



HOUSING COMMISSION AGENDA

Regular Meeting: June 13, 2018

Time: 8:00 a.m.

HACA Board Room, 22941 Atherton Street, Hayward, CA 94541

The public is welcome at all Housing Commission meetings. If you wish to speak on a matter NOT on the Agenda, please file a Public Comment card with the Commission Clerk. Upon recognition by the Chairperson during Public Comment, state your name, comments and/or questions. Anyone wishing to address the Commission on an agenda item or on business introduced by the Housing Commission may do so when the Chairperson calls for comments on the agenda item. Please be brief and limit your comments to the specific subject under discussion. NOTE: Only matters within the Housing Commission’s jurisdiction may be addressed. To allow the opportunity for all to speak, a time limit of 3 minutes has been set for public speakers wishing to address the Housing Commission. The Chairperson has the discretion to further limit this time if warranted by the number of speakers.

The Housing Commission Secretary of the Housing Authority of the County of Alameda has, on Thursday, June 7, 2018, duly distributed this Agenda to the Clerk of the Board of Supervisors for posting in the office of the Alameda County Administration Building and has posted it on the bulletin board of the Housing Authority of the County of Alameda.

AMERICANS WITH DISABILITIES: In compliance with the Americans with Disabilities Act, if special assistance to participate in this meeting is needed, please contact the Housing Authority office at (510) 727-8511. Notification at least 48 hours prior to the meeting will enable the Housing Authority to make reasonable arrangements.

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Housing Authority of the
County of Alameda

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MINUTES

April 11, 2018



**HOUSING COMMISSION MINUTES
REGULAR MEETING: APRIL 11, 2018
HACA BOARD ROOM, 22941 ATHERTON STREET, HAYWARD, CA 94541**

SUMMARY ACTION MINUTES

1. CALL TO ORDER/ROLL CALL

Call to Order

Chairperson Gerry called the meeting to order at 8:02 a.m.

Roll Call

Present: Cmr. Ballew, Gacoscos, Gerry, Hannon, Patz, Peixoto and Steiner

Excused: Cmr. Buckholz and Finley

Entered after Roll Call: Cmr. Maass

2. ACTION: APPROVAL OF THE MINUTES OF MARCH 14, 2018 HOUSING COMMISSION MEETING

Motion/Second: Steiner/Peixoto.

5 Ayes; 2 Abstentions: Cmr. Gerry and Patz. Motion passed. **APPROVED AS RECOMMENDED.**

3. PUBLIC COMMENT – ON MATTERS NOT ON THE AGENDA

None.

Vice Chairperson Hannon welcomed the students from Cal State East Bay who were in attendance at the meeting as part of a class assignment.

4. NEW BUSINESS

4-1. RESOLUTION NO. 04-18 APPROVING UPDATE TO HACA’S UTILITY ALLOWANCE SCHEDULE

Jennifer Cado, Senior Administrative Analyst, presented the staff report. Ms. Cado reported that staff completed an analysis of the utility rates and that some rates have changed by at least 10%, which is the threshold for an update to HACA’s Utility Allowance Schedule. She summarized some of the changes in the utility rates and explained that the proposed updates reflect these changes.

Recommendation: Adopt Resolution No. 04-18 approving an update to HACA’s Utility Allowance schedule.

Commission Discussion: Cmr. Steiner and Christine Gouig, Executive Director, discussed some of the measures that staff has taken to promote energy efficiency in the units that HACA manages for Preserving Alameda County Housing, Inc. Cmr. Hannon asked if housing inspectors educate landlords on energy efficiency measures when they conduct inspections of the units. Ms. Gouig explained that energy efficiency is not required in the list of Housing Quality Standards (HQS) items to inspect for and that the housing inspectors mainly focus on inspecting for safety and habitability. Cmr. Ballew discussed the format of HACA’s Utility Allowance Schedule and Ms. Cado explained that HUD requires housing authorities to do a breakdown of the rates. Cmr. Gerry commented that he is

in the process of switching out the standard lightbulbs in his rental units with LED lightbulbs and that the LED lightbulbs save money and energy in the long run.

Motion/Second: Steiner/Ballew.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

4-2. RESOLUTION NO. 05-18: AUTHORIZING THE EXECUTION OF AN AGREEMENT REGARDING ACQUISITION OF PROPERTY, A PURCHASE AND SALE AGREEMENT-DIRECT SALE AND OTHER DOCUMENTS NECESSARY TO COMPLETE THE PURCHASE AND SALE OF PROPERTY

Christine Gouig presented the staff report. Ms. Gouig provided some background information on an affordable housing project that HACA and Eden Housing (Eden) were planning to develop on a CalTrans surplus property site in 2011. She explained that the project came to a halt when the state eliminated redevelopment agencies. Ms. Gouig reported that with the passing of Measure A1, the affordable housing bond, in 2016 the project has been resurrected and HACA is preparing to acquire the surplus property from CalTrans, transfer the property to Eden, and work with Eden to develop an affordable housing project at this site. She summarized the process for the acquisition and transfer of the site and described HACA's role in this project. Ms. Gouig also described the project and indicated that if the timing works out, there is a possibility that some of these units can be used for the Veterans Affairs Supportive Housing (VASH) program. She recommended that the Housing Commission adopt the resolution authorizing the execution of the various agreements and documents required to complete the purchase and sale of the property.

Recommendation: Adopt Resolution No. 05-18 authorizing the Executive Director to execute documents regarding acquisition of property.

