


Office of the Executive Officer

INFORMATION CALENDAR

March 16, 2004

To: Honorable Chairperson and
Members of the Housing Authority

From:  Phil Kamlarz, Acting Executive Officer

Subject: Section 8 Consultant

INTRODUCTION

The purpose of this item is to inform Board members that the independent consultant under contract by the U.S. Department of Housing and Urban Development (HUD) to work with the Berkeley Housing Authority (BHA) arrived on February 24, 2004. The main objective of the six-person consultant team is to help the agency improve its Section 8 Management Assessment Program score (SEMAP) to eliminate the agency's Section 8 troubled status designation.

CURRENT SITUATION AND ITS EFFECTS

MDStrum Housing Services, Inc., under contract with HUD, specializes in assisting housing authorities designated as troubled. MDStrum has developed a comprehensive work plan which includes review of BHA's financial and programmatic records, meeting with individual staff members, observing the way staff conducts business, and staff training. The firm's end product will include recommendations on how the agency can improve its operations while balancing annual revenues with expenditures as well as significant staff training. The end-goal is for the BHA to achieve a passing SEMAP score while providing the necessary tools to avoid future designations of troubled status. MDStrum timetable is to submit a final report with recommendations by mid-June 2004.

MDStrum's work plan includes meetings with both tenant commissioners to the BHA Board. Ms. Payne and Ms. Ms. Clark will be contacted to find a mutually agreeable meeting schedule. MDStrum would also be delighted to meet with any other Board member who wishes to provide input or learn more about the consultant services underway.

The contractual services planned for the agency have significant benefits for the BHA. By sending the consulting team to work with us, HUD has dedicated a considerable amount of its own financial resources to assist our agency with its internal operations. The BHA will benefit from extensive training in Section 8 regulations as well as staff team building, and the development of comprehensive written procedures for improved coordination of the Section 8 work efforts. After preliminary meetings with the consulting team, BHA management is extremely hopeful that significant and long-term improvements will be in place at the start of the upcoming fiscal year.

It should be noted that although the BHA has been designated as troubled for both its Section 8 and Public Housing programs, the consulting team will be providing technical assistance for the Section 8 program only. We expect the same process to be initiated in response to our Public Housing troubled designation in the near future. We should also note that the consultant's presence over the next months will require a significant dedication of staff time, including all operations units as well as the administration unit. This is inevitable as MDStrum seeks to understand the operational and financial systems and protocols currently used by agency staff.

In keeping with past practice of regularly reporting to the Board on the Section 8 lease-up progress, staff reports that the Section 8 lease-up improved to 1,723 units as of March 1, 2004. This represents a net gain of 19 units from the prior month. The attached chart shows the Section 8 lease-up progress over the last three years.

POSSIBLE FUTURE ACTION

The BHA will be submitting the consultant's final report and recommendations to the Board in June or July of this year for possible Board action.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Improving the agency's SEMAP score to a passing level is imperative to avoid possible financial sanctions from HUD.

CONTACT PERSON

Stephen Barton (510) 981-5400
Sharon Jackson (510) 981-5421

Approved:



Stephen Barton, Housing Director

Attachment

BERKELEY HOUSING AUTHORITY - SECTION 8 LEASE UP PERFORMANCE

(ATTACHMENT A)

JANUARY - DECEMBER 2001

MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR LOSS
Jan	1288	----
Feb	1288	-16
Mar	1276	-12
Apr	1266	-10
May	1263	-3
June	1266	3
Jul	1270	4
Aug	1279	9
Sept	1281	2
Oct	1287	6
Nov	1294	7
Dec	1300	6

JANUARY - DECEMBER 2002

MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR LOSS
Jan	1317	17
Feb	1324	7
Mar	1348	24
Apr	1364	16
May	1387	14
June	1386	8
Jul	1392	6
Aug	1393	10
Sept	1403	10
Oct	1403	0
Nov	1417	14
Dec	1436	19

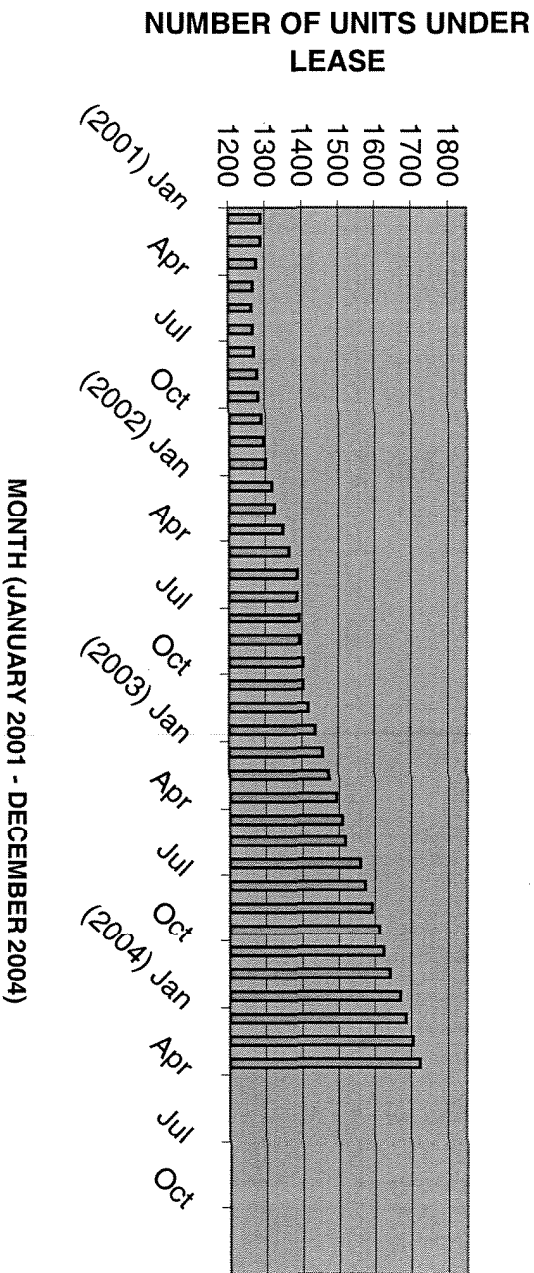
JANUARY - DECEMBER 2003

MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR (LOSS)
Jan	1456	20
Feb	1472	20
Mar	1492	20
Apr	1508	16
May	1516	8
June	1559	43
Jul	1572	13
Aug	1591	19
Sept	1612	21
Oct	1624	12
Nov	1641	17
Dec	1669	28

JANUARY - DECEMBER 2004

MONTH	LEASE-UP: 1st OF MONTH	NET GAIN OR (LOSS)
Jan	1685	16
Feb	1704	19
Mar	1723	19
Apr		
May		
June		
Jul		
Aug		
Sept		
Oct		
Nov		
Dec		

SECTION 8 LEASE-UP PERFORMANCE



MONTH (JANUARY 2001 - DECEMBER 2004)

