

Office of the Executive Officer

TO BE DELIVERED AGENDA MATERIAL

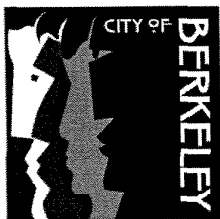
Meeting Date: October 21, 2003

Item Number: 3

Item Description: BHA Budget Update

City Manager Signature

(This cover sheet should be used only if the agenda item the material refers to was listed on the agenda as To Be Delivered)



Office of the Executive Officer

INFORMATION CALENDAR

October 21, 2003

To: Honorable Chairperson and
Members of the Housing Authority
From: ~~Weldon~~ Rucker, Executive Officer
Subject: Update on BHA Budget

INTRODUCTION

This report provides a summary of the Berkeley Housing Authority (BHA) closeout budget for fiscal year 2002-2003, and updates the BHA budget projections for both the Section 8 and Public Housing programs for the current year. This report also discusses the status of key issues and challenges confronting the BHA in its effort to achieve a balanced budget that is sustainable over the next several years.

SUMMARY

Section 8 Program – The Section 8 Program shows a FY 2002-2003 year-end budget deficit of \$90,626 and a projected FY 2003-2004 deficit of \$6,994. The BHA has sufficient Section 8 unreserved operating reserves to cover the combined deficits of \$97,620. With respect to FY 2004-2005, the BHA is projecting a balanced Section 8 budget by gaining a net lease-up of 20 units per month through August 2004, and implementing a reorganization plan that eliminates two FTE staff positions. (See Organization Chart, Attachment A.) Sustaining a balanced budget beyond FY 2004-2005 will require maintaining full lease-up at 1,841 units and an annual HUD-authorized cost of living increase in the administrative fee rate of three percent.

Public Housing Operations – The Public Housing operations (non-capital) program shows a FY 2002-2003 year-end budget deficit of \$148,629 and a projected FY 2003-2004 deficit of \$52,869. The BHA's Public Housing reserve accounts have sufficient funds to cover the combined deficits of \$201,498. The current year's projected deficit is lower than prior projections as a result savings from the pending transfer of the property management and maintenance functions to an outside firm. The projections are based on a November 1, 2003 transfer date. However, this may be postponed if HUD does not give final authorization to proceed at a meeting scheduled with them on October 22. With respect to FY 2004-2005, the BHA is projecting a small surplus (\$25,000) as the property management and maintenance contract is in operation for the entire year. Sustaining a balanced budget beyond FY 2004-2005 will require full lease up of all 75 public housing units and continuing a cost-effective approach to managing and maintaining these units.

Public Housing Capital Improvement Project – The Public Housing Capital Project that began in FY 2001-2002 to rehabilitate all 75 units of public housing is scheduled to be completed by

December 2004. The total project is estimated to cost \$2.2 million funded by a \$1.4 million Section 108 loan, with the balance funded primarily with HUD's annual Capital Fund allocation.

BACKGROUND

Attachments B and C show the Section 8 and Public Housing/Operations closeout budgets (revenue and expenditures) for FY 2002-2003 and budget projections for FY 2003-2004. Attachment D shows the funding status of the Public Housing Capital Improvement project. The main issues and challenges facing the Section 8 and Public Housing programs are discussed below.

SECTION 8 PROGRAM

Lease-Up – Attachment E charts the progress of BHA's Section 8 lease-up from the beginning of calendar year 2001. As of September 2003, there are 1,612 leased units, an increase of 19 units from the prior month. Over the last several months, the agency has been consistently issuing between 30-40 new vouchers every month. As of September, approximately 110 Section 8 applicants with vouchers are looking for qualified rental housing. As indicated above, the BHA goal is to achieve full lease up at 1,841 leased units by the August 2004. This equates to an average net lease-up gain of approximately 20 units per month over the next eleven months. To meet this goal, the BHA has prioritized work efforts related to initial eligibility and voucher issuance, and initial inspections of new Section 8 leases. Our objective is to issue at least 40 new vouchers every month and conduct initial inspections within two weeks of receiving first-time rental lease agreements. Contributing to the favorable projections is the assistance that the Security Deposit Revolving Loan Fund Program (discussed below) provides tenants who do not have the resources to pay security deposits on new rental units. Also presented below is the status of staff's effort to amend the Section 8 Administrative Plan and the BHA Annual Plan to simplify and streamline the process for determining eligibility and issuing vouchers for waiting list applicants. The BHA is also considering the idea of temporarily closing the office on Fridays to allow staff to focus on lease-up activities. Prior to its implementation, all BHA clients as well as City staff and Board members would be notified of this change.

