




Office of the Executive Officer

INFORMATION CALENDAR

September 19, 2006

To: Honorable Chairperson and
Members of the Housing Authority

From:  Phil Kamlarz, Executive Officer

Submitted by: Stephen Barton, Housing Director

Subject: Section Eight Management Assessment Program (SEMAP) Report – FY 2006

INTRODUCTION

On August 25, 2006, the Berkeley Housing Authority (BHA) submitted the attached report to the U.S. Department of Housing and Urban Development (HUD).

FISCAL IMPACTS OF THIS REPORT

There are no fiscal impacts of this report.

CURRENT STATUS AND BACKGROUND

The attached report certifies to 90 points on a base of 135 points, for a score of 67 percent. This qualifies the BHA as a “Standard Performers” and is sufficient to lift the Section 8 Program out of “Troubled” status as long as it confirmed by HUD.

The letter is accompanied by a table with brief comments on how the BHA is doing on each SEMAP indicator and explanations of why the BHA did or did not claim points for each indicator. The actual BHA SEMAP submission is attached at the end.

HUD will conduct a confirmation review within the next sixty days.

POSSIBLE FUTURE ACTION

Staff is very pleased that the BHA made sufficient progress to have the possibility to move out of troubled status with HUD, but we recognize that there is still a great deal of improvement needed to properly serve the tenants and owners, and meet HUD regulatory requirements.

It is possible that the HUD reviewers will disagree with the BHA on some indicators, and loss of points could result in HUD keeping the agency in troubled status.

In response to the Board’s request, the BHA sponsored an informational meeting for BHA tenants at the South Berkeley Senior Center on Saturday, August 26, 2006. Over 130 tenants attended, and the majority of the meeting was spent hearing and responding to tenant concerns.

We will also continue to develop proposals for significant changes in BHA governance and bring these proposals to the Board for further review.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

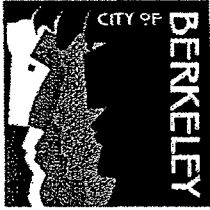
Unknown.

CONTACT PERSON

Tia Ingram, Acting BHA Manager, (510) 981-5471

Attachment:

1. Fiscal Year 2005-06 SEMAP Certification



Housing Department
Berkeley Housing Authority

Attachment 1

August 25, 2006

Stephen Schneller, Director
Office of Public Housing
U.S. Department of Housing and Urban Development
San Francisco Regional Office
600 Harrison Street, 3rd Floor
San Francisco, CA 94107-1387

Re: Fiscal Year 2005-06 SEMAP Certification

Dear Mr. Schneller:

This letter accompanies transmission of the Section 8 Management Assessment Program (SEMAP) certification for the Berkeley Housing Authority for Fiscal Year (FY) 2005-06. We are very pleased with the direction the agency is going under the new leadership of Ms. Ingram. Already improvements can be seen, staff is responding favorably, and we are beginning to get positive feedback from program participants (owners and families alike).

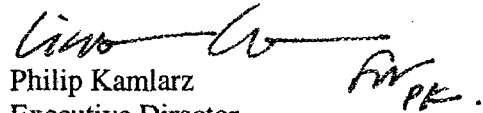
The SEMAP certification is an important tool in evaluating the performance of a Public Housing Authority, but it is limited in its ability to reflect the level and quality of services actually provided in a community. Fiscal Year 05-06 was a challenging period for the BHA. We encountered allegations of fraud/abuse by management staff; carried out a computer software conversion; and dealt with a critical management void. Notwithstanding, we continued to administer assistance on behalf of some 1,800 low-income clients; successfully provided new Section 8 Tenant Based housing assistance to 25 families displaced by the Hurricane Katrina disaster; and completed initial leasing for the University Neighborhood Apartments (Section 8 Project Base development).

In the attached document we provide you with some important background regarding several of the indicators in our SEMAP self-certification. We look forward to the confirmatory review and the opportunity it will provide our staff to share with you the many enhancements to our operations (policies and procedures) that we have implemented since the end of the reporting period.

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Finally, Tia Ingram, Acting Manager indicates that she and Andrew Nguyen of your staff are working collaboratively to address critical issues at the BHA as they arise. We remain appreciative of the collaboration, and look forward to continuing it as we strive for excellence in our administration of the program.

