



Berkeley Housing Authority

DRAFT MINUTES
BOARD OF THE BERKELEY HOUSING AUTHORITY
REGULAR MEETING

March 12, 2015

North Berkeley Senior Center
1901 Hearst Avenue
Berkeley, CA 94709
6:00 p.m.

CAROLE NORRIS, CHAIR

VALERIE AGOSTINO
MARVA CREMER
DANIEL ROSSI

MARJORIE COX
ADOLPH MOODY
GERRIS WILKINSON

1. **Call to Order**

The meeting was called to order at 6:04 p.m.

2. **Roll Call**

*Present: Vice-Chair Cox; Commissioners Agostino, Cremer, Moody, Rossi, and Wilkinson.
 Chairperson Norris was absent with prior notice. Vice-Chair Cox presided over the meeting.*

3. **Comments from the Public**

Dr. Chase was present to address the Board about his daughter's voucher situation. Staff to follow up with Chase, and report back.

This meeting is held in a wheelchair accessible location. If you need special assistance to participate in the meetings of the Berkeley Housing Authority's Board of Commissioners, please contact Rachel Gonzales-Levine, Reasonable Accommodation Coordinator, at (510) 981-5485, rgonzales-levine@ci.berkeley.ca.us or via California Relay Service (711). Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangement to ensure accessibility. Please refrain from wearing scented products at the meeting, as attendees may be sensitive to various scents in products and materials, whether natural or manufactured.



4. **Report from the Executive Director**

Executive Director will brief the Board on the status of activities of the Housing Authority in the areas of overall administration, rental assistance in the Section 8 Voucher programs, and will inform the Board of potential significant actions/developments which may transpire prior to the next regular meeting.

The Executive Director reported highlights from the written report including (a) lease up in units continue to drop (89.8%); dollar utilization, however, remains at or above 95%; (b) BHA not yet exonerated from the Davis-Bacon Wage Compliance issue on Related's contract with Spectrum Painting Contract. Staff will continue to track until BHA is cleared; (c) HUD San Francisco Field Office facilitated a March 3 discussion with Kathy Szybist (SAC staffer) who acknowledged the January 15, 2014 approval put BHA in precarious situation, confirmed BHA could recognize initial \$2.7 million proceeds as "gain on sale", confirmed that BHA may request permission to use proceeds for FY2015-2016 HCV program shortfall, and acknowledged that total proceeds including the initial \$2.7 million plus residual receipts when received would be gain on sale, however use to cover S8 shortfalls remains subject to annual request by BHA and approval by the SAC; (d) decision concerning repayment of the \$763,689 RHCP loan appears unfavorable after message on March 9 from Senator Hancocks' office; (e) City awarded two "loans" from the Housing Trust Fund (HTF) to the "disposition project", a \$400k loan to Related (with no repayment requirement) and a \$300k loan to BHA due in 10 years; the City Manager is returning to council on April 7th to correct an administrative defect; BHA staff is considering addressing Council, again seeking forgiveness of the \$300k (f) awaiting news that Related is converting to permanent financing, at which time EJP is will review the documents/financial reports on behalf of BHA; (g) we are approaching the anniversary of the first tenancies in the Berkeley 75 project; Related has requested, and BHA has begun processing rent increases; (h) as part of staff development, all four Housing Specialists attended a week-long training; BHA's sponsorship of the training seminar also generated new revenue (final accounting pending); (i) first quarterly meeting with BHA and City Housing staff to explore better coordination of delivery, creation and preservation of affordable housing in the City of Berkeley to convene at BHA on March 17th; (j) alerted Board of anticipated concerns from residents at Strawberry Creek Lodge that have "tenant protection vouchers" and are about to participate in the annual recertification process; these Vouchers "protect" the family from a rent increase, they do not establish rent at 30% of adjusted monthly income as is the case with a Tenant or Project based voucher; staff are allowing more time for the process to give families an opportunity to be heard, and consider any interest in moving off-site, with S8 Tenant Based assistance that would likely reduce the family rent portion; (k) three updates from our owner retention/attraction pilot: staff has reached agreement with Berkeley Property Owners Association to schedule a focus discussion with property owners to hear their issues, correct misconceptions and provide information about anticipated changes;

Owner brochure is in the final stages of development; and- staff (Ingram and Gonzales-Levine) and Commissioner Wilkinson attended the Berkeley Youth Alternative Crab Feed Fundraiser at the invitation of Jim Smith, Berkeley Property Owners Association; (m) provided additional explanation of how Portability works, the advantages and challenges presented to the PHAs and families exercising this right.

