




**Berkeley Housing Authority**

1901 Fairview St., Berkeley, CA 94703  
Telephone: (510) 981 5470 Fax: (510) 981 5480

Office of the Executive Director

Item 4

**MEMORANDUM**

Date: January 12, 2012  
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	Nov	Dec
50058 Reporting (requires min of 95%)	99.48%	100.06%	100%	100.06%	100.65%	101.06
Utilization (assisted households)	1,769	1,750	1,753	1,746	1,743	1,747
Late Annual Recertification	12	13	11	7	9	17
Late HQS Inspections	14	12	19	38	36	29
Port Outs	54	50	53	55	56	58
Port Ins	2	2	2	3	3	4

- 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%, at 100% or better for the past 5 months.
- 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 (“port”), and being absorbed by the receiving housing authority.
- 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 have seen some slippage in this category over the past few months. Some of this is explained by lax

response from households and/or certifications that cannot be completed because of pending termination action; we are going beyond these possible causes and comparing our records against HUD records, to determine if there are any discrepancies that need to be corrected.

- 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, though some of this may be explained also by households that are not responsive to scheduled inspections.

## 2. HUD Interface.

A. Voucher Utilization. HUD has instituted a new reporting mechanism (in addition to data reported in the Voucher Management System) to track voucher utilization and HAP expenditure. The report, updated monthly is an attempt to monitor not only vouchers under contract, but BHA's efforts to (a) increase lease-up, and (b) reduce average per contract cost. We suspect that this data may also eventually be used as a factor in determining Voucher program funding renewal.

B. Prevailing Wage Monitoring. We had several conversations with HUD regarding the requirement for BHA to monitor wages paid on capital projects using the Capital Fund grants and Section 108 Loan. In talks with HUD and staff from the City of Berkeley Housing Department, this function requires a high level of expertise and considerable staff effort (and is often outsourced by small, mid, and large sized housing authorities). The City of Berkeley purchased a software system, and utilizes a contractor to meet its obligations. Recent projects for BHA include the 3-units that were rehabilitated in March 2010, and the upcoming rehab scope for Strawberry Creek Lodge. Current understanding is that the BHA's disposition/rehabilitation projects will be monitored by the City of Berkeley.

## 3. Operations.

### A. Human Resource Management.

a. Labor Negotiations. Our 14 employees are represented by SEIU 1021, Local One, or in the case of the "Administrative Assistant" and Executive Director, unrepresented. The two labor contracts expire in June 2012. Given our current financial status, we are preparing to engage in negotiations now, beginning with hiring a professional to represent BHA in negotiations.

b. Payroll/Human Resources (HR) Management Services. What began as a solicitation to hire a firm to process payroll has blossomed into a solicitation for a firm that can provide BHA ongoing HR (including employee benefits) services. The deadline for responses is January 18, 2012 (you can view a copy of the RFP at the BHA website). This information will be particularly helpful as we continue talks with the City of Berkeley about their ability to continue providing BHA in-kind support via admin/support services.

B. Elite Hardware/Software.

- a. Slow Speed/Server. I am pleased to report the successful implementation of a new server (within initial budget estimates), and significantly enhanced processing speed for the Elite software, and printing various documents. The City's IT staff was particularly helpful in scheduling the installation on a day when BHA staff were not present and using the system. The total cost of the new server including software is \$11,304.
- b. Elite Master Release (MR) 1.9.2. In October we successfully completed conversion to M.R.1.9.2, the latest version of the software we use (Elite). 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. Annual Maintenance Fee. Our contract with Emphasys includes an annual Maintenance Fee. As a cost savings measure, staff negotiated a reduction/freeze in the fee through Fiscal year 2014. The Maintenance fee was scheduled to increase to \$21,654 effective September 1, 2011. We successfully negotiated a reduction/freeze that sets the rate at \$18,540 beginning September 2011 and through September 2014.