Security Deposit Revolving Loan Fund Program (SDRLF) – The BHA adopted the SDRLF on December 17, 2002. The program is designed to assist the applicant to secure a Section 8 unit by loaning funds to offset the cost of the initial security deposit. The program is limited to applicants who will be renting in Berkeley, and requires the applicant to enter into a repayment agreement and contribute a partial match. The current funding commitment to the SDRLF is \$250,000 that includes \$225,000 of accounts payable rehabilitation loan funds that Council authorized. Through September 25, 2003, the BHA has issued 97 security deposit loans, totaling \$127,080. To date, \$9,390 has been repaid with no loan delinquencies.

Section 8 Administrative Plan and BHA Annual Plan for FY 2003-2004 - The BHA will be proposing an amendment to both Plans for Board adoption as early as November 2003. The amendment will include reducing the nine-tiered ranking system (involving nine local

preferences) to a three-tiered system. The current system is cumbersome and time-consuming since an independent party must verify each preference claimed by the applicant. The new ranking system will retain only two local preferences – applicants eligible for the Emergency Prioritization Program (EPP) and Berkeley residency, with the former continuing to have priority over all other applicants on the waiting list. Analysis of our waiting list shows that there are higher proportions of minority and disabled people among Berkeley residents than non-residents so such a change will have no discriminatory effect. The BHA will also propose amended language to outline specific criteria and burden of proof requirements for the EPP program. This is intended to facilitate and expedite eligibility review of the numerous applicants received for admission under the EPP criteria. In order to implement these changes, the BHA is required to first amend the BHA Annual Plan for FY 2003-2004 to incorporate these changes prior to amending the Section 8 Administrative Plan. The BHA is currently scheduling the requisite meeting of the Resident Advisory Board (RAB) so that its members can provide input into the proposal to amend the Annual Plan. Upon conclusion of the RAB meeting, the BHA is required to allow a 45-day public comment prior to scheduling a public hearing before the BHA Board, targeted for November 18, 2003.

HUD-Designation of Troubled Status - As previously reported to the Board, HUD has designated the BHA as troubled based on the agency's FY 2001-2002 Section 8 Management Assessment Program (SEMAP) score. With this designation, the BHA program was transferred from the local HUD office in San Francisco to the Troubled Agency Recovery Center (TARC) in Memphis for enhanced review and monitoring. In a September 2, 2003 notice from HUD (see Attachment F) we were advised that HUD has undergone a realignment that reassigned the TARC roles and responsibilities to a new HUD Program Center. Subsequent to this letter, we were verbally advised that jurisdiction of the agency's troubled status has been returned back to the San Francisco Regional Office. These transitions have postponed HUD intervention in working with the BHA to develop monitoring tools and performance goals intended to improve agency performance. This delay is already impacting the BHA since, as part of their oversight function, HUD can now require the agency to delay or alter work program priorities. At immediate risk for the Section 8 Program is the process underway to simplify the application of the Section 8 waiting list. The BHA will be scheduling a meeting with key HUD representatives to hopefully reach concurrence on the direction of all pending agency initiatives.

