we can fill both positions permanently (probationary status) by the end of the month.
- 2. Ergonomic Assessment. Acting on our commitment to our employees, on March 13, 2012, we had Dennis Timoney, our insurance representative with Special District Risk Management Association (SDRMA) meet with each staff member to evaluate his/her work station. Most work stations were appropriate, and no changes were proposed. There were a few recommendations for ergonomic key board and/or gel-pads (to minimize wrist injuries), and ergonomic chairs and/or foot rest (back strain). The total expense was less than \$900.
- 3. Addressing Fraud. We strive to eliminate fraud in our Section 8 and Public Housing Programs, and to respond quickly and aggressively when information of potential fraud is shared with us. In the past month we attended a community meeting convened by Council Member Darryl Moore; dialogued with residents in two neighborhoods impacted by nuisance behavior associated with individuals *suspected* of receiving S8 assistance; and successfully defended an appeal to our decision to terminate a family we determined had fraudulently received \$58,000 in benefits. We will work with the District Attorney and/or

HUD Office of Inspector General to attempt to recover the \$58,000; if successful, we retain \$29,000 as program income. A copy of our "Fraud Report" is attached (Attachment 1) and available on the BHA website.

II SECTION 8

1. Section 8 Voucher-Utilization. We are continuing our effort to increase utilization (lease-up) in our Section 8 tenant based program. We are careful to monitor the number of vouchers issued each month, to allow the new voucher holders maximum opportunity to find a unit during the 90-day period the voucher is valid (120-days for elderly or disabled households). As of March 30, 2012 there are 51 new voucher holders seeking units, and an additional 30 households are scheduled to receive a voucher in April 2012. Processing is continuing for an additional 58 households
2. Section 8 project-Based Wait List. BHA is responsible for referring potential households to property owners seeking to fill vacant units from the Project-based waitlist. As negotiated with the owners, we typically send 5-10 referrals for every vacancy; this provides an adequate pool for the owner who must initiate contact with, and screen the family for suitability.

Our commitment to special needs populations (i.e. seniors, individuals with AIDS/HIV, emancipated youth and large families) creates additional challenges to maintaining an adequate wait list. Notwithstanding the current Project Based Wait List, that was created in 2010, and included 1,500 households, we are making plans for a restricted opening in May 2012 to address:

- Units at senior developments. We are taxed to identify potential households for vacancies at our senior only (62 or older) properties. Many of the seniors that are referred for consideration reject the unit citing: (a) at this stage in their lives, not wanting to move (or preferring to await a tenant based voucher); (b) the units are too small, this is especially true for the studio and "junior 1-bedroom" units, and (c) lack of parking for those with vehicles.
- Units designated for HOPWA. The experience has been, approximately 1-4 vacancies each quarter, with recent experience being 5-10 new HOPWA units coming on line, for Moderate Rehab. SRO units in particular (new award to those properties). The pool of potentially qualified applicants is modest, and project managers report problems locating the individuals we refer for consideration. A "double-layered" challenge has been the HOPWA units designated at senior properties, so staff must analyze the HOPWA list, and of those, locate those who are over 62 (a very small minority of the HOPWA waitlist).
- Units designated for Emancipated Youth. We awarded 5 studio vouchers to a project that opened in August. We have received a request from one resident to move to a 2 bedroom unit; another resident has submitted a 30-day notice and will move at the end of April, without rental assistance.
- 3 and 4 bedroom units. We awarded project based voucher for the 75 units of BHA owned rental units. We anticipate the need to identify referrals for

20-30 of the three or four bedroom units. This translates to the need to identify 80 or more potentially eligible households within the next 6-12 months.

III. AUTHORITY OWNED HOUSING

1. Occupancy. There was no change in our occupancy rate from the prior month. We still have 63 occupied units, compared to the 65 units that were occupied in December 2010 when HUD approved the disposition application, at which time BHA was prohibited from leasing any units. It is important to note that BHA has not required any household to vacate because of the repositioning project.
2. Rent Collection. Rent collection for the month of March was 100% (LIPH) and 92% (RHCP) for rent paying families, with 96% (LIPH) and 98% (RHCP) of families current for the Fiscal Year-to-Date. We currently have 1 family on "flat" (versus income based) rent, and 13 families that pay \$0 rent, and receive a monthly utility reimbursement payment.
3. Maintenance Services. Our contractor continues to report on-time (or better) response to all routine maintenance requests. The monthly billing continues to decrease modestly, \$11,830.80 for February, and \$9,058.48 for March. More significant, there were no maintenance emergencies or major incidents in March.