- C. Annual Plan Process. Staff has embarked on the HUD mandated "Annual Plan." This process includes (1) reviewing and revising the discretionary policies contained in the Administrative Plan (S8), the Admissions and Continued Occupancy Policy (Public Housing) and identification of projects to be funded with the Capital Fund allocation. [We have confirmed with HUD that we must continue meeting all performance and submission requirements for the Public Housing program until the disposition is complete.]

We did a comprehensive revision of the Admin Plan in 2010, thus the changes proposed this year are designed to clarify and better define existing language in response to issues that arose during the conduct of business this past year, and include (*the list may expand as we move forward in the process*):

- a. Changes in household composition.
  - i. When a "spouse" and his/her income is removed from the assistance.
  - ii. How to address situations where the only household member is confirmed to a medical/care facility, and there is no anticipated release date, and/or no prognosis of the ability to live in an independent setting.
  - iii. The conditions under which a family can add a person(s) to the assistance (i.e. if it increases or preserves a previously reduced subsidy level).
- b. Housing Quality Standards (HQS).

- i. The definition of a bedroom (to address conversion of dining areas, dens, garages, etc.) and variation from building and/or tax records.
  - ii. When an owner's rent will be abated and/or terminated specifically with regard to 24-hour/emergency fails.
  - iii. Sanctions for tenant caused HQS failure.
  - iv. Ventilation requirement for kitchens where there is no ventilation system for the stove/range.
- c. Informal Hearings.
- i. Discovery requirements for households and BHA.
  - ii. Opportunity for re-hearing of a decision to uphold BHAs proposed termination.
  - iii. Issuance of decision including if the decision is mailed by BHA, or the Hearing Officer, and the method for delivery (US Postal service or Federal Express).
- d. Project Based Assistance.
- i. Process for applying for an award of vouchers.
  - ii. Process for renewing previous awards up for renewal.

Both current plans are posted on BHA's website.

In the coming weeks staff will solicit volunteers to serve on the Resident Advisory Board, and begin dialoging with various community agencies that may have comments on the policy documents. The Board will act on the Annual Plan at the March meeting.

## II. SECTION 8 PROGRAMS

1. Lease-Up. As reported above, staff remains concerned about the under-utilization in the S8 Program. This is concern for three reasons: (a) it means eligible families are not receiving assistance, (b) the authority is forgoing sorely needed revenues, and (c) there is the potential for ending the year under 95%, which would effectively result in "troubled" status for the Agency.
- a. We used the slower holiday season to ramp up our processing of applications from the wait list inviting top 100 applicants to come to the office (December 9, 2011) for the next phase in the eligibility process;
  - b. We conducted a briefing on December 13, 2011 issuing 14 vouchers;
  - c. Briefings are scheduled for January 10<sup>th</sup> (17 households) and January 18<sup>th</sup> (15 households);
  - d. We will continue to hold briefings twice a month, briefing 15-20 families each meeting.

We are closely tracking success rate for voucher holders seeking rental units, and will adjust the number of "looking" vouchers, and grant extensions as necessary to provide families the maximum opportunity to secure assisted housing.

2. Owner Participation. Recognizing the importance of voluntary owner participation in the S8 program, we are embarking on an owner retention program. We currently have approximately 900 highly valued participating landlords. Our goal is to retain all 900;

have them lease additional units through the program; and to attract new owners to the program. We have engaged the entire staff in the design of the program, completing our first successful braining storming session Friday, January 6, 2012.

3. S8 Project Based Voucher Assistance.

A. Update on last awards: On April 28, 2011, the Board awarded 119 Project-based vouchers to 5 projects:

1. 75 PB vouchers to BHA for its LIPH and RHCP housing
2. 23 PB vouchers to Strawberry Creek Lodge for senior housing
3. 11 PB vouchers to Oregon Park Senior Apartments for senior housing
4. 8 PB vouchers to Hearst Ave. Apartments for low income family housing (and one disabled unit)
5. 2 PB vouchers to Telegraph/Regent Apartment for low income family housing.