Commission Discussion: Cmr. Gerry commented that he is pleased with this news and that the site is beautiful. Cmr. Peixoto and Ms. Gouig discussed the location of this site and Cmr. Peixoto shared some history as to why CalTrans has these surplus properties and why they sell these sites from time to time. Ms. Gouig indicated that there is an occupied unit on the site and that Eden will arrange for relocation. Cmr. Ballew commented that this undertaking is a great example of government agencies working together for their constituents. He congratulated HACA, CalTrans and Eden Housing on the collaboration.

Motion/Second: Steiner/Peixoto.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

4-3. RESOLUTION NO. 06-18: ESTABLISHING THE CHRISTINE STEINER INSPIRATION AWARD

Christine Gouig presented the staff report. Ms. Gouig announced that the April meeting is Cmr. Steiner's last meeting. She shared Cmr. Steiner's history as a long-time housing commissioner and reported that staff wanted to recognize Cmr. Steiner for all of her contributions over the years, particularly her support of the Family Self-Sufficiency (FSS) program. Ms. Gouig indicated that staff thought it would be fitting to create a \$100 special award in Cmr. Steiner's honor called the "Christine Steiner Inspiration Award." Ms. Gouig explained that FSS staff would select an FSS participant who, when confronted with a difficult, life-changing situation, used perseverance to overcome that challenge and then served as a role model to inspire others. She further explained the first award would be announced at the "It's Your Time to Shine" event planned for November.

Recommendation: Adopt Resolution No. 06-18 establishing the Christine Steiner Inspiration Award.

Commission Discussion: Cmr. Peixoto commented that Cmr. Steiner genuinely cares about the participants of HACA's programs and that there is no one who possesses her level of technical expertise on the history of the housing authority. Cmr. Hannon commented that it was great to be a part of creating a living tribute to a colleague and that he appreciated her help in providing the newer housing commissioners some historical background and that he admired her enthusiasm for serving the public and supporting program participants. Cmr. Gacoscos praised Cmr. Steiner for her knowledge of the Housing Commission and HACA's operations and for always encouraging the other commissioners to support the FSS program. She commented that Cmr. Steiner will be missed. Daniel Taylor, Special Programs Manager, expressed his deep gratitude to Cmr. Steiner for her support of the FSS program. He introduced Mary Sturges, FSS Coordinator, who is the lead on the "It's Your Time to Shine" event, and stated that she and the other FSS Coordinators greatly appreciate Cmr. Steiner's presence and willingness to attend and support the event every year. Cmr. Steiner praised HACA's previous and current Executive Directors, Ophelia Basgal and Christine Gouig, for running an exceptional agency despite many difficult challenges. She praised the HACA staff and government agencies for their work in housing. Cmr. Steiner shared her history of involvement in public service, spoke about her passion for advocating for housing for all, and expressed her gratitude for the recognition. The HACA staff, Housing Commission and public applauded Cmr. Steiner.

Moton/Second: Peixoto/Hannon.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

4-4. ACTION: APPOINTMENT TO THE BOARD OF DIRECTORS OF PRESERVING ALAMEDA COUNTY HOUSING, INC.

Christine Gouig presented the staff report. Ms. Gouig described the purpose for forming Preserving Alameda County Housing, Inc. (PACH) and explained how PACH operates. She described the composition of PACH's Board of Directors and explained that the passing of Cmr. Don Biddle has created a vacancy in the office of 2nd vice president. Ms. Gouig further explained that the Housing Commission must appoint a Housing Commissioner to the PACH Board of Directors and the PACH Board of Directors will meet to consider electing their appointee to the office of 2nd vice-president. After a brief discussion, Cmr. Gacoscos volunteered to serve on the PACH Board of Directors.

Recommendation: Approve the appointment of Commissioner Pat Gacoscos to the Preserving Alameda County Housing, Inc. Board of Directors.

Motion/Second: Hannon/Maass.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

4-5. ACTION: BUDGET/AUDIT/NEGOTIATIONS COMMITTEE APPOINTMENTS

Christine Gouig presented the staff report. Ms. Gouig reported that the Housing Commission deferred taking action on this item at the March Commission meeting to allow the Commissioners who were not present at that meeting the opportunity to volunteer for this committee. After a brief discussion, Commissioners Ballew, Buckholz, Gerry and Hannon volunteered to serve on the

Budget/Audit/Negotiations Committee for the July 1, 2018 – June 30, 2019 fiscal year.

Recommendation: Approve the appointments of Commissioners Pete Ballew, Helen Buckholz, Mark Gerry and Michael Hannon to the Budget/Audit/Negotiations Committee.

Motion/Second: Patz/Gacoscos.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

4-6. ACTION: SCHOLARSHIP COMMITTEE APPOINTMENTS

Christine Gouig presented the staff report. Ms. Gouig reported that the Housing Commission deferred taking action on this item at the March Commission meeting to allow the Commissioners who were not present at that meeting the opportunity to volunteer for this committee. After a brief discussion, Commissioners Buckholz, Gacoscos and Patz volunteered to serve on this committee.

Recommendation: Approve the appointments of Commissioners Helen Buckholz, Pat Gacoscos and Christian Patz to the Scholarship Committee.

Commission Discussion: Cmr. Hannon commented that this is a worthwhile opportunity to gain insight into some of the participants.

Motion/Second: Hannon/Gacoscos.

Ayes: All. Motion passed. **APPROVED AS RECOMMENDED.**

4-7. INFORMATION: HUD FUNDING SHORTFALL UPDATE ON ACTION PLAN

Jennifer Cado presented the staff report. Ms. Cado provided an update on the HUD funding shortfall action plan that HACA must follow while under shortfall and described some of the cost saving measures that staff has put into place.

Commission Discussion: Cmr. Steiner and Ms. Gouig discussed how many housing authorities are in shortfall nationally. Ms. Gouig indicated that there are about 600 housing authorities in the nation who are potentially in shortfall and she named some of the agencies in Alameda County and the region. Cmr. Gerry commented that it is sad that housing authorities are not able to issue housing vouchers during a time when they are really needed.