Beyond FY 2004-2005 - Balancing revenues with expenditures beyond FY 2004-2005 will be a challenge given the uncertainty of HUD's long-ranged funding situation together with the certainty of staff salary increases. The City has committed to an approximate five percent annual cost of living increase and equity adjustments for staff salaries through FY 2007-2008. Maintaining the FY 2004-2005 level of 15 fulltime equivalent staff will require an additional \$50,000 for each year thereafter to cover the increased staff costs. To keep pace with these additional costs, the BHA will need to ensure maximum lease-up while averaging an annual 3% cost of living increase in the administrative fee calculation. (For every one percent cost of living increase approved by HUD, the agency will earn approximately \$17,000 in additional administrative fees.) Assuming the worse case scenario in which HUD provides no cost of living adjustment for the three-year period – FY 2005-FY 2008 – the BHA will face a cumulative un-

funded deficit of \$150,000 in staff costs for the Section 8 program unless additional staff reductions or other cost reductions are identified. On the other hand, if HUD provides a cost of living adjustment in excess of three percent annually, it could be possible to realize an operating surplus.

PUBLIC HOUSING PROGRAM/ OPERATIONS

Lease-Up - Filling vacant units with qualified families from the public housing waiting lists remains a top priority for the agency. In addition to delaying the provision of subsidized housing for low-income families, the BHA can lose up to \$700 in rental income per unit month of vacancy. The BHA currently has seven vacant public housing units (two federal LIPH and five state RHCP). Two families are waiting to occupy the two LIPH units and should move in by the end of October. If we continue to have difficulty finding qualified families from the RHCP waiting list, we may opt to establish an open enrollment period to recruit new families to the list.

Property Management and Maintenance Contract - The transfer of the property management and maintenance function to AHA is awaiting final approval from HUD. A meeting with HUD has been scheduled for October 22 to discuss this matter as well as other BHA initiatives that require HUD intervention and approval. Once the transfer is implemented, the BHA plan is to redirect staff resources budgeted in the Public Housing Program to the Section 8 Program (approximately 2.1 FTE) except for one-half Associate Management Analyst to oversee the contract with AHA. The additional Section 8 resources will be assigned to the eligibility and operations units to accelerate the processing of new vouchers and initial inspections. As we approach maximum Section 8 lease-up, the BHA plan is reduce Section 8 personnel by two staff positions beginning FY 2003-2004. The BHA will be considering soliciting new bids for the property management and maintenance function prior to FY 2004-2005. This action is intended to obtain the proposals of a broader range of organizations with experience in this area as well as secure the most cost-effective services.

Annual Capital Fund Monies - For the short term, it should be possible to budget available Capital Fund monies to augment the Public Housing operations budget except for the portion that is necessary to meet our Section 108 loan repayments. However, the agency will be confronted with three challenges with respect to the annual Capital Funds in the future. One is that the annual amount of Capital Funds authorized by HUD has decreased over the last few years. HUD has authorized \$108,640 in Capital Funds for FY 2003-2004. This is a substantial decrease from the \$139,931 that the agency received last year. We will not know next year's entitlement until after the start of the fiscal year. Secondly, the portion of the Capital Funds needed to meet our Section 108 loan repayment will gradually increase over the 10-year life of the loan. Next year, our total annual loan repayment will approximate \$155,000. The CDBG commitment toward the loan repayment is \$120,000 while the balance of \$35,000 will be paid using Capital Fund monies. By the 10th year of the loan, the loan repayment will reach \$185,000. Assuming the CDBG portion doesn't change, the Capital Fund commitment will be \$65,000. Lastly, within a few years of completing the rehabilitation project, it will be important for the agency to begin

accumulating capital funds to meet the inevitable return of capital needs in the public housing units. It would not be prudent to rely solely on annual maintenance budgets to finance the ongoing improvement needs of the Public Housing Program.

HUD-Designation of Troubled Status – The situation reported under the Section 8 troubled status pertains to the troubled status of the Public Housing program as well. HUD did perform the requisite unit-by-unit inspection of all federal public housing sites to assess the condition of the units. This was completed in late August, prior to the transfer of TARC roles, but HUD has not yet provided us with the report nor has made any follow-up with us as of early October. The pending meeting with HUD representatives referenced above will attempt to gain approval to move ahead with key Public Housing work plan items that can be potentially delayed, including the contract with AHA for property management, and expanded rehabilitation efforts to include tenant-occupied units. In addition, we have been waiting approximately two months for HUD to reset its customized software module to allow us to correct public housing data previously entered into the system. The BHA cannot update and correct the database which is a prerequisite for improving our Public Housing Assessment System (PHAS) score until HUD resets the module.