CONTACT PERSON

Tia M. Ingram, Executive Director, (510) 981-5471

Attachments:

1. Suspected Fraud/Program Abuse Report
2. Resident Meeting Minutes – March 14th and March 15th, 2012



Berkeley Housing Authority

Confidential Report of Suspected Fraud/Program Abuse**Suspect that something isn't right?**

The vast majority of families receiving Section 8 rental assistance, and the participating landlords, are honest. They follow program rules, and do not engage in criminal behavior. However, there are exceptions, and you can help us identify and investigate them. Please read the following then fill out the section(s) below that pertain to the type of fraud you suspect. You don't need to know all of the facts to submit the report, but please do not submit a false report. The Housing Authority does not want to unduly target any family that is wrongfully accused nor expend resources investigating suspected fraud and program abuse that is unmerited.

Fraud/Program Abuse

Fraud by a program **participant/family** typically involves:

- Failing to report all the people living in the unit, including people that are "just visiting" (often times it is a spouse, boyfriend, girlfriend or significant other)
- Failing to report when someone no longer lives in the unit (for example, one or more of children are no longer in the home)
- Not reporting all household income, for example someone who is working (outside the home) or operating a business – but has failed to report it to the Housing Authority
- Subletting or renting rooms in the unit.

Fraud by a participating **landlord** typically involves:

- Renting to a relative (without permission from the Housing Authority)
- Accepting side-payments (more rent than the Housing Authority has authorized)
- Living in the unit with the family
- Receiving rental subsidy payments from the Housing Authority for a vacant unit (for example, the family has moved out; resident moved to a care facility; resident in jail).

What will happen to the family and/or owner?

If the suspected fraud or program abuse is confirmed, penalties range from termination of the Section 8 Voucher; termination of the Housing Assistance Payment Contract; repayment of subsidy payments; and possible criminal action.

Will my name be used?

We are happy to accept your information with or without your name and/or contact information. Providing your name and contact information allows us to follow up with you if we have questions, but we respect the fact that you may want to remain anonymous. Before we respond to any report of fraud or program abuse, we do our own investigation. All investigations are confidential.

Thank you for helping us ensure that assistance is paid to eligible households, who: act responsibly; comply with all Section 8 Program rules; and avoid criminal behavior.

Berkeley Housing Authority Fraud/Program Abuse Report

Please complete this form, save, and
email to: bha@ci.berkeley.ca.us or Fax to: 510-981-5480

1. Address where fraud/program abuse is occurring

Note: BHA's jurisdiction is within the City of Berkeley, only.

2. Name of the head(s) of household, if known, or other family members, if known
3. Name of landlord(s) or property manager(s), if known
4. May we contact you for additional information? Yes No
Do you wish to remain Anonymous? Yes No
Your Name (Optional): Your Number (Optional): Your email (optional):

Suspected Fraud/Program Abuse - FAMILY

If you suspect fraud/program abuse on behalf of the Family, please complete the section below (to report suspected fraud on behalf of the landlord, go to the next section). What statement(s) describes the fraud/program abuse you suspect on behalf of the family?

An unauthorized person living in the unit

Name(s)

Gender Male Female

Approximate age

Race Asian Black White Other

Any other additional information (such as identifying information on the unauthorized person, color, make, model, license plate of car, how often parked, etc.):

Someone no longer lives in the unit

Name(s)

Gender Male Female

Approximate age

Race Asian Black White Other

Any other additional information (such as knowledge of arrest, hospitalization, vacation or trip, lasting more than 30 days):

Failing to report all household income

Name(s)

Gender Male Female

Approximate age

Race Asian Black White Other

Any other additional information (such as this person leaves the unit each morning wearing a uniform):

Subletting or renting rooms in the unit

Name(s)

Gender Male Female

Approximate age

Race Asian Black White Other

Any other additional information (such as identifying information on the unauthorized person, color, make, model, license plate of car, or this person leaves the unit each morning heading to work or school):

Other (Describe):

Suspected Fraud/Program Abuse – LANDLORD

If you suspect fraud/program abuse on behalf of the Landlord, please complete the section below. What statement describes the fraud/program abuse you suspect on behalf of the Landlord?

