



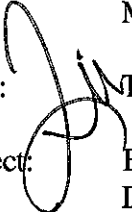
Berkeley Housing Authority

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Office of the Executive Director

Item 8C
INFORMATION ITEM
February 11, 2010

To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board

From:  Tia M. Ingram, Executive Director

Subject: BHA Improvement Plans with U.S. Department of Housing and Urban
Development

At the January 11, 2010 meeting, members of the Board that were appointed after May 2007, expressed a desire to receive more information about the two improvement plans, the Corrective Action Plan (CAP) and the Memorandum of Agreement (MOA) the Housing Authority has with the U.S. Department of Housing and Urban Development (HUD).

HISTORY

The Housing Authority has been designated a “troubled” Authority since 2002. Each year HUD advised the City of Berkeley Mayor (in his role as chair of the BHA Board) and Berkeley City Manager (in his role as Executive Officer/Director) of the “troubled” designation, and required improvement by the following fiscal year. In 2007 HUD took a much firmer position and advised the City Manager/Executive Director to achieve “standard” performer status in the Section 8 Program by June 30, 2007 (under the Section Eight Management Assessment Program) or face sanctions, including the Authority going into receivership.

Through various discussions it was agreed that a City of Berkeley Housing Authority could continue to operate, however, HUD would require a different governance structure and independence from the City of Berkeley.

1. On May 22, 2007, the Berkeley City Council adopted a resolution (#63,692-N.S.) relinquishing its role as the governing body, and establishing an independent Board.
2. Effective July 1, 2007, the Berkeley Housing Authority ceased to be a unit (Department) of the City of Berkeley, and was reorganized as an independent Agency.
3. HUD acknowledged the new independent Authority, and proposed a two year timeline to achieve “standard” performer status. Two contracts were established to monitor the BHA’s efforts to meet HUD standards:

- a. Corrective Action Plan (CAP). The CAP (a 40 page document) listed the various efforts and outcomes that the BHA was required to complete with regard to the Section 8 Housing Choice Voucher Program, in addition to the requirement to certify to “standard” performer under the Section Eight Management Assessment Program (SEMAP) by Fiscal Year ending June 30, 2009.
- b. Memorandum of Agreement (MOA). The MOA (a 26 page document) listed various efforts and outcomes that the BHA was required to complete with regard to the Low Income Public Housing Program to certify to “standard” performer under the Physical Housing Assessment System (PHAS) by March 2010 or to
 - i. Dispose of the units via HUD’s Inventory Removal process; and
 - ii. Identify a plan for alternate management pending approval of the Disposition application.

The BHA was initially required to report on progress under the CAP and MOA monthly. The final report under the CAP was submitted in July 2009, and HUD delayed confirmation of satisfactory completion pending the SEMAP Confirmatory Review.

Staff acknowledged progress on a number of the items, but the impossibility of achieving “standard” certification under PHAS by February 28, 2009, and thus embarked on a plan to pursue disposition, rather than risk HUD placing the units in receivership. In May 2009 Chairperson Norris and Executive Director Ingram renegotiated terms with HUD for the balance of items in the MOA with HUD. A new MOA was executed effective June 18, 2009. This new agreement has two significant changes: (1) it requires quarterly, not monthly, reporting to HUD and (2) it requires HUD to respond to our submission within 45 days of receipt. Our next report is due March 15, 2010. Staff will be requesting a modification to the agreement that will allow us to continue contracting for maintenance services, but retaining responsibility for the management function based on the fact that (1) we have generally received very limited response to our solicitation for management agents, (2) our concern that such a change in the midst of the disposition process would be very disruptive, (3) the need to avoid any potential conflict or appearance of conflict by any non-profit houser that may be interested in responding to our solicitation for a development partner, and (4) our belief that our current Property Manager is providing appropriate oversight to the management functions, including close monitoring of the maintenance function.