PUBLIC HOUSING PROGRAM/CAPITAL IMPROVEMENTS

Attachment D summarizes the revenue and expenditure budget for the Public Housing Capital Improvement Program from its inception in FY 2001-2002 through its projected completion in FY 2004-2005. The estimated total project cost is \$2.2 million, funded by Section 108 loan funds (\$1.4 million), federal Capital Funds (\$753,321), and State Improvement Funds (\$46,679). The total expenditures through the end of FY 2002-2003 totaled \$1,119,991. The balance of \$1,080,009 is budgeted in FYs 2003-2005 to complete the remaining capital improvement activities on all 75 units by December 2004.

The following provides a brief background of the rehabilitation project and summarizes the rehabilitation activities completed in the prior two fiscal years as well as the planned activity schedule through the completion of the project in December 2004.

- The first part of FY 2002 saw the onset of the rodent problem at the Ward Street public housing site. While investigating the problem, other critical issues were revealed including problems resulting from delaying scheduled maintenance, lack of lease enforcement and monitoring systems and procedures, and failure by residents to keep their units in safe and sanitary condition.
- The Vector Control Team of the Environmental Health Division abated the rodent problem within thirty days from the time the infestation was first reported. A plan of action was simultaneously devised to correct all housing code violations with immediate safety implications. With the Public Works Department taking the lead, all life safety problems were corrected at all 75 units, including correcting electrical wiring deficiencies, replacing missing or malfunctioning light fixtures, replacing missing or broken outlets and receptacle

plates, installing new hard-wiring smoke detectors, fixing plumbing leaks, installing exterior lighting (Virginia and Rose Street sites), and installing strobe light devices in disabled-accessible units to permit visual recognition when the door bell or smoke detector is activated.

- With the assistance of the Housing Department’s Code Enforcement unit, the BHA conducted a comprehensive inspection of all public housing units. This activity involved both exterior and interior inspections and resulted in the compilation of a detailed inventory of repair and maintenance needs.
- The BHA entered into contracts with AA-1 Construction and Affordable Housing Associates to perform the necessary rehabilitation and a separate contract for a Construction Manager to oversee the rehabilitation project.
- The major underground drainage improvement project at Sojourner Truth site was completed under contract with Mosto Construction.
- The first major rehabilitation phase was initiated and completed involving all twelve units at the Ward Street site and six additional units (including four vacant units). This phase involved relocating all tenants in the occupied units in order to undertake the major rehabilitation required in these units and was completed in FY 2001-2002.
- The second rehabilitation phase completed the interior rehabilitation of nine additional units in FY 2002-2003. The occupied tenants in all of these units were relocated in order to perform the necessary rehabilitation. Also completed during FY 2002-2003 included landscape and window replacement at the Rose/MLK public housing site, exterior painting at eight sites, and fencing repair and installation at two sites.
- The BHA received the \$1.4 million Section 108 loan in August 2003.
- At present, four vacant units are being rehabilitated (1 LIPH unit and 3 RHCP units). All other major improvement projects are awaiting HUD’s approval to proceed.

The following is a summary of the rehabilitation activities completed to date and planned through December 2004. Also summarized below are the projected costs associated with each major activity.

<u>Activity</u>	<u># Sites/Units Completed</u>	<u># Sites/Units Pending</u>	<u>Expended To-Date</u>	<u>Projected Total Cost</u>
Interior Rehab	27 Units	48 Units	\$674,281	\$1,032,290
Window Replace	1 Site	16 Sites	34,127	284,127
Exterior Painting	8 Sites	9 Sites	47,940	227,940
Sojourner Drainage	1 Site	----	147,323	147,323
Roof/Gutters	0	16 Sites	0	64,000
Landscape	1 Site	16 Sites	5,947	53,947
Draft Stops	0	25 Units	0	50,000
Exterior Rehab	1 Site	16 Sites	8,125	38,125
Fencing	2 Sites	15 Sites	6,245	21,245
Foundation Repair	0	4 Sites	0	5,000

UPDATE ON BHA BUDGET

INFORMATION CALENDAR
October 21, 2003

Relocation	15 Units	19 Units	60,301	80,301
Construction Manager	-----	-----	73,650	123,650
Env. Health/PW	75 Units	-----	62,052	62,052
Miscellaneous Admin	-----	-----	0	10,000
TOTAL			\$1,119,991	\$2,200,000

The above amounts will change as work in progress identifies other rehabilitation needs and priorities. Nevertheless, the BHA is committed to remaining within its capital improvement budget.