4-8. INFORMATION: BUDGET STATUS REPORT

Cathy Leoncio, Finance Director, presented the staff report.

Commission Discussion: Cmr. Peixoto and Ms. Leoncio discussed the amount of remaining reserves. They also discussed unfunded pension liability. Ms. Leoncio indicated that HACA does not have the funds to pay the unfunded liability. Cmr. Peixoto commented that the Commission needs to consider what it can do as a matter of policy to reduce the unfunded pension liability. He asked if employee cost-sharing is an option and Ms. Leoncio stated that this would have go through the labor contract negotiations process. Cmr. Hannon asked about the Preserving Alameda County Housing, Inc. (PACH) budget and Ms. Gouig explained that any funding from PACH would be identified in HACA's budget. He asked that this data also be shared with the Budget/Audit/Negotiations Committee.

4-9. INFORMATION: PROGRAM ACTIVITY REPORT

Daniel Taylor, Special Programs Manager, presented the staff report. He announced that the “It’s Your Time to Shine” event is scheduled for November 1.

5. COMMITTEE REPORTS

None.

6. COMMISSIONER REPORTS

None.

7. COMMUNICATIONS

Christine Gouig announced that the passing of Cmr. Don Biddle and the departure of Cmr. Steiner, the Housing Commission will need to replace them on the Housing Commission’s Personnel Committee.

Ms. Gouig reported that she and Cmr. Patz will be attending the 2018 NAHRO Washington Conference in Arlington, Virginia and described some of the activities that they will be participating in. She also gave an update on the status of the federal budget proposed for the fiscal year 2019 and described some of the large cuts that are being proposed.

Ms. Gouig reported that there is a prospective tenant for HACA’s building located at 29800 Mission Boulevard in Hayward and that the PACH Board will meet to consider approval of a lease.

8. ADJOURNMENT

There being no further business to discuss, Chairperson Gerry adjourned the meeting at 9:19 a.m.

Respectfully Submitted,

Melissa Taesali
Executive Assistant

Christine Gouig
Executive Director/Housing Commission Secretary

Approved:

Mark Gerry
Housing Commission Chairperson

NEW BUSINESS

June 13, 2018

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Mainstream Voucher Program Application

Exhibits Attached: - Resolution No. 07-18
 - Attachment A: Memorandums of Understanding – Mainstream Program

Recommendation: Adopt the attached Resolution

Financial Statement: None

BACKGROUND

The 2017 Omnibus Appropriations Act made approximately \$13 million available for new Section 811 Housing Choice Vouchers (known as Mainstream Vouchers) to provide rental assistance to non-elderly persons with disabilities. The 2018 Omnibus Appropriations Act made an additional \$385 million available. On April 18, HUD issued a Notice of Funding Availability (NOFA) for the Mainstream Voucher program; it plans to award all of the 2017 funds and \$87 million of the 2018 funding under this NOFA.

The NOFA also indicates that the remainder of the 2018 funding will be awarded through at least one other NOFA this year. HUD has encouraged housing authorities to apply during the first round of funding and, if not awarded, to continue to build partnerships in order to increase the likelihood of receiving an award in future funding rounds.

Applications for this funding are due June 18, 2018. HUD expects to make about 40 awards.

DISCUSSION AND ANALYSIS

Four non-elderly populations with disabilities are targeted in the Mainstream Program:

1. Homeless
2. At risk of becoming homeless
3. Transitioning out of institutional housing
4. At risk of institutionalization

A housing authority may apply for any or all of these. HACA intends to apply for all four. We will apply for 150 vouchers.

Key to receiving an award are the following:

- Formalizing partnerships with and leveraging resources from State Medicaid Agencies and various health and human services agencies or organizations with a demonstrated capacity to coordinate voluntary services and support to enable individuals to live independently in the community;
- Creating a Mainstream Voucher admissions preference for the targeted populations on the Section 8 wait list; and
- Creating an evaluation plan to monitor and correct issues with the number of referrals received, vouchers issued, families housed, service coordination and tenancy support provided, and overall utilization.

Partnerships. Alameda County has a growing homeless problem and a large population of non-elderly persons with disabilities ready to transition from institutions and other segregated settings if only they had affordable housing. Staff has partnered with 10 agencies to provide a well-rounded service package for these populations. These partnerships are formalized through Letters of Intent (LOI) from the partners or through Memorandums of Understanding (MOU) between the parties. Below is a chart of HACA’s Mainstream Voucher partners:

Partner	LOI or MOU	Targeted Population
Abode Services	LOI	All four populations
Alameda Co. Behavioral Health Care Services	LOI	All four populations
The Center for Independent Living	LOI	Transitioning out of institutions or at risk of institutionalization
Centro Legal de la Raza	LOI	All four populations
Community Resources for Independent Living	MOU	All four populations
East Bay Innovations	MOU	Transitioning out of institutions or at risk of institutionalization
Eden Information & Referral	LOI	All four populations
EveryOne Home	MOU	Homeless and at risk of becoming homeless
Housing Consortium of the East Bay	MOU	All four populations
Rental Housing Association of Southern Alameda County	MOU	All four populations

As support for this funding opportunity gains momentum, staff will continue to work to find additional partners to fill any gaps in services to the target populations and to increase the efficiency and effectiveness of the program, even if HACA is not awarded in this first round of funding.

Mainstream Voucher Admissions Preference. If funding is awarded, staff will return to your Commission with an amendment to the Section 8 Administrative Plan to create the required preference.

Evaluation Plan. Staff has created an evaluation plan that focuses on the services committed by the partners and the number of vouchers leased up.

