



Berkeley Housing Authority

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

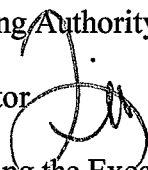
Office of the Executive Director

Item 6H

NEW BUSINESS

July 12, 2012

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

From: Tia M. Ingram, Executive Director 

Subject: Approving a resolution authorizing the Executive Director to write-off \$21,860.53 in Security Deposit Loans that have been declared "uncollectible."

RECOMMENDATION

Approve a resolution authorizing the Executive Director to write-off \$21,860.53 in Security Deposit Loans that have been declared "uncollectible."

BACKGROUND

On May 13, 2010, the Board approved a revised Write-Off Policy that sets forth the collection activities to be taken prior to writing-off the account.

The Security Deposit Loan Fund (SDLF) program has been used effectively by BHA to assist families receiving a Section 8 Voucher in leasing a rental unit. Unfortunately collection efforts are very difficult. For this reason, and that BHA does not receive any fee for administering the program, Quadel Consultants recommended elimination of the SDLF program as a cost saving measure.

Collection efforts over the past year have included (a) collection attempt as part of the annual recertification process, and (b) denial of a request to transfer the voucher assistance to another jurisdiction.

The accounts recommended for write-off include 29 families that are no longer assisted by BHA (\$21,860.53. Administration of the SDLF program was on the April 18, 2012 agenda for the joint BHA/City Council, "3x3 Committee" meeting (Attachment 2). There was consensus that BHA should make reasonable attempts to collect the loans, but not implement sanctions such as termination of rental assistance for this already at risk population.

FINANCIAL IMPACTS OF RECOMMENDATION

Reduces book value of Tenant Receivables to BHA by \$21,860.53, and reflects a truer value of BHA assets. BHA retains the right to collect the loan, should the family attempt to transfer assistance to another jurisdiction, or receive new rental assistance from BHA.

CONTACT PERSON

David Solis, Property Manager, 951-5484
Jesy Yturralde, Finance Manager, 981-5488
Tia M. Ingram, Executive Director, 981-5471

Attachments:

1. Resolution
2. 3x3 Committee Agenda (April 18, 2012)
3. Confidential List of Accounts to be dismissed (Exhibit A)

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 12- _____

AUTHORIZING STAFF TO WRITE-OFF THE BALANCE OF THE SECURITY DEPOSIT LOAN OF 29 HOUSEHOLDS WITH OUTSTANDING LOAN OBLIGATIONS AMOUNTING TO \$21,860.53

WHEREAS, the financial records of the Berkeley Housing Authority include zero-interest loans the Authority has made to families receiving Section 8 rental assistance for the first time in the form of a Security Deposit loan; and

WHEREAS, BHA is required to maintain documentation in support of collection efforts; and

WHEREAS, BHA has determined that further collection efforts will not likely result in payment of the loan; and

WHEREAS, it is not the intent of BHA to create a situation of "homelessness" which may be triggered if the Section 8 rental assistance were terminated due to failure to repay the loan; and

WHEREAS, a confidential list of the Security Deposit loans to be written-off are listed and identified in Exhibit A; and

WHEREAS, BHA stands to collect on the loan should the family seek to transfer their rental assistance to another Public Housing Authority in the future, or to reapply to Berkeley Housing Authority for assistance/

NOW, THEREFORE, BE IT RESOLVED by the Board of the Berkeley Housing Authority, that the loans listed on Exhibit A, attached hereto and incorporated by reference are written-off.

The foregoing was adopted by the Board of the Berkeley Housing Authority on July 12, 2012 by the following vote:

Ayes:

Abstain:

Absent:

Attest: _____
Tia M. Ingram, Secretary