Sincerely,


Philip Kamlarz
Executive Director

cc: Stephen Barton, Housing Director
Tia M. Ingram, Acting BHA Manager

FY 2005-06 SEMAP Certification

#	Subject	Points Claimed	Background
1	Wait List	15	<p>The Section 8 Wait List was not purged/updated during the reporting period. Available vouchers were reserved for Project Base assistance and were not generally issued to clients on the wait list with the following exceptions: (a) Katrina victims; (b) two clients were reinstated; (c) incoming portable clients; and (d) applicants that opted for Project Base assistance, Shelter Plus Care or Moderate Rehabilitation.</p>
2	Rent Reasonableness	20	<p>Obtaining rent information for unassisted units in this single city jurisdiction is further complicated by the local Rent Control Ordinance. The Admin Plan is compliant with HUD regulations and notes that amenities will be factored into the rent determination, while the rent comp information provided by the Rent Stabilization Board is extremely limited in its description of amenities. For this reason, staff has consistently followed the long-standing practice, reviewed and approved over many years by HUD of utilizing this verified rent data to support contract rent amounts, utilizing rent data for similar bedroom-size units within the same census tract and/or zip code even though the comparability review could not factor in all the amenities in the Administrative Plan. We are currently developing a database of rents utilizing Craig's List and Metro Rent (internet based data bases). We are already using this augmented information for current rent comparability determinations. We are scheduled to go live with "Go-S8", a rent comp service offered by Nan McKay and Associates by September 1st. The database contains 500 non-assisted comps, including units in Berkeley and contiguous cities.</p>
3	Adjusted Income	0	<p>This indicator measures accurate calculation of TTP. In at least 80% of the cases audited staff arrived at the correct TTP, or the variance was minor (less than \$15 per month in tenant rent). We have, or are in the process of processing interims to correct these errors, and arranging for reimbursement to the tenant.</p> <p>However, staff scored poorly on the second part of this indicator, compliance with 3rd party verification. We discovered a significant systemic problem with 3rd party verification and file documentation. A significant number of files do not contain TASS/EIV and/or documentation that 3rd party was requested from other income sources. Staff was not properly trained on the TASS/EIV requirement and further advises they were not instructed to retain</p>

			documentation of 3 rd party requests, just to note that it had been requested. Staff has been given written instructions, changes have been proposed to the Admin Plan and training is ongoing.
4	Utility Allowance	5	Revised June 2006
5	Quality Control HQS	5	In a number of cases the supervisor utilized the initial inspection report and added comments about his/her observations during the audit inspection. Our current practice is to prepare a complete inspection report at the time of the audit and compare it to the staff report.
6	HQS Enforcement	0	<p>Inadequate records were maintained of failed items, making it impossible to pull a random sample for review.</p> <p>We are confident that staff responded to 24-hour fail items in a timely manner, but we cannot assert that routine failed items were corrected within 30-calendar days, or that extensions were documented. We are now processing 50058's immediately following inspections and tracking all failed inspections via a database.</p>
7	Housing Opportunities And Deconcentration Bonus	5 (+5)	<p>The BHA was not engaged in any significant lease-up activities during the year, thus there were no tenant briefings where information is provided about housing search opportunities. We have assembled a packet of materials that shows the areas of low poverty, transit lines, school attendance areas, concentrations of employment and other information that can be helpful to families joining the program, as described in our Administrative Plan.</p> <p>The BHA asks clients seeking to port-out of the jurisdiction to identify the factor(s) leading to their decision to leave the jurisdiction (most indicate a desire to be closer to family or doctor). We have yet to fully develop a system for tracking and responding to the data.</p> <p>The Administrative Plan contains detailed information about the various outreach efforts the BHA will utilize to solicit owner participation throughout the city.</p> <p>Stephen Barton, Housing Director was a guest speaker at the University of CA on affordable housing issues; one element of his talk was the role of Section 8 assistance in making housing affordable. Stephen Barton, and Sharon Jackson (former BHA Manager) attended several meetings of the Berkeley Black Property Owners Association. Debra Ward, Senior Housing Assistance Supervisor was a panelist for the "Expanding Housing Opportunities" workshop presented by Alameda County.</p>

