



## Berkeley Housing Authority

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### FOR IMMEDIATE RELEASE

## BHA SUBMITS PLAN TO PRESERVE HOUSING SERVING LOW-INCOME FAMILIES IN THE CITY OF BERKELEY

**January 22, 2010**—The Berkeley Housing Authority (BHA) has submitted a plan to the U.S. Department of Housing and Urban Development (HUD) to transfer the ownership of its 61 units of scattered-site housing to an affordable housing owner who, under a recorded lien agreement, agrees to modernize and maintain the properties as affordable rental housing in Berkeley.

The proposed transfer, detailed in an application to HUD on December 29, 2009, will include the requirement that the units be rehabilitated to bring them up to modern standards. This will entail upgrades in interior fixtures, appliances and flooring and exterior improvements such as new roofing and siding. The transfer will also ensure that the 61 units, as well as 14 state-financed Rental Housing Construction Program (RHCP) units (all 3- and 4-bedroom townhouse apartments for large families), continue to be available as affordable housing serving families in the City of Berkeley.

Under the “Disposition” application to HUD, the BHA will sell or transfer the units to a to-be-selected affordable housing owner that will assume responsibility for financing, renovating and operating the apartments as affordable 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.

### Protections for Existing Public Housing Residents

The goal of the BHA is to ensure that every household currently living in BHA public housing is provided with an opportunity to return to their unit after renovation or choose other decent, safe and affordable replacement housing in a location the family chooses. The BHA public and RHCP housing program began operation in 1983, and many BHA residents have lived in their units for more than a decade, some since the inception of the program. Having raised their families in BHA public housing, they may now be “empty nesters,” with only 1 or 2 people living in a 3- or 4-bedroom unit. Because the BHA public housing has had only large family units in its portfolio and has had very little turnover, the number of “over-housed” households – those living in units larger than

they need – has grown over time. Some of these smaller households may be moved to more appropriately-sized affordable housing in the community as a result of the Preservation Plan. This will ensure that the units serve large families, who have very few other options in Berkeley.

Under the Plan, rental subsidies will be shifted from public or RHCP housing to Project-Based Section 8 rental assistance. This conversion will not change the terms of the subsidy: Residents will continue to pay 30% of their adjusted income for rent. The Project-Based Section 8 subsidy also has the added benefit of being portable, allowing a family that has lived in project-based rental housing for more than a year to convert its rental voucher, if it chooses, to a Housing Choice Voucher and use in other housing of its choice in the City of Berkeley or elsewhere. This is a flexibility that does not exist currently. All existing public housing residents, with some very rare exceptions (being over-income, for example), will continue to receive rental assistance.

The BHA has contracted with the firm Overland, Pacific and Cutler (OPC) to perform relocation planning for the BHA and to provide outreach and advisory/counseling services to all BHA residents. The BHA and OPC will work closely with these families to find appropriate housing of their choosing. 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 find housing of its choosing in the City of Berkeley or nearby, and provide relocation rental assistance for up to 42 months to cover the difference between the previous and new rents. The BHA is committed to a process that causes the least amount of disruption to existing public housing residents.

Once the new affordable housing owner is selected, the BHA will begin to work with BHA residents to develop a more detailed Relocation Plan, based on individual family situations, the construction schedule, and staging requirements. It is likely that many existing residents will have to relocate at least temporarily in order to allow completion of the renovations.

### **BHA “Troubled” Public Housing Status**

Since 2005, the BHA has been designated a “troubled” housing authority by HUD. In a Memorandum of Agreement (MOA) with HUD, the BHA committed itself by December 31, 2009 to either create a plan to fix up its public housing and operate without a deficit or divest itself of the units.

The BHA’s units are between 22 and 27 years old and have extensive repair needs that would require more than \$4.5 million to address. Because of federal cuts in the public housing program, the BHA currently loses more than \$150,000 annually in operating its public housing.

After a lengthy planning process last spring and summer that explored many options, the BHA Board and staff developed a **Preservation Plan** that would fix up its existing housing and preserve it in the long term as affordable housing serving families in the City of Berkeley by moving it outside of the public housing system.

### **Next Steps**

The BHA is committed to including input from current BHA residents, other community members and housing advocacy groups as it develops the process for choosing the new owners. A schedule of informational meetings will be announced in the coming weeks. To drive this process, the BHA has adopted the following goals and principles:

### **.Goals**

- Maintain at least 75 affordable units on the existing sites
- Serve same household income population (up to 50% AMI) by providing a Section 8 voucher or Project Based assistance.

### **Principles for Process – *what BHA is committing to our current residents***

- Ensure the diversity of the population of those who will live in the units after repositioning/disposition process
- Ensure least possible displacement/disruption to current residents
- Ensure that residents continue to pay 30% of adjusted income with no minimum income requirement
- Ensure open and transparent communication about what we're doing and why
- Ensure that eligible existing residents have 1<sup>st</sup> priority for rehabbed units
- Ensure that BHA tenants and other Berkeley stakeholders are an integral part of planning/relocation process.

The BHA expects to receive HUD approval of its Plan in the spring of 2010. The agency will also begin the search for an affordable housing owner in late spring. Renovation work is expected to begin in 2011.