RECOMMENDATION

1. Staff recommends you adopt the attached resolution authorizing the Executive Director to sign MOUs with its Mainstream Voucher partners and submit the application for 150 Mainstream Vouchers to HUD.
2. Staff further recommends you authorize the Executive Director to sign additional MOUs should more agencies want to participate and to submit future applications for Mainstream Voucher funding as it becomes available.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 07-18

APPROVING AUTHORIZATION TO ENTER INTO MEMORANDUMS OF UNDERSTANDING WITH PARTNER AGENCIES AND TO SUBMIT AN APPLICATION FOR VOUCHERS THROUGH THE MAINSTREAM VOUCHER PROGRAM TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, HACA's mission is to provide decent, safe and sanitary affordable housing to very low and extremely low income households, primarily through the Housing Choice Voucher (including project based vouchers), HUD-VASH, RAD and NED programs; and

WHEREAS, a common goal of HACA and its partners is to expand housing opportunities for individuals and households with disabilities, including the homeless; and

WHEREAS, the U. S. Department of Housing and Urban Development ("HUD") has issued a NOFA announcing competitive funding for Mainstream Vouchers to provide rental subsidies for non-elderly persons with disabilities who are: 1) homeless, 2) at risk of becoming homeless, 3) coming out of an institution or 4) at risk of going into an institution; and

WHEREAS, HACA and its partners currently provide various services and subsidies to such persons and have determined that the provision of Mainstream Vouchers will be of significant assistance to the participants of their programs and, therefore, HACA desires to apply for said Mainstream Vouchers; and

WHEREAS, HACA and its partners each have committed to providing certain services in order to carry out the objectives of the Mainstream Voucher program;

NOW, THEREFORE, BE IT RESOLVED, that Christine Gouig, Executive Director of HACA, or her designee, acting alone on behalf of HACA, is hereby authorized and directed on behalf and in the name of HACA to execute and deliver the Memorandums of Understanding with Community Resources for Independent Living, East Bay Innovations, EveryOne Home, Housing Consortium of the East Bay and the Rental Housing Association of Southern Alameda County, in substantially the form presented, with such changes therein as she may approve as necessary or desirable, with such approval to be evidenced conclusively by the execution and delivery of the Memorandums of Understanding.

RESOLVED FURTHER, that Christine Gouig, Executive Director of HACA, or her designee, acting alone on behalf of HACA, is hereby authorized and directed on behalf and in the name of HACA to submit an application for up to and including 150 Mainstream Vouchers.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
RESOLUTION NO. 07-18: APPROVING AUTHORIZATION TO ENTER INTO MEMORANDUMS OF UNDERSTANDING WITH PARTNER
AGENCIES AND TO SUBMIT AN APPLICATION FOR VOUCHERS THROUGH THE MAINSTREAM VOUCHER PROGRAM TO THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
JUNE 13, 2018
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RESOLVED FURTHER, that Christine Gouig, Executive Director of HACA, or her designee, acting alone on behalf of HACA, is hereby authorized, directed and empowered, on behalf of HACA and in its name, to take all such other actions and to execute, acknowledge, deliver, file and record any applications, certificates, agreements, other instruments or documents, or amendments or supplements thereto, or to do and to cause to be done any and all other acts and things as she may, in her sole discretion, deem necessary or appropriate in order to carry out and perform the purposes and intent of the foregoing resolutions, the taking of such actions or the execution, acknowledgment, delivery, or filing of any such instruments, documents or certificates to be conclusive evidence of the necessity and appropriateness thereof; and that any and all acts authorized hereunder are, in all respects, ratified, confirmed, approved and adopted as the acts and deeds of HACA.

PASSED, APPROVED, AND ADOPTED by the Housing Commission of the Housing Authority of the County of Alameda on June 13, 2018 by the following vote:

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Attest:

Mark Gerry
Housing Commission Chairperson

Christine Gouig
Executive Director/Housing Commission Secretary

Adopted: June 13, 2018

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Contribution to Alameda County Employees' Retirement Association (ACERA) for Fiscal Year 2018-2019

Exhibits Attached: Resolution No. 08-18

Recommendation: Adopt the Resolution

Financial Statement: \$268,437.91 to be included in FY 2018-2019 Budget

BACKGROUND

The Housing Authority is a participating employer in the Alameda County Employees' Retirement Association (ACERA). In 1996, ACERA established a health benefits account, called a 401(h) account, to satisfy the requirements of Internal Revenue Code (IRC) Section 401(h) for providing non-vested, tax-free healthcare to the retirees of participating employers.

In 2006, changes to the IRC regulations required that participating employers establish a separate 401(h) sub-account under the overall ACERA account, and make contributions through ACERA designated specifically for healthcare benefits to fund the 401(h) sub-account. To continue providing HACA retirees with non-taxable health benefits, your Commission adopted a resolution in June 2006 (Resolution No. 14-06) that authorized ACERA to establish and manage a 401(h) sub-account on our behalf.

In accordance with Section 31592.4 and Article 5.5 of the CERL, ACERA holds assets in a Supplemental Retirees' Benefits Reserve (SRBR). Once HACA makes its designated 401(h) contribution to ACERA, ACERA will automatically transfer the same amount from the SRBR to HACA's Advance Reserve Account. ACERA has consistently paid supplemental retirement and post-employment health care benefits through the SRBR since 1985.

