

**Berkeley Housing Authority
Housing Preservation Plan**

Frequently Asked Questions
(revised February 1, 2010)

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Q: What is the Housing Preservation Plan?

A: The BHA adopted a Plan in July 2009 to convert its 75 units of Federal and state scattered-site housing into privately owned affordable rental housing with Section 8 Voucher rental assistance for those households that qualify.

The proposed change will allow the apartments to be fixed up, bringing them to modern standards, including new flooring and carpeting, cabinets, counter tops, appliances, heating units and painting. Exterior improvements will include new roofs, siding and stucco work, painting, repaving and landscaping.

As with Public Housing, under the Voucher program tenants will pay 30% of their adjusted income for rent. (Under RHCP, the formula is a little different, but the end rent will be similar to what a tenant pays now.)

The proposed conversion will also ensure that the 75 scattered-site units are preserved over the long term as affordable rental housing serving low-income families in the City of Berkeley.

The BHA submitted a “Disposition” application to the U.S. Department of Housing and Urban Development (HUD) on December 29, 2009, to transfer its 61 public housing units to a new to-be-selected affordable housing owner, that will be responsible for financing, renovating and operating the apartments in the long term as affordable rental housing. The BHA will prepare a similar request to the State of California Department of Housing and Community Development (HCD) to convert its 14 scattered-site RHCP units.

Under the Plan, the BHA will continue to be closely involved in the oversight of the new housing through its provision of Section 8 rental assistance to the families living in the housing and through a long-term ground lease or deed restrictions or other recorded restrictions that will ensure permanent affordability and good operation and maintenance of the housing.

The Plan will allow the BHA to focus on its core mission, which is operating a successful Housing Choice Voucher program serving almost 2,000 households in the City of Berkeley.

Q: Why is the BHA Making These Changes?

A: Time has run out. Since 2005, the BHA has been designated a “troubled” housing authority by HUD. The BHA is bound by a Memorandum of Agreement (MOA) with HUD, with a December 31, 2009 deadline, to either create a plan to fix up its public housing and operate it in the black, or get out of the public housing business.

The BHA’s 75 scattered-site units are old and have extensive repair needs, which will require over \$4.5 million in direct “hard costs” alone to address. The BHA is losing over \$150,000 a year to operate its public housing. The money that the BHA receives from HUD continues to be reduced each year.

Historically, the City of Berkeley subsidized the BHA’s operating deficits. However, the BHA is no longer a department within the City. Under a separate Memorandum of Understanding (MOU) with the City of Berkeley, the BHA is obligated to become financially self-sufficient by 2009.

After a lengthy planning process last spring and summer, the BHA Board and staff developed a **Preservation Plan** to fix up its existing housing and preserve it in the long term as affordable rental housing serving families in the City of Berkeley, but outside of the public housing system. A copy of the Strategic Plan is available on the BHA website and at our offices.

The Preservation Plan will allow the BHA to:

- preserve affordability and serve the same income population that the BHA serves right now;
- maintain BHA oversight and control of the housing in the long-term;
- exit the HUD public housing program and regulations, which are extremely onerous for an Authority consisting of only 61 units; and,
- identify an experienced affordable housing partner that will finance and carry out the renovation and operate the units more efficiently and professionally.

Q: When Will This Happen?

A: Very little will change for residents until the summer of 2010 at the earliest.

The BHA submitted its “Disposition Plan” to HUD for permission to opt out of the public housing program in December 2009. We expect HUD approval of the Plan in the spring of 2010.

In February 2010, the BHA will form a Planning Advisory Committee (PAC) that will have on-going involvement in the disposition and redevelopment effort. The PAC will be made up of interested resident households that will be affected by the disposition as well as key members of the broader community, including members of social service

agencies and religious organizations. The PAC will be invited by the BHA to take part in all aspects of the disposition and redevelopment process, including the relocation plan, the evaluation of qualifications for the affordable housing entity or entities, the rehabilitation scope of services, and the design of future supportive services programs.

Based upon the feedback from the PAC, the BHA plans to begin the search for an affordable housing owner/operator in the spring of 2010.

The BHA will also begin certifying residents for Housing Choice Voucher rental assistance in the spring of 2010 and begin to identify those residents who do not want to return, or who, because of household size or family income will not be able to return.

The BHA will also apply to HUD for a replacement Vouchers in the spring. Replacement Vouchers are an additional allocation of money from HUD specifically for residents affected by public housing disposition. In the event we do not receive replacement vouchers from HUD, the BHA will allocate vouchers under its existing budget authority in order to proceed with the disposition.

Renovation work probably won't start until late 2011.

Q: How Will This Affect Families Living in BHA Housing?

A: First, families will not lose their existing rental assistance, with some very rare exceptions, such as being over-income. (See below.) Of course, residents will have to continue to pay their rent on time and be in good standing with their other lease terms.