Owner is renting to a relative without permission of the Housing Authority

Owner is related to Head of Household or Spouse Yes No

Owner is related to a Household member Yes No If Yes, check all that apply:

Parent Grandparent Sister/Brother Other:

Any other additional information to establish the relationship:

Owner is accepting side-payments (more rent than authorized by the Housing Authority)

How much is being paid?

Check Money order Cash

Any other additional information (such as that the tenant has complained to you that the landlord is "bribing" them or copy of agreement, receipt):

Owner is living in the unit with the family

Landlord Name(s)

Gender Male Female

Approximate age

Race Asian Black White Other

Are the owner and Head of Household in a relationship? Yes No

Is the owner related to a Household member? Yes No

Any other additional information (such as that the landlord parks his/her car there nightly – and car make/model/color/license plate, or that you know the landlord and a family member are in a relationship):

Owner is receiving Housing Authority subsidy (payments) for a vacant unit

Is there electrical service to the unit? Yes No

Are the windows covered? Yes No

Is the property in foreclosure? Yes No

Are all units in the building vacated? Yes No

Is there activity (people coming in/out of the unit, cars parked in front of the unit)? Yes No

Any other additional information (such as you witnessed the family move from the unit, they told you they were going to move, etc.):

Other (Describe):

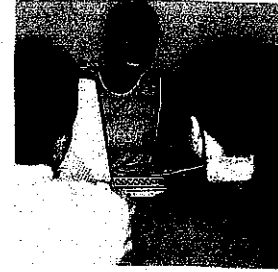


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BHA Resident Meetings Minutes March 14 & 15, 2012



A very special thank you to the residents that braved the heavy rain and wind to attend the March 14th meeting, and to those that joined us the evening of March 15th. While the crowds were small – there was a good *exchange* of information! What follows is a summary of the questions/concerns raised during the sessions, and next steps. We have organized the questions/comments by five (5) major categories: (I) Rehabilitation of units; (II) Relocation of existing households; (III) Public Housing to Section 8; (IV) Tenant-based Section 8; and (V) Other.

I. REHABILITATION OF UNITS

1. A resident shared information about conditions inside the units that should be reviewed, including heaters and plumbing.

The selected developer, Related, is interested in learning from the residents and will send a written survey to all residents to solicit more information that is known best by those who reside in the units.

2. Why are so many inspection required if you are going to do a comprehensive rehabilitation of all units?

We apologize for the number of inspections, and promise to limit them as much as possible. However, inspecting the units is an important part of Related's effort to make sure we learn as much about the properties as possible, and to identify any unit that may have conditions that requires special attention.

3. Why is there such short notice of inspections, and why must we be available all day?

We can, and will do better. With some of the prior inspections we only gave residents a couple days notice. With future inspections, our goal will be to give you at least 4 days advance notice, and we will narrow the window from 8 a.m. – 5 p.m., to a block of no more than 4 hours.

4. How much is planned to be spent on rehabilitating the units?

Related anticipates a cost of approximately \$100,000 per unit. This includes replacing all the appliances, all the cabinets and counters tops, new flooring and painting throughout, potentially replacing all the windows. Plans for the exterior include complete repainting and where necessary, new roofs.

5. Is it really possible to complete this level of rehabilitation in one week?

Related has worked with Portrait Homes, the primary contractor, on several very similar rehabilitation projects – where the units were occupied. Based on the anticipated scope of work, we are confident that the interior work can be completed in one week. We are very careful to learn as much about the units as possible before the construction plans are finalized; this is why your feedback on the forthcoming survey is very important to helping us make sure we know as much about the units as possible. Residents will not be required to vacate during the exterior rehabilitation – landscaping and painting.