DISCUSSION and ANALYSIS

Your Commission has authorized HACA's contribution to its 401(h) sub-account every year since 2006. The Segal Company, ACERA's actuary, has determined that HACA's contribution for fiscal year July 1, 2018 – June 30, 2019 is \$268,437.91. ACERA requires that your authorization to fund HACA's 401(h) sub-account be completed by June 30, 2018.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 08-18

RESOLUTION APPROVING 401(h) ACCOUNT PURSUANT TO SECTION 31592

WHEREAS, in 1996, the Alameda County Employee's Retirement Association ("ACERA") Board of Retirement informed the Board of Supervisors that, by addition of Resolution 96-111, the Board of Retirement had established a health benefits account intended to satisfy the requirements of the Internal Revenue Code ("IRC") Section 401(h) and the regulations thereunder (the "401(h) Account") in order to provide non-vested, tax-free health benefits to eligible County and Participating Employer retirees (collectively, the "Retirees"); and

WHEREAS, in 1996, the Board of Supervisors adopted Resolution No. R-96-634, which provided that ACERA could offer such non-taxable benefits if the County designated a portion of its contribution to ACERA for a fiscal year as a contribution to the 401(h) Account; and

WHEREAS, under Section 31592.4 and Article 5.5 of the County Employees Retirement Law of 1937 ("CERL"), assets in the Supplemental Retiree Benefit Reserves (the "SRBR") at the end of a fiscal year of ACERA may, in the immediately succeeding fiscal year, be transferred to the Employer Advance Reserve account of the Participating Employers, and treated as a contribution to ACERA by the County and as applicable by other Participating Employers to the extent that in the immediately succeeding fiscal year the County and other Participating Employers make contributions to ACERA's 401(h) Account in order to pay for retiree health benefits; and

WHEREAS, Section 31592.4 and Article 5.5 of the CERL thus permit the Participating Employers to contribute to a 401(h) Account and pay for retiree health benefits for a fiscal year without increasing the Housing Authority of the County of Alameda's ("Housing Authority") total contributions to ACERA for that fiscal year; and

WHEREAS, commencing with the 1996-1997 fiscal year, and for each fiscal year thereafter, the County has directed that a specified portion of its fiscal year contribution to ACERA for that year be contributed to the 401(h) account; and

WHEREAS, in 2007 the Housing Authority authorized ACERA to establish and manage a 401(h) sub-account on its behalf to provide tax free health care benefits for its retirees;

NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. In fiscal year July 1, 2018 – June 30, 2019, Housing Authority shall contribute to ACERA **\$268,437.91** to be used only for the paying of retiree medical health benefits. This contribution shall be made on the terms and conditions set forth in the Agreement between the Housing Authority and ACERA concerning such contributions, executed on July 25, 2007.
2. This contribution shall be designated, in writing, as being only for the Housing Authority's IRC § 401(h) Account and such designation shall be made at the time of contribution.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
RESOLUTION NO. 08-18: APPROVING 401(h) ACCOUNT PURSUANT TO SECTION 31592
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3. Such contribution is contingent on the Board of Retirement immediately transferring, in accordance with Government Code §31592.4, an amount equal to such contribution from ACERA’s SRBR account to the Housing Authority’s Advance Reserve account. Such amount shall be treated as a contribution for pension and therefore shall be applied to reduce the pension contribution otherwise required by the Housing Authority for the fiscal year beginning July 1, 2018.

4. No party, including any existing or future Housing Authority employee, retiree, spouse, or dependent, shall have any vested rights, contractual rights or other rights in or to any retiree health benefits or payment or subsidy for any such benefits nor shall any such person or ACERA have any such rights to have the Housing Authority contribute towards paying or subsidizing the cost of any retiree medical benefits provided by ACERA under the 401(h) Account or otherwise. The Housing Authority may modify or terminate, at any time and without any limitation, its decision to contribute to the Housing Authority’s 401(h) Account. This modification or termination may occur even if it may affect any employee first hired prior to the date of such modification, any person who retired prior to such date, and/or any person who became a spouse or dependent of an employee or retiree prior to such date.

5. All contributions by the Housing Authority to its 401(h) sub-account shall be governed by requirements of the Internal Revenue Code and all administrative and other applicable rules established by ACERA governing such sub-account and ACERA’s 401(h) Account.

PASSED, APPROVED, AND ADOPTED by the Housing Commission of the Housing Authority of the County of Alameda on this 13^t day of June 2018, by the following vote:

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Attest:

Christine Gouig
Executive Director/Housing Commission Secretary

Mark Gerry
Housing Commission Chairperson

Adopted: June 13, 2018

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Operating Budgets for Fiscal Year Ending June 30, 2019

Exhibits Attached: - Resolution No. 09-18
 - Statement of Budgeted Revenues, Expenses and
 Changes in Net Position FYE June 30, 2019; Supporting
 Schedules of Expenses

Recommendation: Approve Budgets and Adopt Resolution

Financial Statement: See below

BACKGROUND

HACA's 2018-2019 fiscal year (FY) starts on July 1, 2018, and will end on June 30, 2019. HUD funding, which is provided on a calendar year (CY) basis, is HACA's primary source of income. This requires staff to estimate HUD funding for January to June 2019, the second half of our fiscal year, since the federal budget for that period is not yet adopted.

SEIU Local 1021's Memorandum of Understanding (MOU) expires on June 14, 2018, and, at this time, there is no successor agreement. Consequently, staff prepared a budget that assumes certain provisions from the expired MOU will continue into the new fiscal year.

On May 23, 2018, a draft budget was presented to and reviewed in detail by your Commission's Budget/Audit/Negotiations Committee. The Committee recommends that your Commission approve the budgets as presented.

DISCUSSION and ANALYSIS

A summary of four program budgets is presented--one each for the Housing Choice Voucher Program, the Housing Development Fund, Park Terrace and Ocean Avenue. An agency-wide summary of changes to net positions is provided as well. Key assumptions and facts are shown under each program below, in bulleted form.