The rental subsidy will be converted from public or RHCP housing to Housing Choice Voucher rental assistance. Families will continue to pay 30% of their adjusted income for rent. (As noted above, RHCP households will continue to pay about the same rent they're paying now.) The Housing Choice Voucher has the added benefit of being "portable" after a family has lived in project-based rental housing for more than a year. That means that a family can use the rental assistance to move to another apartment in Berkeley or anywhere else in the country.

Many families will be able to move back to their original apartment or to an apartment nearby after the renovation—so these families will be living in better housing.

However, every family will probably have to move at least once during the renovation of the apartments. Under relocation rules, every household will most likely qualify to receive relocation assistance in finding temporary and/or permanent replacement housing and for reasonable moving costs.

The BHA public housing program began operation in 1989. Many BHA residents have lived in their units for over a decade or even since the inception of the program. They have raised their families in BHA public housing and may now be "empty nesters," with only 1 or 2 people living in a 3- or 4-bedroom unit. Because the BHA public housing is a "closed system" with only large family units in its portfolio and very little turnover, the number of "over housed" households has grown over time, comprising now 34 of the 67 occupied BHA units. These residents—many near retirement age and a number with disabilities—are understandably very concerned about their future.

The BHA and its relocation consultant, Overland, Pacific & Cutler, Inc. (OPC) will work closely with over housed families who are not able to stay to find good housing in the City of Berkeley or nearby that matches their family size, and they will continue to pay about 30% of adjusted income for rent.

In the rare case where a BHA household is over-income adjusted for family size and does not qualify for the Voucher program, the BHA and OPC will also help this family to find good housing in the City of Berkeley or nearby, and provide relocation rental assistance for up to 42 months to cover the difference between what they're paying now and what they paid previously in rent. We estimate that only 3 (out of 67) existing BHA households are currently over-income by Section 8 standards.

Q: What is the “Relocation Plan?”

A: The Relocation Plan is the detailed manual of how the relocation will be carried out, including: (1) the estimated number of families that will be permanently and temporarily moved (2) the type of counseling and advisory services, and other housing help, that the BHA plans to provide to residents (3) the inventory of comparable housing that is located in the City of Berkeley or nearby that will be offered to residents who are not able to return, and (4) a schedule for the permanent and temporary relocation of residents on a month-to-month basis.

The BHA has developed a set of overarching goals for the proposed relocation. The primary goal of the BHA relocation plan is to ensure that every household in the existing BHA public housing is provided with decent, safe and affordable replacement housing, either in the units conveyed through this disposition and operated as affordable housing, or in comparable housing in the surrounding community. The BHA has contracted with OPC to perform relocation planning for the BHA and to provide outreach and advisory/counseling services to the residents. OPC will also implement the relocation program, once an affordable housing entity(s) has been selected. OPC's Oakland, CA office is managing the relocation program.

The core of the BHA relocation plan is as follows:

- All existing residents who are income-qualified will be offered replacement Housing Choice Voucher rental assistance and will continue to pay 30% of their adjusted income for rent, regardless of their choice of relocation housing.
- Households who are eligible by income and household size will be offered the option to return to the renovated development, post-disposition.
- Some smaller families—those with 1 to 3 people in their household—may not be able to return to an existing 3- or 4-bedroom BHA unit. The BHA and OPC will work closely with these families to find good housing in the City of Berkeley or nearby that matches their family size, and they will also continue to pay 30% of adjusted income for rent.
- In the very rare case where a BHA household is over-income adjusted for family size and does not qualify for the Voucher program, the BHA and OPC will also help this family to find good housing in the City of Berkeley or nearby, and provide relocation rental assistance for up to 42 months to cover the eligible

differences between what they're paying now and what they paid previously in rent.

- Every family will probably have to move at least once during the renovation of the apartments. Under relocation rules, most households will likely qualify to receive relocation assistance in finding temporary and/or permanent replacement housing and for reasonable moving costs. Every family will be provided with extensive housing counseling and advisory services.

The BHA submitted a preliminary Relocation Plan to HUD in December 2009. This preliminary plan is rough, based on the information that we have right now about the proposed renovation. Once the affordable housing owner is on board, the BHA and OPC will begin to work with the BHA households to develop a more detailed relocation plan, based on the real construction schedule and staging and individual family situations. The BHA will work hard to develop a plan that causes the least amount of disruption to families.

Q: Who Do I Call to Get More Information?

A: The BHA has hired the OPC to represent it and to assist families in the relocation process. OPC will be holding informational meetings this fall to talk about the Relocation Plan. OPC will also schedule individual interviews with all residents to better understand your situation and to answer any questions or address any concerns you may have.

If you have any questions about this or any other relocation issue, please contact Chad Wakefield at OPC at (510) 638-3081 x 106 or email cwakefield@opcservices.com.

