

Office of the Executive Director

Item 7F
NEW BUSINESS
September 30, 2025

To: Honorable Chairperson and Members of the Berkeley Housing Authority Board

From: James Williams, Executive Director

Subject: AUTHORIZE USE OF EMERGENCY HOUSING VOUCHER (EHV) SPECIAL FEES FOR ESSENTIAL HOUSEHOLD ITEMS AND OWNER INCENTIVE AND/OR RETENTION PAYMENTS; AND RATIFY ALL PRIOR PAYMENTS THAT WERE ALREADY MADE.

RECOMMENDATION

AUTHORIZE USE OF EMERGENCY HOUSING VOUCHER (EHV) SPECIAL FEES FOR ESSENTIAL HOUSEHOLD ITEMS AND OWNER INCENTIVE AND/OR RETENTION PAYMENTS; AND RATIFY ALL PRIOR PAYMENTS THAT WERE ALREADY MADE.

BACKGROUND

Emergency Housing Vouchers (EHVs) are tenant-based rental assistance. Eligibility for EHVs is limited to individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

When allocating EHVs to PHAs in 2021, HUD also awarded services fees to help facilitate the leasing of EHVs as well as retain and support participating EHV owners. Eligible expenses for services fees, as described in Notice PIH 2023-23, fall into four categories: (1) housing search assistance; (2) security deposit, utility deposit, rental application, and holding fees; (3) owner-related uses; and (4) other eligible uses. HUD expanded the use of services fees in 2023 to provide more opportunities for PHAs to use the fees to support currently housed EHV families. Future guidance on returning unexpended service fees and reallocation is forthcoming.

PIH Notice 2023-23, iii. **Owner-related uses** states, "Owner incentive and/or retention payments. The PHA may make incentive or retention payments to owners that agree to initially lease their unit to an EHV family and/or renew the lease of an EHV family. The PHA may design the owner incentive payment to meet its specific needs (such as, for example, limiting the incentive payments to new owners or owners in high opportunity neighborhoods, owners with accessible units or owners that will make the living conditions accessible (interior/exterior structural modifications) for a person with disabilities, or structuring all or part of the payment as

a damages or unpaid rent mitigation fund, where the owner receives the mitigation payment only if the security deposit is insufficient to cover damages and other amounts owed under the lease).

The PHA may condition the offer of the owner incentive payment on the owner's agreement to abide by certain terms and conditions. For example, the PHA could require the owner to agree to contact and work with the family's CoC case manager or other intervention services (assuming such services are available) should lease violations or other tenant related issues arise during the assisted tenancy before taking action to evict the tenant. HUD anticipates that owner incentive/retention payments would typically be made as a single payment at the beginning of the assisted lease term (or lease renewal if a retention payment). However, regardless of the frequency that the PHA chooses to make such payments, owner incentive/retentions payments are not housing assistance payments and are not part of the rent to owner. Owner incentive / retention payments are not taken into consideration when determining whether the rent for the unit is reasonable."

PIH Notice 2023-23, iv. Other eligible uses also states, "**C. Essential household items.** The PHA may use the services fee funding to assist the family with some or all of the costs of acquiring essential household items as defined by the PHA (e.g., tableware, bedding, furniture, toiletries, cleaning supplies, etc.). The PHA may provide a pre-paid gift card (e.g., Visa, Mastercard, American Express) directly to the family, provided the PHA verifies the family purchased essential household items and obtains and maintains appropriate supporting documentation (e.g., a receipt)."

The BHA used EHV special fees incentives to property owners that agree to initially lease their unit to an EHV family in the amount of \$26,250.

The BHA is seeking authorization to provide approximately \$800 to participating property owners with the EHV tenants to incentivize their renewing the lease of their EHV families, totaling approximately \$40,000.

The BHA is also seeking authorization to provide approximately \$524 to EHV tenants for essential household items, totaling approximately \$26,212.

Amount	Topic
\$92,462	Total EHV Service Fees Available to the BHA
\$26,250	Property Owner Incentives for Initial Lease of EHV Household
\$66,212	Remaining Balance of EHV Service Fees
50	EHV Household
\$1,324	Remaining Balance of EHV Service Fees per EHV Household
\$26,212	Total Expenditure on EHV Eligible Expense Category - Essential Household Items
50	EHV Families
\$ 524	Expenditure per EHV Household on Essential Household Items
\$40,000	Total Expenditure on EHV Eligible Expense Category - Property Owner Retention Payment
50	EHV Families
\$ 800	Expenditure per EHV Household on Essential Household Items

BOARD RESOLUTION NO. 25-XX

AUTHORIZE USE OF EMERGENCY HOUSING VOUCHER (EHV) SPECIAL FEES FOR ESSENTIAL HOUSEHOLD ITEMS AND OWNER INCENTIVE AND/OR RETENTION PAYMENTS; AND RATIFY ALL PRIOR PAYMENTS THAT WERE ALREADY MADE.

WHEREAS, the Berkeley Housing Authority is an administrator of the Emergency Housing Voucher (EHV) program, authorized by the American Rescue Plan Act of 2021; and

WHEREAS, HUD Notice PIH 2023-23, which amends Notice PIH 2021-15, confirms that essential household items are an eligible use of EHV service fees to assist families with leasing and maintaining their housing; and

WHEREAS, essential household items are defined by the PHA including but not limited to: tableware, bedding, furniture, toiletries, cleaning supplies, etc.); and

WHEREAS, the PHA may provide these funds either through direct payment for items or via a pre-paid gift card, provided that all purchases are appropriately verified and documented; and

WHEREAS, the PHA recognizes that providing essential household items can remove a significant barrier for families transitioning into housing, thereby supporting successful lease-up and stabilize tenancies; and

WHEREAS, the PHA Board of Commissioners has reviewed the relevant HUD guidance and determined that this expenditure aligns with the goals of the EHV program and the best interests of participating families; and

WHEREAS, the PHA will establish and follow clear procedures to ensure all expenditures of EHV service fees for essential household items are reasonable, necessary, properly documented with receipts, and recorded in the PHA's EHV subledger, as required by HUD.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PUBLIC HOUSING AUTHORITY OF [CITY/STATE] that:

1. The PHA is hereby authorized to use EHV service fee funds for the purchase and provision of essential household items for EHV participants, consistent with current HUD regulations and guidance.
2. The Executive Director is authorized to develop and implement administrative procedures for the distribution of essential household items, which may include direct purchasing or providing pre-paid gift cards to families.

3. All use of EHV service fees for this purpose will be subject to a system of verification and documentation to ensure compliance with HUD requirements.
4. The Executive Director shall ensure that all expenditures are properly accounted for and recorded in the EHV subledger.
5. Ratify and approve prior payments already made for these purposes.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on September 30, 2025, by the following vote.

Ayes:

Noes:

Abstain:

Absent:

Attest: _____

James Williams, Secretary