POSSIBLE FUTURE ACTION

1. November 18, 2003 – Public Hearing and Board consideration/adoption of amended BHA Annual Plan Update for FY 2003-2004.
2. November 18, 2003 – Board consideration/adoption of amendment to the Section 8 Administrative Plan.
3. May 18 2004 – Board adoption of FY 2004-2005 property management and maintenance contract for Public Housing Program.

CONTACT PERSON

Stephen Barton, Housing Director, (510) 981-5400
Sharon Jackson, BHA Manager, (510) 981-5475

Approved:



Stephen Barton, Housing Director

Attachments

BERKELEY HOUSING AUTHORITY
ORGANIZATION CHART



ACCOUNTING	ELIGIBILITY	OPERATIONS	PUBLIC HOUSING	ADMINISTRATION
<p><u>Description</u> Responsible for the financial management of all BHA programs and operations with a combined budget of over \$1.6 million excluding \$22.4 million in HAP.</p> <p><u>Functions</u> Agency budget preparation HAP payments to Section 8 landlords Contractor and invoice payments Requisition funds for agency programs Public Housing rent collections Prepare federal/state financial reports Oversee financial audits</p>	<p><u>Description</u> Responsible for maintaining all BHA waiting lists and determining initial eligibility of program applicants. Goal: maximum lease up.</p> <p><u>Functions</u> Screening applicants Verifying household information Conducting initial interviews Conducting briefings Issuing vouchers and tolling voucher time EPP Administration Applicant status updates</p>	<p><u>Description</u> Responsible for the on-going execution and monitoring of Housing Assistance Payment contracts including annual recertification of program participants and unit inspections.</p> <p><u>Functions</u> HQS inspections Initial and annual recertifications Rent reasonableness determinations Family Self-Sufficiency program Shelter Plus Care program Moderate Rehabilitation program Case management</p>	<p><u>Description</u> Responsible for managing all 75 units of agency-owned property, including lease enforcement, unit inspections, annual tenant recertifications and property maintenance.</p> <p><u>Functions</u> Lease enforcement Annual unit inspections Annual tenant recertifications Work order processing On-going maintenance Capital Improvements Tenant outreach/contract monitoring</p>	<p><u>Description</u> Responsible for administering all BHA-operated programs and establishing policies and procedures consistent with federal, state and local requirements.</p> <p><u>Functions</u> Overall Admin of BHA programs Board reports and CM referrals Informal reviews and hearings RFP and contract preparation/monitoring Five-year and annual plan update Administration Plan/ACOP update Quality control</p>
<p><u>Staff/Resources</u></p> <p>FY 2003-2004 (3.0 FTE) Senior Accountant Accountant I Accounting Office Specialist II</p> <p>FY 2004-2005 (3.0 FTE) Senior Accountant Accountant I Accounting Office Specialist II</p>	<p><u>Staff/Resources</u></p> <p>FY 2003-2004 (3.0 FTE) Community Services Specialist I (2.0) Office Specialist II</p> <p>FY 2004-2005 (2.0 FTE) Community Services Specialist I Office Specialist II</p>	<p><u>Staff/Resources</u></p> <p>FY 2003-2004 (8.8 FTE) Senior Housing Assistant Supervisor (.67) Housing Programs Coordinator Housing Authority Representative (3.13) Office Specialist III (2.0) Office Specialist II (2.0)</p> <p>FY 2004-2005 (8.0 FTE) Senior Housing Assistant Supervisor Housing Programs Coordinator Housing Inspector (3.0) Office Specialist III (2.0) Office Specialist II</p>	<p><u>Staff/Resources</u></p> <p>FY 2003-2004 (.5 FTE) Associate Management Analyst (.5) Property Management Contract (AHA)</p> <p>FY 2004-2005 (.5 FTE) Associate Management Analyst (.5) Property Management Contract (AHA)</p>	<p><u>Staff/Resources</u></p> <p>FY 2003-2004 (1.5 FTE) BHA Manager Associate Management Analyst (.5)</p> <p>FY 2004-2005 (1.5 FTE) BHA Manager Associate Management Analyst (.5)</p>

