



Berkeley Housing Authority



## Section 8 HAP'nings March 2013!

### Electronic Deposit

After months of planning, I am pleased to report implementation of electronic direct deposit of the monthly HAP! Following the successful trial of a few payments in mid-February, the March HAP payment will be electronically processed for approximately fifty landlords. If this second trial is successful, we will include additional landlords next month. If you are interested in having your payments electronically deposited to your account or updating your direct deposit information – complete the form (on the back page), attach a list of your Section 8 tenants and return it to Jayla in the Finance Dept.

### Sequestration: What it Means for You

As we go to print – it is not yet clear what the President and Congress will do with regard to “sequestration.” What we do know is that administrative fees paid to BHA for administering the S8 Voucher program has **already** been cut by 5%, effective January 2013. If the proposed mandatory cuts take effect, (a) the administrative fee will be reduced an additional 3.2%, and (b) funding for rental subsidy payments will be reduced. This *perfect storm* will necessitate a reduction in the level of service we can provide to our clients, and more stringent controls. BHA has joined with other Housing Authority and affordable housing advocates to educate Congress on what sequestration translates to in the lives of seniors, disabled and families – and to urge them to find a reasonable compromise!

### Payments, Correspondence

The software we use for case management and financials includes a field for owner name and mailing information. We can accommodate up to two addresses for each contract. Let us know if you have one address for payments, and another address for communications.

### Tax Time

1099's, reflecting payments made during calendar year 2012 were mailed around January 28, 2013. If you have not received your statement or if you believe the

statement is not correct – please contact Virgilio at (510) 981-5477 immediately.

### Questions or Feedback

We want to know if you had a *good*, or *not-so-good* experience with a staff member. Email your comments/concerns or kudos to [bha@ci.berkeley.ca.us](mailto:bha@ci.berkeley.ca.us). If you are emailing staff regarding client issues, you can include a cc to this general mail box. This will alert Management to your concern, and allow us to track the issue until it is resolved.

### Opting-Out

We have long advised owners, verbally and in our written literature, that participation in the S8 Voucher program is voluntary, **and** that you could “opt-out” of the S8 program at any time. We learned recently that the HUD rule that expressly granted the “opt-out” option is **no longer** in effect. In Barrientos v. 1801 1825 Morton LLC (2009) 583 F.3d 1197, the Ninth Circuit Court clarified that HUD regulations as to what constitutes good cause for termination do not preempt local rent control provisions. Accordingly, in order for a landlord to terminate a Section 8 tenancy in Berkeley, or any tenancy subject to the Berkeley Rent Stabilization Ordinance, the termination must be based on one of the “just causes” listed in the Rent Stabilization Ordinance. You can get more information on those requirements from the Rent Stabilization Board. An owner still has the option of participating or not participating in the S8 program. However, before terminating a HAP contract for an in-place household, the owner must lawfully terminate the tenancy. Under Berkeley rent control, a tenancy can only be terminated (a) by mutual consent, (b) for cause, i.e. non-payment of rent, or (c) for “other good cause.” Once the tenancy is terminated, BHA will terminate the HAP contract. In a nut shell – termination of a S8 tenancy is subject to the same rules as termination of a non-assisted tenancy with one significant benefit: BHA will continue to pay the rental subsidy as long as the household (a) is eligible for assistance, (b) occupies the unit, and (c) the units meets minimum Housing Quality Standards (inspections).