			<p>We have an owners' brochure and plan at least one mass mailing this year, in addition to distribution at various meetings and forums. We also plan to strengthen our partnership with the Berkeley Property Owners Association, the Berkeley Black Property Owners Association and the Rental Housing Association of Northern Alameda County. The Housing Authority has a link to the City of Berkeley's website. We will work with the City's Information Technology Department to insure an easy link and to enhance and maintain our website.</p> <p>We are also claiming the deconcentration bonus; please see our April 17, 2006 letter for further information.</p>
8	Payment Standards	5	The BHA updated the Payment Standards in response to new FMRs issued by the Department
9	Annual Reexaminations	0	Staff was unable to respond to the demand for annual and interim recertifications in a timely manner. We are working with our software provider to insure that we have management reports to track staff performance and all key SEMAP indicators.
10	Tenant Rent Calculations	5	This is not a self-certification indicator. Data confirmed in PIC.
11	Pre-Contract HQS	5	Information in PIC is incorrect for this indicator. In one case the client ported to the Oakland Housing Authority, and BHA had no control over the inspection or contract date. In another instance the client has been under contract in the unit since 2001. In the other two cases, we have copies of the inspection reports and HAP contracts demonstrating compliance.
13	Lease-Up	20	We have executed ACCs with HUD for project based assistance at three projects that were initially targeted to begin leasing during the fiscal year; an appropriate number of vouchers were reserved for these clients. After accounting for the reserved vouchers, we had a lease up rate of 98.2% for the year.
14	Family Self Sufficiency	0	PIC reports a minimum program size of 0. We have attempted to manage a small FSS program, but without much success. We indicated "not applicable" for this indicator and plan to request a waiver for any minimum program size.
Total Points Claimed		90	

Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB Approval No. 2577-0215 (exp. 11/30/2006)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

Instructions Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name BERKELEY HOUSING AUTHORITY	For PHA FY Ending (mm/dd/yyyy) 06/30/2006	Submission Date (mm/dd/yyyy) 08/28/2006
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Check here if the PHA expends less than \$300,000 a year in Federal awards
Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

Performance Indicators

- 1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))**
(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes No

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes No
- 2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)**
(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes No

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response At least 98% of units sampled 80 to 97% of units sampled Less than 80% of units sampled
- 3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)**
The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response At least 90% of files sampled 80 to 89% of files sampled Less than 80% of files sampled
- 4. Utility Allowance Schedule. (24 CFR 982.517)**
The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes No
- 5. HQS Quality Control Inspections. (24 CFR 982.405(b))**
A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes No
- 6. HQS Enforcement. (24 CFR 982.404)**
The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response At least 98% of cases sampled Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

Applies only to PHAs with jurisdiction in metropolitan FMR areas.

Check here if not applicable

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

PHA Response Yes No

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

PHA Response Yes No

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

PHA Response Yes No

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

PHA Response Yes No

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

PHA Response Yes No

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

PHA Response Yes No

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

PHA Response Yes No

Enter current FMRs and payment standards (PS)

0-BR FMR <u>945</u>	1-BR FMR <u>1,132</u>	2-BR FMR <u>1,342</u>	3-BR FMR <u>1,870</u>	4-BR FMR <u>2,293</u>
PS <u>952</u>	PS <u>1,150</u>	PS <u>1,362</u>	PS <u>1,847</u>	PS <u>2,287</u>

If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

PHA Response Yes No

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

PHA Response Yes No

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

PHA Response Yes No

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

PHA Response Yes No

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

PHA Response Yes No

14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

or, Number of mandatory FSS slots under HUD-approved exception

b. Number of FSS families currently enrolled

c. Portability: If you are the initial PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Percent of FSS slots filled (b + c divided by a)

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305) Applies only to PHAs required to administer an FSS program.

Check here if not applicable

PHA Response Yes No

Portability: If you are the initial PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Deconcentration Bonus Indicator (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;
- or
- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

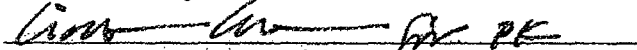
PHA Response Yes No If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

Chairperson, Board of Commissioners, signature





Date (mm/dd/yyyy) 08/28/2006

Date (mm/dd/yyyy) 08/28/2006

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) 08/28/2006

PHA Name BERKELEY HOUSING AUTHORITY

Principal Operating Area of PHA CITY OF BERKELEY
(The geographic entity for which the Census tabulates data)

Special Instructions for State or regional PHAs. Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area _____

Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) 632 a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- 1033 b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- 60% c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).

Is line c 50% or more? Yes No

- 2) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- _____ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes No

- 3) _____ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- _____ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- _____ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- _____ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes No

If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.

See instructions above concerning bonus points for State and regional PHAs.