6. Which units will be rehabilitated?

All of the units will receive the same comprehensive rehabilitation. We would like to have the contractor begin with the vacant units. Note –if there is a cluster of vacant buildings, and one or two occupied units, we may ask the families in the occupied units to relocate so that the cluster of units can be completed as a group before crews move to another location.

7. Will the contractors exercise care in the materials they use?

Related is committed to energy efficiency, and environmental sensitivity. All materials used in the rehabilitation project will be evaluated prior to use in the project. This is another reason to relocate families during rehabilitation, in order to mitigate any hazard as a result of the construction activity.

II. RELOCATION OF EXISTING HOUSEHOLDS

1. Is August 15, 2012 the absolute deadline for all residents to move?

Absolutely Not. In accordance with the Berkeley Rent Control ordinance, no household – regardless of how many people occupy the unit - can be required to move. However, the Section 8 voucher offers significant financial advantages to households that qualify for, and move to a 1 or 2 bedroom unit.

The August 15, 2012 date is a goal by which we would like to know who is staying, and who wishes to move.

- i. *We believe some families will want to move during the summer — when school age children are out for summer vacation, and vacancy rates are higher in Berkeley (with the University not in session); and*
- ii. *Having more vacant units allow us an opportunity to rehabilitate these units in phase I. It also means families that are staying may choose one of these units, and avoid a temporary and permanent move.*

2. Will residents be required to move out temporarily while rehabilitation work is performed?

Yes for two reasons: there will be a lot of noise, dust and debris, and periods when the kitchen and bathrooms will be out of service, and areas of the unit will not have permanent flooring. We do not want any resident to endure this type of interruption.

Residents will have options, and be allowed to choose what works best:

- i. *Accept a cash payment and stay with a friend or relative;*
- ii. *Transfer to a “hotel unit on site” — one of the vacant units that Related will rehabilitate and furnish, including cable TV service; or*
- iii. *Move to a pre-paid hotel room with a daily food allowance.*

In all the above scenarios, Related will provide movers to assist with packing, household items to be stored during the renovation period. Residents will be responsible for packing and moving all valuables.

III. PUBLIC HOUSING TO SECTION 8 RENTAL ASSISTANCE

1. What size unit will my family qualify for — if I stay or if I elect to move?

The “occupancy standards” will be the same for families opting to stay in one of the rehabilitated units, or moving to a unit in the community. There is one-bedroom for the head of household (and spouse if any); one additional bedroom is approved for every additional 2 people. Exception: a family will qualify for a 4th bedroom when there are 4 people in the household other than the head of household and spouse. The family gets to determine how bedrooms are assigned. Two important notes:

- i. *A family may request a “Reasonable Accommodation” — if a family member is disabled, and needs a separate bedroom, is in need of a 24-hour Live in Aide, or has a substantial amount of*

medical equipment meriting an extra room for storage. Note: all Reasonable Accommodations requests will be verified by a medical care provider and may require a site visit (in the case of excess medical equipment).

- iv. If you move to a private market unit (with a tenant based voucher), you can possibly rent a unit with more bedrooms than on your voucher – if the owner reduces the rent, or if you agree to pay 40% of adjusted income for rent.*

2. Will all of the units remain affordable rental units?

Our ultimate goal is to have all 75 units preserved as affordable rental units over the long term. However, we cannot guarantee that all 75 units will be occupied by a very-low income family at initial occupancy. Based on the most recently available data, one or more existing residents have incomes greater than 50% of Area Median Income (AMI) – and thus are not considered “low income” by HUD guidelines. Under the local Rent Control ordinance, these families have a right to remain in their unit, provided they pay the prevailing rent. Related and BHA are committed to making any such unit available to a very-low income family as soon as it is vacated.

3. Will current residents have an opportunity to buy their (one) unit?

No. The Board has consistently pledged to keep all 75 units available as affordable rental units. Current residents that qualify, can use their relocation benefits as a down payment towards the purchase of a private market home.

