



## Berkeley Housing Authority Housing Preservation Plan

### Questions and Answers

(revised October 26, 2009)

#### **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 provide for the rehabilitation of the units such as upgrades in interior fixtures and flooring and exterior improvements such as roofing and siding.

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 families in the City of Berkeley.

The BHA is preparing a “Disposition” application to HUD 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 (for 50+ years) 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.

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 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.

#### **Q: When Will This Happen?**

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

The BHA will submit 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. The BHA will also begin the search for an affordable housing developer this winter.

The BHA will begin certifying residents for Housing Choice Voucher rental assistance in the spring of 2010. We will also begin relocating 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 Voucher in the spring. 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 2011.

We are beginning the relocation planning process early—now—so that you know what to expect and can make plans for the future.

**Q: How Will This Affect My Family?**

A: First, your family will not lose its 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.

Your rental subsidy will be converted from public or RHCP housing to Housing Choice Voucher rental assistance. You will continue to pay 30% of your 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 you have lived in project-based rental housing for more than a year. That means that you can use your rental assistance to move to another apartment in Berkeley or elsewhere.

Many families will be able to move back to their original apartment or to an apartment nearby after the renovation—so you 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, you will most likely qualify to receive relocation assistance in finding temporary and/or permanent replacement housing and for reasonable moving costs.

Some smaller families—those with 1 to 3 people in their household—will likely not be able to return to their existing 3- or 4-bedroom BHA unit. The BHA and the relocation consultant, Overland, Pacific & Cutler, Inc. (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 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.

**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 will submit a preliminary Relocation Plan to HUD in December 2009. This preliminary plan will be rough, based on the information that we have right now about the proposed renovation.

Once the new affordable housing developer is on board, the BHA and OPC will begin to work with you to develop a more detailed Relocation Plan, based on the real construction schedule and staging and your individual family situation. We will work hard to develop a plan that causes the least amount of disruption to your family.

**Q: Who Do I Call to Get More Information?**

A: The BHA has hired the OPC to represent it and to assist you 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](mailto:cwakefield@opcservices.com).