Housing Choice Voucher (HCV) Program

For CY 2018, the Housing Choice Voucher Program HAP renewal funding is provided at 99.75% of renewal needs with an inflation factor of 4.20%. In CY 2017, it was at 97% proration with a 2.58% inflation factor. The Administrative Fee funding for CY 2018 is approximately at 77% of fee eligibility, the second lowest it has ever been (the sequestration year was lower). In CY 2017, the proration was approximately 77.58%. The FY 2018-2019 budget presented today assumes the same CY 2018 funding levels for HAP and Administrative Fee for the second half of the fiscal year. We won't know the *actual* funding levels until Congress adopts a budget for federal fiscal year 2019 (October 1, 2018 - September 30, 2019). This is not expected to occur until after the November elections.

HACA's HCV budget projects an operating loss of \$877,458. This budgeted funding gap will deplete what is left of projected HCV Unrestricted Net Position (UNP) exclusive of the net pension liability (NPL) balance of approximately \$8.6 million.

Income

- Currently, HACA's actual Housing Assistance Payment (HAP) per unit cost (PUC) is \$1,608 per month. Staff anticipates that PUC will increase due to higher rents and requested rent increases. The proposed budget assumes an annual average 95% lease-up rate and an average HAP of \$1,625 per unit per month. *Actual* CY 2018 HAP funding is at approximately \$1,507 per unit per month; \$118 per unit per month less than expenditure. In CY 2017, we had a shortfall of \$10 million due to a significant decrease in HAP funding. We expect to be in shortfall again this year for about \$4.8 million. At this time, the HAP funding formula for 2019 is unknown but staff is hopeful that we will not have a funding shortfall in 2019. By law, HAP funds are restricted to rental subsidy payments only and cannot be used for operating or administrative costs.
- HUD compensates housing authorities for the cost of administering the HCV program through Administrative Fees. Administrative Fees are the main source of funding to cover operating costs and are paid on the basis of the number of units leased as of the first day of each month. Every housing authority's eligibility is prorated, if needed, to ensure that fees paid do not exceed the funds appropriated by Congress. For more than a decade, Congress has reduced administrative fee funding and many housing authorities, including HACA, have implemented cost cutting measures and used their unrestricted net position to balance the budget.

Due to proration, income from HCV program Administrative Fees is set at the current 77% of eligibility for the first six months of the fiscal year (July to December 2018) and staff is assuming the same for the balance of the fiscal year (January to June 2019). This 77% assumption may actually be higher or lower, depending on HUD's final reconciliation, which typically happens at the end of the calendar year.

- Other fees earned include: modest fees to administer the CHOICES/FACT, Moderate Rehabilitation and Shelter Plus Care programs and portability fees. The projection for our incoming portability reflects an average of 417 contracts that we will bill to other housing authorities. We earn only 80% of the prorated Administrative Fees for these contracts. The average fee used in the budget is \$70 per portability unit per month, which is about \$17 less per unit than what we earn for our own voucher contracts. There are fewer voucher holders (average of 67) of our own that move into other housing authorities' jurisdictions.
- Other income includes the HUD grant for the FSS Program, investment income and the fraud recovery income which, per HUD regulations, is split 50/50 between HACA and HUD.
- Total overall income increased by 4%.

Expenses

- Indirect costs associated with more than one program are allocated using the percentage of total program unit method. Indirect salaries are allocated using the percentage of payroll method. Starting in FY 2012, housing authorities that receive a significant amount of federal funding were prohibited to pay salaries in excess of an annual cap. For FY 2018, the annual cap is \$164,200. Individual salaries allocated to the HCV program in this budget will not reach the annual cap.
- The budget does not reflect any changes to salaries and benefits associated with the terms of the MOU expiring on June 14, 2018.
- The budget includes staffing cost saving measures:
 - One (1) Administrative Clerk position is on a hiring freeze
 - One (1) Housing Specialist is on a hiring freeze
 - One (1) IT Manager position is on a hiring freeze
 - One (1) Deputy Director position is budgeted for 3 months for transitioning purposes
- Total administrative expenses increased by 6% due to cost increases.

- Employee benefits increased by about 6% and are budgeted at 57% of salaries. The budget assumes increases in health care premiums as well as HACA's employer retirement contributions to ACERA. Additional retirement expenses will be incurred depending on ACERA's actuarial study and net pension liability balance at the end of the calendar year 2018.
- Total overall expenses increased by 5%.

Housing Development Fund, Park Terrace, and Ocean Avenue

- HACA maintains a Housing Development (HDF-Local) Fund for low-income housing development and rehabilitation and management improvements.
- As in the previous fiscal year, the HDF-Local Fund now has salaries, benefits and other indirect costs not allocated to the HCV program in its budget. These expenses will be charged to non-HCV projects (PACH, Ocean Avenue, Park Terrace) as property management fees.
- The HDF-Local budget also does not reflect any changes to salaries and benefits associated with the terms of the MOU expiring on June 14, 2018. It also reflects the same staff cost saving measures.
- HDF-Local Fund also has the net pension liability balance pertaining to employees whose salaries are not directly allocated to the HCV program. While the amount is unknown at this time, additional retirement expenses will be incurred depending on ACERA's actuarial study and net pension liability balance at the end of the calendar year 2018.
- The HDF-Local budget projects an income of \$76,252. The projected reserve balance at the beginning of the budget year is \$3.50 million. The scheduled capital expenditure cost for the budget year is approximately \$26,000.
- Park Terrace consists of nine units in the City of Hayward that are non-HUD assisted and rented to low income families. Park Terrace's budget projects an income of \$50,969. The projected reserve balance at the beginning of the budget year is \$1.19 million. The scheduled capital expenditure cost for the budget year is approximately \$30,000.

HACA AGENDA ITEM NO.: 4-3.

