



Berkeley Housing Authority

1947 Center St. 5th Floor Berkeley, CA 94704
Telephone: (510) 981 5470 Fax: (510) 981 5480

Office of the Executive Director

Item 6C
NEW BUSINESS
July 14, 2022

To: Honorable Chairperson and
Members of the Housing Authority Commission

From: Rachel Gonzales-Levine, *all* Acting Executive Director

Subject: Informational Report and Discussion on Project-based Section 8 RFP

BACKGROUND

In anticipation of a Fall 2022 opening of an RFP for a new allocation of PBVs, this report is meant to provide you with status information on the current PBV allocations so the Board will be able to direct staff to open up an RFP in the fall, and determine the number of PBVs BHA will allocate in the next issuance round.

Status

Currently there are PBV allocations throughout 25 properties in Berkeley, either in use or committed, totaling 476 units (Attachment 1). This count includes several that were allocated in 2020 which have yet to break ground, including Peoples' Park Supportive Housing (RCD); 1740 San Pablo Ave (BRIDGE Housing); Blake Apartments (SAHA).

HUD places a cap on the number of vouchers that housing authorities can assign to the Project-based program: 20%* of the vouchers in its Annual Contributions Contract (ACC), plus an additional 10% for specific categories, as allowed by the Housing Opportunity Through Modernization Act of 2016 (HOTMA). Those categories are:

- Homeless
- Veterans
- Units set aside for elderly (over 62) or disabled households offered social services
- Units in a census tract of 20% or less, as determined by the American Community Survey (<https://www.huduser.gov/portal/maps/hcv/home.html>)

* With MTW designation, BHA will be able to increase the percentage of PBVs that can be allocated, to a figure above 30% (but not more than 50%). The determination of the increased percentage will be made during the MTW Supplement to the Annual Plan process, starting in November and culminating in the April 2023 hearing/adoption of the Plan.

Using current (pre-MTW flexibility) allocation maximums, twenty percent of 1,975 vouchers = 395 PBVs that can be assigned under the "pre-HOTMA" formula.

Ten percent additional vouchers, or 197, can be assigned in the HOTMA categories described above.

Therefore, the total cap of the number of vouchers BHA may Project base, currently is $395 + 197 = 592$.

Total number vouchers available to project base =	<u>592</u>
Currently under contract or committed =	- 476
Total available to allocate =	<u>116**</u>

This figure is subject to the Board decisions on extending the following current Master HAP contracts as they expire: (1) **Helios Corner, 59 units, SAHA: currently up for a 5-year renewal to fulfill the first 20-year term to be heard in September; and (2) **Adeline Street Apartments**, 18 units, RCD: in early 2023, up for a second term renewal of 1-20 years.

*Exercising the 50% MTW flexibility will provide an additional 395 PBV increasing the total available to allocate to 511 PBVs.

Potential Applications

Staff has recently heard interest in PBVs from:

- local church leaders (St. Paul's and Ephesians)
- RCD (Peoples' Park Supportive Housing) and
- BRIDGE Housing (1740 San Pablo).

RCD and BRIDGE were allocated PBVs in 2020 but both have indicated that they intend to request additional allocations in the next PBV round. BRIDGE Housing indicated its request will be for an additional 4 PBVs. The others have not identified for staff a specific number of PBVs they intend to request.

HUD allows a maximum of 25 units or 25% of total units in a development to be Project-based (whichever is greater), with the following exceptions:

- Units serving exclusively elderly households
- Units housing households eligible for supportive services available to all families receiving PBV assistance in the project
- Units in a census tract with poverty rate of 20% or less may request up to 40% of the project as PBVs.

RFP Process

Per HOTMA requirements, BHA must first obtain approval from HUD to open up an RFP. BHA must submit documentation showing the number of PBVs it intends to issue, and whether the PBVs will be in the 10% HOTMA allowable categories, which is the case for this round, since we have exceeded our 20% non-HOTMA allowable.

The last time we requested HUD pre-approval of a PBV RFP in 2020, we requested 145 PBVs to allocate; we allocated 68 of the 145 approved, with 77 remaining from that HUD approval. If the Board wishes to allocate a number above 77 then we will have to approach HUD for an additional figure of between 78 and 116.

Once HUD approval is granted, BHA will publicly notice the RFP opening in a local paper, on our website, and by sending the RFP to local low-income housing developers. We will convene a review

panel including at least one staff person from another local housing authority, with expertise in the PBV program. Staff will then report recommendations to the Board for approval.

Once approved, the developers will be subject to PBV requirements including environmental and subsidy layering reviews, prior to signing a pre-construction project. Staff estimates, if the Board determines the number of PBVs BHA should allocate during the August or September Board meetings, then timing for actual awards could occur in the October or November meeting.

FISCAL IMPACTS OF RECOMMENDATION

No direct impact at this time.

CONTACT PERSON

Rachel Gonzales-Levine, Acting Executive Director, 510-981-5485

Attachments:

1. List of currently approved PBV projects

BHA Project Based Master HAPs, in use or committed

	Property	Owner	Address	# PBVs
1	Adeline St Apts	RCD	3224 Adeline St	18
2	Allston House	SAHA	2121 7th Street	4
3	Creekside Apts.	RCD	1155 San Pablo Ave	2
4	Hillegass Apts.	SAHA	2610 Hillegass Ave	4
5	NCLT	NCLT	1342, 1348 Blake St	2
6	NCLT	NCLT	3011 Shattuck Ave., #3	1
7	NCLT	NCLT	2425 California St., #6	1
8	Ashby Lofts	SAHA	2919-9th St	20
9	Helios Corner	SAHA	1531 University	59
10	Shattuck Sr Homes	SAHA	2425 Shattuck Avenue	5
11	Sac. Sr Homes	SAHA	1901 Blake St	20
12	Oxford Plaza	RCD	2175 Kittredge	24
13	Harmon Gardens	SAHA	3240 Sacramento St	5
14	Berkeley 75	B75	Scattered Sites	74
15	Strawberry Cr. Lodge	SAHA	1320 Addison St	23
16	Hearst Apts.	RCD	Hearst/Delaware	8
17	Grayson St. Apts	SAHA	2748 San Pablo	17
18	Jordan Court	SAHA	1601 Oxford	24
19	Hope Ctr	BFHP	2012 Berkeley Way	53
20	BRIDGE Berk Way	BRIDGE	2012 Berkeley Way	22
21	Maudelle Miller Shirek	RCD	Ashby Ave.	22
22	Peoples Park Supp. Hsng	RCD	Peoples' Park	27
23	Blake Apts	SAHA	2527 San Pablo Ave.	17
24	BRIDGE Family Hsng	BRIDGE	1740 San Pablo Ave.	21
25	Solano Apts	BACLT	Solano Ave	3
			Grand Total	476