



Office of the Executive Officer

ACTION CALENDAR
May 23, 2006

To: Honorable Chairperson and
Members of the Housing Authority

From: *PK* Phil Kamlarz, Executive Officer

Submitted by: Stephen Barton, Director, Housing Department

Subject: Contract: Property Management and Maintenance of BHA Public Housing Units

RECOMMENDATION

Adopt a Resolution authorizing the Executive Officer to execute a contract and any amendments with Affordable Housing Associates for the property management and maintenance of Berkeley Housing Authority public housing units for the period of June 1, 2006 to December 31, 2006 in an amount not to exceed \$263,000.

FISCAL IMPACTS OF RECOMMENDATION

The recommended contract of \$263,000 is for an initial seven-month period (June 1, 2006 through December 31, 2006). The annualized amount of this contract is \$450,000, which is approximately 85% of the projected revenue for the Public Housing operating budget for the first half of FY 2007. The BHA will retain 15% of the revenue to support the cost of managing the contract. Funding for this contract comes from the Low Income Public Housing grant (US Department of Housing and Urban Development), the Rental Housing Construction Program (California Department of Housing and Community Development) and rent collections from the tenants. CMS#: T8BAV

CURRENT SITUATION AND ITS EFFECTS

The current contract with Affordable Housing Associates has expired. In order to continue providing property management services, the BHA must either assume responsibility for the property management function or enter into a contract with Affordable Housing Associates. HUD has changed its funding cycle for operating budget to the calendar year. In order to streamline the process, the BHA will enter into a contract for the remainder of the calendar year and then enter into a new contract to be effective January 1, 2007 based on the new HUD budget allocation.

BACKGROUND

In March 2003, the BHA published a Request for Proposals for property management services. The Affordable Housing Associates was the only responsive agency. At that time, the BHA entered into a contract with them for ten months. The contract was amended for an additional 12 months. That contract is now expired.

RATIONALE FOR RECOMMENDATION

This recommendation is intended to maintain the current property management services until such time as the BHA Acting Manager can assess public housing needs and determine if another Request for Proposals is necessary. At this critical period in the agency's operations, it would be difficult, and potentially damaging to the recovery efforts, to consider switching the management agency at this time.

ALTERNATIVE ACTIONS CONSIDERED

Management of the property by BHA is an option. However, given the current level of staffing and the issues surrounding the SEMAP, it is imperative that the BHA directs all of its efforts to resolving the SEMAP issues. In addition, it is critical that the public housing operations remains at a passing PHAS level. Switching over to a new agency or bringing the management back into the BHA could prove to be damaging to both the PHAS and the SEMAP at this time.

The BHA will continue to consider long-term solutions for the property management, such as: converting all or part of the 61 units of federally-funded units to project-based Section 8; converting ownership of the units to an alternative form such as a non-profit organization or a limited-equity cooperative.

CONTACT PERSON

Beverli A. Marshall, Acting Manager, Berkeley Housing Authority, 981-5471

Attachments:
1: Resolution

RESOLUTION NO. _____

AUTHORIZING THE EXECUTIVE OFFICER TO EXECUTE A CONTRACT AND ANY AMENDMENTS WITH AFFORDABLE HOUSING ASSOCIATES FOR THE PROPERTY MANAGEMENT AND MAINTENANCE OF BERKELEY HOUSING AUTHORITY PUBLIC HOUSING UNITS FOR THE PERIOD OF JUNE 1, 2006 TO DECEMBER 31, 2006 IN AN AMOUNT NOT TO EXCEED \$263,000

WHEREAS, the Berkeley Housing Authority (BHA) is responsible for property management and maintenance of its 75 units of public housing; and

WHEREAS, the BHA recognizes its staffing and budgetary limitations in self-managing the public housing units; and

WHEREAS, the BHA has determined that contracting out for property management and maintenance of the public housing program is the more cost-effective option; and

WHEREAS, Affordable Housing Associates was the only responsive submission during the March 2003 Request for Proposal process; and

WHEREAS, the contract with Affordable Housing Associates has expired.

NOW THEREFORE, BE IT RESOLVED by the Housing Authority of the City of Berkeley that the Executive Officer is authorized to execute a contract and any amendments with Affordable Housing Associates for the property management and maintenance of Berkeley Housing Authority public housing units for the period of June 1, 2006 to December 31, 2006 in an amount not to exceed \$263,000.

A record signature copy of said contract and any amendments to be on file in the office of the City Clerk.