5. **New Business**

A. Approval of Minutes:

- a. Special meeting February 6, 2015
It was moved/ seconded (Cremer/ Wilkinson, Norris absent) to approve the minutes of the February 6, 2015 Special Meeting.
- b. Regular meeting February 12, 2015
It was moved/ seconded (Rossi/ Cremer, Norris absent) to approve the minutes of the February 12, 2015 Board Meeting.

B. Strategic Planning Update

Report accepted. Executive Director distributed copies of the final meeting notes from the February 6th strategic planning retreat; informed the Board ~~about~~ of the resignation of both facilitators, Surlene Grant and Ana Cortez, from the Center for Collaborative Policy; encouraged committees to continue their work; and advised we rethink next steps with a subject matter expert. Commissioner Wilkinson provided an update on his discussions with University of San Francisco graduate schools.

C. Creation of Berkeley Housing Authority Non-Profit Affiliate

It was moved/ seconded (Rossi/ Wilkinsin, Norris absent) to authorize the Executive Director to proceed with planning to create a nonprofit affiliate of the BHA; return for final discussion with full Board before taking any formal actions;

D. Finance Reports - Val Agostino, Chair, Finance Committee & Jesy Yturralde, Finance Manager

a. Finance Report for Period Ending January 31, 2015

Finance Manager Jesy reported a slight increase in HUD admin fee proration (73 to 75%), resulting in a modest improvement in the projected deficit, down by approximately \$13K in January 2015 (from \$169K to \$156K), Staff continues to anticipate fluctuations but will closely monitor budget throughout the end of the fiscal year.

b. Review and Discussion of Draft Budget for FY2015-2016

Commissioner Agostino presented the draft budgets for FY2015-2016 and FY2016-2017; with particular emphasis on the impact on operating deficit and the 1-3 year reduction in operating life of BHA if the Housing Occupancy Manager position, and/ or the Housing Specialist position is restored. Two significant unknowns

remain: annual HUD approval to use proceeds, and uncertainty of the amount of annual residual receipt payments from the Berkeley 75 deal. Staff will proceed to submit the request to HUD for Fiscal Year 2015-16.

E. Maximum Vacation Leave Accumulation

Auditor raised concern about vacation balances in excess of the 320 hour threshold, sick leave balances, and the associated \$181,201 liability; Executive Director shared plan that has been implemented to reduce vacation leave for three of the four employees by June 30, 2015; remaining employee is the Executive Director, and she will devise a plan to review with the Finance Committee; this plan may include some cash conversion; Executive Director to more closely monitor leave balances, and take leave to avoid a repeat of the situation. It was moved/ seconded

(Agostino/ Cremer, Norris absent) to acknowledge the liability associated with the vacation and some sick leave balances as of June 30, 2014 in the amount of \$181,201 including accrued vacation hours of four staff in excess of the 320 hour threshold; and accept Executive Director's plans for strengthening reporting and managing accrued vacation leave balances.

6. **Commissioners' Questions and Matters**

7. **Communications**

8. **Adjournment**

The meeting adjourned at 7:30 p.m

This agenda was posted on the doors of the Berkeley Housing Authority at 1936 University Avenue, Suite 150, Berkeley, CA 94704; at North Berkeley Senior Center, 1901 Hearst Avenue, Berkeley, CA 94709; as well as the Berkeley Housing Authority website. The next Regular meeting of the Board is scheduled for **Thursday, April 12, 2015** at 6:00 p.m. at the North Berkeley Senior Center.

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