4. Exactly when will families stop being “Public Housing Residents” and become “Section 8 Program participants”?

The transition from Public Housing to Section 8 will take place in 3 steps:

- i. Families remain eligible for rental assistance via the Public Housing or RHCP rules until otherwise advised.*
- ii. When the units are transferred to the new Owner, families that **are** Section 8 eligible will sign a lease with Related – but continue paying the same rent. Families that **are not** Section 8 eligible (over-income) will sign a new lease with the new Owner – and begin paying market rent.*

iii. *When the rehabilitation work is complete BHA will sign a Section 8 contract with the new Owner (for the project based vouchers) and Related will offer residents a new lease that is consistent with the Section 8 Project Based rules.*

5. How long will the “project based voucher” be tied to the unit?

As a condition of transfer, BHA will require all units be maintained as affordable rental (for very low-income families) for at least 99 years. The owner will sign a contract with BHA for an initial 15 year period. We fully anticipate that the contract will be renewed for an additional 15 years after that.

6. Will “empty nesters” (households that qualify for 1 or 2 bedrooms) be allowed to remain in their units, if they pay market rent?

*All households – regardless of size – can elect to remain a resident of the property. A family qualified for a 1 or 2 bedroom unit may remain in a 3 or 4 bedroom unit by paying the full rent. NOTE-the family **will** be eligible for temporary relocation benefits, but **will forfeit** the right to receive Section 8 rental assistance.*

IV. SECTION 8 TENANT BASED VOUCHER PROGRAM

1. Are the units on the “Available Unit Listing” the only units in Berkeley that a family can live with a Section 8 Voucher?

No. We provide a free rental listing service to help landlords with vacant units connect with families with Section 8 vouchers. The report, updated every Thursday and posted on BHA’s website - is one tool that can be used when searching for a unit. Families can also identify other potential units by using on-line services such as Craig’s List, newspaper ads, word of mouth from friends – and a drive through neighborhoods of interest to identify rental units. We currently have over 900 participating landlords. For households who elect to move with a Section 8 voucher, the BHA relocation consultant will also assist in identifying potential homes that meet your criteria.

2. Why are there different rent and security deposit amounts on the “Available Unit Listing” report?

The amounts listed for requested rent, and requested security deposit are reflective of the market, and will vary from unit to unit. It is not unusual for the amounts to vary as they reflect what the owners are requesting for their particular units. Amounts may vary based on the size of the unit, the amenities offered, and the needs of the owner.

3. Can I move to another city? If I do, can I later change my mind and move back to Berkeley?

The great thing about the Section 8 Tenant Based Voucher program is the choice that it provides the assisted family. BHA normally requires that a family reside in Berkeley for the first year, unless the family lived (or worked) in Berkeley at the time they applied for assistance. However, since all Public Housing residents currently reside in Berkeley – you can exercise “portability” and move to another city immediately. We caution you to carefully consider your choice – as you will likely be required to sign a one-year lease.

After the initial year lease, you can request to move (a) within that same jurisdiction, or (b) to exercise portability to return to Berkeley, or (c) move to yet another city. However, if you elect to leave the project and subsequently decide to return, your ability to rent one of the rehabilitated 75 units is not guaranteed, and it is highly likely that all 75 units will be occupied.

V. OTHER

1. Why are we receiving annual recertification packets?

There are two purposes for the recertification packets:

- i. If it is time for your annual recertification (as a public housing resident), we will use the information to update your income, assets, expenses and rent and determine the level of Section 8 assistance you will receive.*
- ii. If it is not time for your annual recertification, the data will be used to determine the level of Section 8 assistance you will receive. Your rent will not be adjusted unless you qualify for a rent decrease.*

2. Will there be a tenant liaison?

We are seriously considering adding a liaison to our team. We see value in having someone whose expressed role is to make sure we hear you, and respond fully to your concerns. No one has been selected as yet, but we will keep you informed.

3. What will happen to BHA employees?

Following the transfer of the Public Housing units to private ownership, BHA will continue to operate a Section 8 Voucher program, providing

rental assistance to approximately 1,900 low- and very-low income households in the City of Berkeley.

4. Will BHA host a Saturday meeting?

We received inquiries from a few families whose work schedules prevented them from attending the March 14th mid-morning session or the March 15th early evening session. Please call 981-5483 or email bha@ci.berkeley.ca.us by March 31, 2012, if you would be interested in attending a Saturday session.

If you have a question/concern that was not address above it is not too late.

PLEASE call 981-5483 or email bha@ci.berkeley.ca.us and

we will address your concern in a future update.