**BERKELEY HOUSING AUTHORITY
SECTION 8 BUDGET**

ATTACHMENT B

	FISCAL YEAR 2002-2003	FISCAL YEAR 2003-2004	FISCAL YEAR 2004-2005
REVENUE			
Admin Fee	1,376,853 1)	1,591,908 2)	1,716,543 3)
Investment Interest	7,359	8,000	8,000
Audit Fee/Other	13,920	16,650	16,650
Shelter Plus Care	147,583	80,267	87,321
FSS Coordinator	56,564	27,235	
Hard to House Fee	5,100	3,000	3,000
TOTAL REVENUE	1,607,379	1,727,060	1,831,514
EXPENDITURES			
Salaries	987,695	970,506	976,518 8)
Fringe Benefits	314,600	382,379 4)	432,597 5)
Other Administration	395,710	381,169 7)	422,399
TOTAL EXPENDITURES	1,698,005	1,734,054	1,831,514
BALANCE (DEFICIT)	(90,626)	(6,994)	-
ADD'L AVAILABLE REVENUE			
Unreserved Net Asset	97,620 6)	6,994	-
Other	-	-	-
TOTAL ADD'L REVENUE	97,620	6,994	-
FINAL BALANCE (DEFICIT)	6,994	-	-

- 1) Based on average of 1466 leased units per month and includes 5% COLA approved by HUD.
- 2) Assumes average lease-up of 1696 leased units per month (1806 end of June) and includes no COLA.
- 3) Based on achieving and sustaining full lease up (1841) starting August 2004.
- 4) Fringe Benefits @ 39.4%.
- 5) Fringe Benefits @ 44.3%.
- 6) Unreserved Net Assets includes compensated absences and depreciation.
- 7) Includes \$7121 in expenses from FY 2004 Public Housing Operations.
- 8) Based on two FTE staff reductions: CSSII and Office Specialist II, effective 7/1/04.

**BERKELEY HOUSING AUTHORITY
PUBLIC HOUSING - OPERATIONS BUDGET**

ATTACHMENT C

	FISCAL YEAR 2002-2003	FISCAL YEAR 2003-2004	FISCAL YEAR 2004-2005
REVENUE			
Rental Income	201,217	239,160 7)	263,918 8)
Capital Funds		10,684 1)	73,000 5)
Investment Interest	1,223	370	4,600
Audit Fee/Other Income			
Operating Subsidy	166,065	160,849	156,816
TOTAL REVENUE	368,505	411,063	498,334
EXPENDITURES			
Salaries	200,797	74,768 2)	33,565
Fringe Benefits	56,118	29,459	14,769
Sundry Administration	35,352	1,027 6)	
Audit Fee		3,810	
Insurance		3,583	
Tenant Services/Relocation		-	
Utilities/Refuse	57,291	12,744	
Maintenance/Repairs	96,839	28,361	
Grounds/Landscaping	33,721	5,662	
Major Replacement	26,713	-	
Collection Loss	5,551	-	
Deposit: Replacment Reserve	4,752	1,584	
Protective Services		518	
Field Supplies		3,450	
Property Mgmt Contract		298,966	425,000 4)
TOTAL EXPENDITURES	517,134	463,932	473,334
BALANCE (DEFICIT)	(148,629)	(52,869)	25,000
ADD'L AVAILABLE REVENUE			
Capital Improvement Funds			
Operating Reserve (Federal)	142,655 3)	52,869 3)	
Replacement Reserve (State)	58,843		
TOTAL ADD'L REVENUE	201,498	52,869	-
FINAL BALANCE (DEFICIT)	52,869	-	25,000