- Ocean Avenue consists of six units in the City of Emeryville that are non-HUD assisted and rented to low income families. Ocean Avenue's budget projects an income of \$15,440. The projected reserve balance at the beginning of the budget year is \$185,000. The scheduled capital expenditure cost for the budget year is approximately \$20,000.

Staff recommends that your Commission adopt the Resolution approving the proposed operating budget and budgeted positions for the fiscal year ending June 30, 2019.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 09-18

**RESOLUTION APPROVING THE OPERATING BUDGET AND BUDGETED POSITIONS FOR
JULY 1, 2018 – JUNE 30, 2019 FISCAL YEAR**

WHEREAS, the Housing Authority of the County of Alameda operates on a July 1 – June 30 fiscal year and HUD funding is provided on a calendar year basis; and

WHEREAS, operating budgets for the Housing Authority’s various programs must be adopted prior to the beginning of the fiscal year July 1, 2018 – June 30, 2019; and

WHEREAS, the Commission’s Budget/Audit/Negotiations Committee has reviewed the proposed budgets developed by staff and recommends approval; and

WHEREAS, the fiscal year 2018-2019 has continuing challenges, including reduced funding, rising costs of operations and the uncertainty of future federal funding; and

WHEREAS, the budgets may require a revision once major income and expense uncertainties become known;

NOW, THEREFORE, BE IT RESOLVED, that the Housing Commission does hereby approve the proposed budgets, budgeted positions and supporting schedules for the various programs as presented.

PASSED, APPROVED AND ADOPTED by the Housing Commission of the Housing Authority of the County of Alameda on this _____ day of _____ 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

EXCUSED:

ABSENT:

Attest:

Mark Gerry
Housing Commission Chairperson

Christine Gouig
Executive Director/Housing Commission Secretary

Adopted: June 13, 2018

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
 BUDGET STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2019

HACA AGENDA ITEM NO.: 4-3.

	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019
Housing Assistance Payments (HAP)										
Est. HUD PHA grants-HAP	92,390,395	114,756,219							92,390,395	114,756,219
Less: Est. HAP expenses	110,316,024	119,652,000							110,316,024	119,652,000
Est. Addition to/(Use of) Reserves	(17,925,629)	(4,895,781)							(17,925,629)	(4,895,781)
Est. Net Restricted Position (NRP) balance at 7/1/18	-	-							-	-
Est. HUD-held Program Reserve (Shortfall) bal. at 7/1/18	-	-							-	-
Est. HUD Shortfall funding for CY 2018 (thru 12/31/18)	8,000,000	4,840,000							8,000,000	4,840,000
Est. NRP balance at 6/30/18	-	-							-	-
Est. HUD-held Program Reserve (Shortfall) bal. at 6/30/19	(9,925,629)	(55,781)							(9,925,629)	(55,781)
Operating Income										
Rental revenue - tenants	-	-	143,000	143,000	143,190	160,590	87,175	89,425	373,365	393,015
Other revenue -tenants	-	-	-	-	300	300	500	500	800	800
HUD PHA grants	6,634,582	6,946,058	-	-	-	-	-	-	6,634,582	6,946,058
Other revenue	326,000	327,518	42,500	42,500	-	-	1,300	1,300	369,800	371,318
Other revenue - property management fees	-	-	1,187,640	1,187,640					1,187,640	1,187,640
Investment income	500	500	10,000	10,000	3,426	3,426	537	537	14,463	14,463
Total	6,961,082	7,274,076	1,383,140	1,383,140	146,916	164,316	89,512	91,762	8,580,650	8,913,294
		4%		0%		11%		2%		4%
Operating Expenses										
Administrative salaries	(3,759,964)	(3,969,090)	(422,355)	(447,046)	-	-	-	-	(4,182,319)	(4,416,136)
Administrative expenses	(1,593,691)	(1,695,551)	(71,000)	(92,474)	(45,700)	(44,700)	(34,300)	(34,300)	(1,744,691)	(1,867,025)
Utilities	-	-	(54,300)	(54,300)	(500)	(500)	(11,939)	(7,110)	(66,739)	(61,910)
Maintenance salaries	-	-	(203,580)	(203,580)	-	-	-	-	(203,580)	(203,580)
Maintenance services	-	-	(114,000)	(115,595)	(56,947)	(65,447)	(25,600)	(32,740)	(196,547)	(213,782)
General expenses	(224,697)	(224,511)	(7,600)	(7,893)	(2,700)	(2,700)	(1,500)	(2,172)	(236,497)	(237,276)
Employee benefits	(2,143,179)	(2,262,382)	(356,783)	(386,000)	-	-	-	-	(2,499,962)	(2,648,382)
Total	(7,721,531)	(8,151,534)	(1,229,618)	(1,306,888)	(105,847)	(113,347)	(73,339)	(76,322)	(9,130,335)	(9,648,091)
		5%		6%		7%		4%		5%
Budgeted Income (Loss)	(760,449)	(877,458)	153,522	76,252	41,069	50,969	16,173	15,440	(549,685)	(734,797)
Unrestricted Net Position (UNP) - est. balance at 7/1/2018	**	(6,993,690)		3,502,259		1,189,030		185,049		(2,117,352)
Unrestricted Net Position - budgeted bal. at 6/30/19		(9,879,572)		3,578,511		1,239,999		200,489		(4,860,573)
Capital Expenditures per schedule		-		26,000		30,000		20,000		76,000

**

Est. UNP @ 7/1/18	667,541
Est. loss @ 6/30/19	(877,458)
Subtotal @ 6/30/19	(209,918)
UNP @ 6/30/19-NPL	(9,669,654)
Est. UNP @ 6/30/19	(9,879,572)

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
 Schedule of Administrative Expenses
 FOR THE FISCAL YEAR ENDING JUNE 30, 2019

HACA AGENDA ITEM NO.: 4-3.