Several complex HUD-requirements must be adhered to in terms of actually beginning subsidy for the awarded project-based units, including: (a) subsidy layering review for projects utilizing other federal funds (sent to HUD for a 6-8 week review at headquarters once submitted to BHA by property owner); (b) environmental review conducted by staff and sent to the City of Berkeley for review and sign off by City Manager, in some cases clearance through State Office of Historic Preservation must be obtained; (c) Agreement to enter into a Housing Assistance Payment (AHAP) signing which includes provision requiring Davis-Bacon federal wage monitoring if 9 or more PB units approved and Equal Employment Opportunity hiring for construction contracts over \$10,000; (d) rehabilitation as outlined in RFP application; (e) BHA intake process for in-place households including criminal background checks, employment verification; (f) Inspections of units; (g) subsidy.

At this time, no units have been placed under contract, as BHA is awaiting additional HUD-required information and documentation from the awardees.

Of note is a rescission by Oregon Park Senior Apartments (OPSA) of their application for 11 project based vouchers. Faced with several critical administrative challenges, on Jan. 3, 2012, the OPSA Board determined that it was in the best interest of the property to rescind their March 2011 application (and BHA's April 2011 approval) for 11 PB vouchers, and to reapply during the next round.

B. Leasing challenges for existing projects: There are three categories for which we are exhausting names on the Project-based waitlist, in addition to the HOPWA waitlist (Housing Opportunities for People with AIDS), necessitating discussion on when to re-open the PB waitlist again.

1. Over 62: we currently have 13 names of people over 62 names left on the PB waitlist.
2. 3-Bedroom Qualified Families: currently there are 120 names of people claiming 4-6 family members which would qualify them for a 3 BR unit.
3. Emancipated Youth: Currently we have no names left in this category (for Harmon Gardens).
4. HOPWA Waitlist: while this is a separate list from the regular PB waitlist, we should consider re-opening this waitlist as well; 80 names remain on this list.

C. Interest in next round: BHA knows that:

- a. OPSA will apply for the next round, given that they just rescinded their application in the hopes that they have learned from the challenges of this most recent round of PB approvals.
- b. Byron Rumford Plaza. Staff was contacted by Resources for Community Development, a local non-profit developer which is in discussion with William Byron Rumford Plaza to take ownership of this property, and conduct a full-scale rehabilitation of it, with tax credit and if awarded, Project-based funding from BHA. Both entities have been told that it is a Board decision as to if/when another round of PB applications will be opened.
- c. Delaware Court. Staff was contacted by Bridge Housing regarding a new construction project that they are considering rescuing from foreclosure.

Currently there are 60 PB vouchers remaining to be allocated (including the 11 previously awarded to OPSA), should the Board determine BHA is ready to open a new round of applications. Staff suggests that the next round be opened in conjunction with a City of Berkeley award of funding from the Housing Department, so complex issues such as Davis-Bacon wage monitoring may be handled by experienced staff utilizing software purchased by the City to process this HUD requirement.

### III. AUTHORITY OWNED HOUSING

1. 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 (99%) for calendar year 2011, and 78% for January 2012.
2. Occupancy. As of January 1, 2012, we have 64 occupied units, down from 66 units in October. The change is the result of:
  - a. One voluntary vacates in lieu of termination/eviction (Reed).
  - b. 1 stipulated vacate in lieu of termination/eviction, scheduled for January 17<sup>th</sup>; and
  - c. 1 family has advised its intent to vacate on Feb. 1, 2012 for personal reasons.
3. Maintenance Services. Our contractor continues to report on-time (or better) response to all routine maintenance requests. With a declining number of occupied units we anticipate a reduction in routine maintenance costs. Note, demand for maintenance services for October and November 2011:

Number Requests	Average Response Time	Monthly Billing
48 (October 2011)	5 days	\$14,998.97
26 (November 2011)	5 days	\$14,967.16

We are optimistic that the roofing work we performed will be sufficient, should we ever receive the much needed rain.

#### CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471

#### Attachments:

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