- 1) Total Capital Fund due FY 2003-2004 = \$108,640. Balance of \$97,956 in PH Capital Project.
- 2) All positions eliminated from PH budget except for .50 Associate Management Analyst when AHA takes over property management and maintenance function on November 1, 2003.
- 3) Net of tenant receivables and HUD mandated reserve which is 20% of total operating expenses.
- 4) Represents amount authorized by the BHA Board on July 15, 2003.
- 5) Total projected Capital Funds for FY 05 is \$108,000. \$35,000 to loan repay; balance to PH Operations.
- 6) Reduced by \$7121 in expenses transferred to FY 2004 S8.
- 7) Based on 90% occupancy rate (68 occupied and 7 vacant units).
- 8) Based on 100% lease up.

**BERKELEY HOUSING AUTHORITY
PUBLIC HOUSING - CAPITAL IMPROVEMENT BUDGET**

ATTACHMENT D

	FISCAL YEAR 2001-2002	FISCAL YEAR 2002-2003	FISCAL YEARS 2003-2005	TOTAL
REVENUE				
Section 108 Loan			1,400,000 2)	1,400,000
Capital Funds	367,249	288,116 3)	97,956 4)	753,321
State Improvement Fds		28,500	18,179 5)	46,679
Reserve Accounts				-
TOTAL REVENUE	367,249	316,616	1,516,135	2,200,000
EXPENDITURES				
Env. Health and PW	62,052			62,052
Constr. Mgr. Contract	23,650	50,000	50,000	123,650
Mgt. Impr. (Server)			10,000	10,000
Interior Rehab	465,885	208,396	358,009	1,032,290
Relocation	46,548	13,753	20,000	80,301
Exterior Rehab	-	8,125	30,000	38,125
Window Replacement	-	34,127	250,000	284,127
Draft Stops	-		50,000	50,000
Roof/Gutters	-		64,000	64,000
Exterior Painting	-	47,940	180,000	227,940
Landscape	-	5,947	48,000	53,947
Fencing	-	6,245	15,000	21,245
Foundation Repair	-	-	5,000	5,000
Sojourner Drainage	147,323	-	-	147,323
TOTAL EXPENDITURES	745,458	374,533	1,080,009	2,200,000
BALANCE (DEFICIT)	(378,209) 1)	(57,917) 1)	436,126	-

- 1) Deficits offset by \$600,000 loan from HTF to be repaid upon receipt of 108 loan.
- 2) City received Section 108 loan in August 2003.
- 3) Represents Capital Funds for FY 2001-2002 (\$148,185) and FY 2002-2003 (\$139,931).
- 4) Total Capital Funds for FY 2003-2004 = \$108,640. \$10,684 to PH Operations.
- 5) Amount to be requested from State for RHCP rehab.

BERKELEY HOUSING AUTHORITY - SECTION 8 LEASE UP PERFORMANCE

(ATTACHMENT E)

