



Berkeley Housing Authority

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

The Path to Transformation BHA Low Income & RHCP Housing November 2011

Great things are happening as we continue on the path to (1) rehabilitating and modernizing the 75 units of rental housing owned by the Berkeley Housing Authority (BHA) and (2) preserving them as affordable rental units for qualified families.

The path to transformation ...



....began with the U.S. Department of Housing and Urban Development (HUD) failing to provide an adequate level of funding (not just for BHA, but housing authorities across the Country) that resulted in distressed properties and years of deferred maintenance.

....brought attention to the estimated cost of \$4,000,000 for needed repairs, and the impossibility of doing anything of substance with a HUD-allotted capital grant of approximately \$106,000 per year.

....was triggered by HUD mandating BHA to develop a comprehensive, funded, rehabilitation plan, or cease to operate the units.

...resulted in BHA developing a strategy to involve an investor who could bring together the necessary funds to rehabilitate and manage the units at a "market" standard.

...led to BHA adopting a set of principles and non-negotiable guarantees for any investor expressing interest in purchasing the properties:

- Maintain at least 75 rental units on the existing sites; and
- Serve same household income population (up to 50% AMI) by providing a Section 8 voucher or Project Based assistance.

...that resulted in 2 proposals submitted by highly esteemed housing developers with projects ranging from modest to luxury properties.

....currently involves exclusive negotiations with the Related Company of CA, under the leadership of Lydia Tan, former Executive Director of Bridge Housing – and long time advocate/developer of affordable housing in the East Bay and throughout California.



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The current residents

...including many of the original occupants who are now 1 or 2 person households, continue to occupy their 3 and 4 bedroom and pay 30% of adjusted monthly income for rent.

...will receive full relocation benefits when they move temporarily (to allow for rehabilitation) or permanently, if they chose to not return to one of the 75 units.

...who meet federal guidelines for low-income families (50% AMI)

- *maximum annual income of \$32,350 for a family of 1
- *maximum annual income of \$36,950 for a family of 2
- *maximum annual income of \$41,550 for a family of 3
- *maximum annual income of \$46,150 for a family of 4
- *maximum annual income of \$49,850 for a family of 5
- *maximum annual income of \$53,550 for a family of 6

Will have their public housing rental assistance transferred to tenant based, Section 8 Tenant Based Voucher assistance and continue to pay 30 of adjusted monthly income for rent in an appropriately sized unit for the number of people in their household.

... who in the meantime, enjoy a safe environment as BHA acts swiftly and firmly to remove households that places others in *harms way* by engaging in criminal behavior involving illegal drugs and/or violence.

BHA activities include

...obtaining approval from HUD for the first batch of new (additional) S8 Vouchers for issuance to current residents.

...award of 75 project based vouchers to the project, further insuring the long-term affordability of the units post rehab.

... Staying in touch with our residents to ensure we fully understand their needs and can act in the best interest of the Berkeley community.



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..... Finally, a word about our development partner

The Related Company of California

... Related California Track Record:

- 8,500 units developed, most affordable.
- 3,700 of these involved acquisition & substantial rehabilitation. Expertise in renovating with residents remaining on site.
- Long time presence and portfolio of more than 3,000 homes in Bay Area.
- Several Housing Authority partnerships (including Oakland, Richmond & San Francisco).
- Expertise in all aspects of affordable housing finance.
- Integrated company, with property management, construction management and architecture expertise in-house.

... Projects in the Bay Area:

- Lion Creek Crossing, Oakland: 5 Phase HOPE VI redevelopment effort in partnership with Oakland Housing Authority and East Bay Asian Local Development Corporation;
- Oak Village, Oakland: Acquisition and rehabilitation of affordable development;
- Marcus Garvey/Martin Luther King Cooperative, San Francisco: 211 unit resident owned coop. Recently refinanced and renovated.

Monitor the BHA website (www.cityofberkeley.info/bha) for current developments. As always, questions and comments are welcome. Please contact:

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