JANUARY - DECEMBER 2001

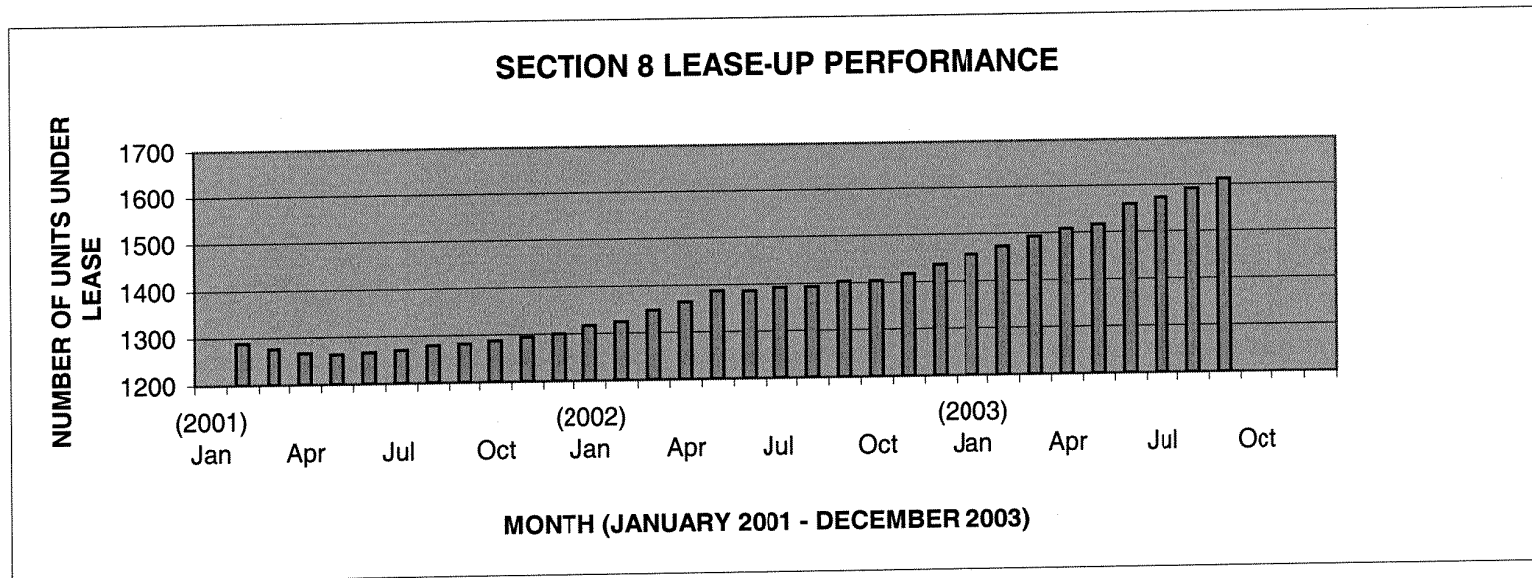
MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR LOSS
January	N/A	N/A
February	1288	-16
March	1276	-12
April	1266	-10
May	1263	-3
June	1266	3
July	1270	4
August	1279	9
September	1281	2
October	1287	6
November	1294	7
December	1300	6

JANUARY - DECEMBER 2002

MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR LOSS
January	1317	17
February	1324	7
March	1348	24
April	1364	16
May	1387	14
June	1386	8
July	1392	6
August	1393	10
September	1403	10
October	1403	0
November	1417	14
December	1436	19

JANUARY - DECEMBER 2003

MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR (LOSS)
January	1456	20
February	1472	20
March	1492	20
April	1508	16
May	1516	8
June	1559	43
July	1572	13
August	1591	19
September	1612	21
October		
November		
December		





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Troubled Agency Recovery Center, Memphis Office
One Memphis Place
200 Jefferson Avenue, Suite 300
Memphis, Tennessee 38103-2335

September 2, 2003

Mr. Rick Mattessich
Interim Executive Director
City of Berkeley Housing Authority
1901 Fairview Street
Berkeley, CA 94703 2718

2003 SEP -4 PM 1:07
CITY OF BERKELEY
HOUSING AUTHORITY

Dear Mr. Mattessich:

This letter is to notify you that effective October 5, 2003, the servicing and recovery efforts for your agency will be transferred to your local Hub/ Program Center. The Department has undergone a realignment, which assigned the roles and responsibilities of the Troubled Agency Recovery Centers (TARCs) to the Hubs/Program Centers. As part of the realignment efforts, the Department disbanded the Cleveland and Memphis TARCs and created a new Hub in Memphis Tennessee and a Recovery and Prevention Corp in Cleveland Ohio. The Memphis Hub will assist in servicing housing authorities in Tennessee. The Recovery Corp will provide specialized support to PHAs that are being serviced by the Hubs/Program Centers.

In the next few weeks, we will contact you to provide specific details and assistance regarding the transfer of your agency to the appropriate Hub/Program Center or the Recovery and Prevention Corps.

We appreciate your cooperation during this transition. If you have any questions, please feel free to contact me at (901) 544-4299.

Sincerely,

Charles T. Barnett
Acting Director

cc: Field Office Director
PIH Hub Director and/or PC Coordinator
PIH Office of Field Operations Director