Administrative Expenses	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019
Legal Fees	90,000	90,000	-	-	-	-	2,000	2,000	92,000	92,000
Staff Training	21,400	27,793	-	-	-	-	-	-	21,400	27,793
Mileage Payments	7,000	7,000	300	1,836	-	-	-	-	7,300	8,836
Conference Travel	18,913	33,450	-	-	-	-	-	-	18,913	33,450
Auditing Fees	22,400	26,040	-	-	-	-	-	-	22,400	26,040
Office Bldg. Expenses	143,000	143,000	-	-	-	-	-	-	143,000	143,000
Office Supplies	55,000	55,000	9,000	5,784	-	-	-	-	64,000	60,784
Copier expense	4,000	4,000	-	-	-	-	-	-	4,000	4,000
Non-Cap Furn & Eqpt	3,000	5,600	800	1,966	-	-	-	-	3,800	7,566
Admin. Vehicles	15,000	20,000	6,500	-	-	-	-	-	21,500	20,000
Publications-	8,500	8,708	-	-	-	-	-	-	8,500	8,708
Recruitment exp	5,000	5,000	-	-	-	-	-	-	5,000	5,000
Membership Dues	22,000	24,731	200	200	-	-	-	-	22,200	24,931
Telephone	40,000	40,000	1,000	1,176	-	-	-	-	41,000	41,176
Contract/Consultant Svcs	695,460	690,500	20,800	46,530	2,000	-	2,000	2,000	720,260	739,030
Computer Software Svcs	137,573	182,275	5,000	7,337	-	-	-	-	142,573	189,612
Miscellaneous Admin	-	-	6,000	6,000	-	-	-	-	6,000	6,000
Non-Cap Furn & Eqpt-MIS	117,800	88,204	-	-	-	-	-	-	117,800	88,204
Leases or Rentals	29,560	29,560	2,000	2,000	-	-	-	-	31,560	31,560
Equipment Maintenance	500	500	-	-	-	-	-	-	500	500
Postage	90,000	80,000	-	-	-	-	-	-	90,000	80,000
Printing	40,000	55,130	400	400	-	-	-	-	40,400	55,530
Commission Meetings	6,600	6,600	-	-	-	-	-	-	6,600	6,600
Miscellaneous	8,700	2,460	4,000	1,745	500	1,500	1,500	1,500	14,700	7,205
Wait List Expense	12,285	70,000	-	-	-	-	-	-	12,285	70,000
Scholarship expense	-	-	15,000	17,500	-	-	-	-	15,000	17,500
Property Management Fee	-	-	-	-	43,200	43,200	28,800	28,800	72,000	72,000
TOTAL	1,593,691	1,695,551	71,000	92,474	45,700	44,700	34,300	34,300	1,744,691	1,867,025
		6%		23%		-2%		0%		7%

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Schedule of Maintenance Expenses
FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Maintenance Expenses	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019
Materials										
Grounds & Gardening	-	-	-	-	-	-	-	-	-	-
Paint & Supplies	-	-	-	-	-	-	-	-	-	-
Repair Parts	-	-	-	-	1,000	1,000	500	500	1,500	1,500
Appliances & Fixtures	-	-	-	-	2,388	2,388	1,700	1,700	4,088	4,088
Locks and Keys	-	-	-	-	-	-	600	600	600	600
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Maintenance & Contracts										
Vehicles	-	-	-	-	-	-	-	-	-	-
Garbage Service	-	-	12,000	13,026	-	-	1,300	1,300	13,300	14,326
Repair Contractors	-	-	11,000	4,277	15,500	24,000	17,500	23,500	44,000	51,777
Communications	-	-	-	-	-	-	-	-	-	-
Equipment Repair/Rental	-	-	-	3,450	-	-	-	-	-	3,450
Window Coverings	-	-	-	-	1,200	1,200	1,000	1,000	2,200	2,200
Condo Fees	-	-	-	-	36,709	36,709	-	-	36,709	36,709
Landscape Services	-	-	4,500	6,022	-	-	2,000	3,140	6,500	9,162
Contract cost- 10th St.			22,000	23,408					22,000	23,408
Contract cost-Atherton Bldg.	-	-	62,000	62,912	-	-	-	-	62,000	62,912
Miscellaneous	-	-	2,500	2,500	150	150	1,000	1,000	3,650	3,650
TOTAL	-	-	114,000	115,595	56,947	65,447	25,600	32,740	196,547	213,782
				1%		13%		22%		8%

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
 Schedule of General Expenses
 FOR THE FISCAL YEAR ENDING JUNE 30, 2019

General Expenses	Housing Choice Voucher		Housing Development Fund		Park Terrace		Ocean Avenue		Totals	
	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019	Approved 2018	Proposed 2019
General Liability Insurance	30,000	30,000	-	-	-	-	-	-	30,000	30,000
Auto Insurance	5,000	5,000	-	-	-	-	-	-	5,000	5,000
Worker's Compensation	162,697	162,511	-	-	-	-	-	-	162,697	162,511
Unemployment	27,000	27,000	-	-	-	-	-	-	27,000	27,000
Property Insurance	-	-	7,600	7,893	1,700	1,700	1,500	1,500	10,800	11,093
Payment in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-
Collection Loss	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,000	1,000	-	672	1,000	1,672
TOTAL	224,697	224,511	7,600	7,893	2,700	2,700	1,500	2,172	236,497	237,276
		0%		4%		0%		31%		0%

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
 Schedule of Capital Expenditures
 FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Description	Housing Development Fund	Park Terrace	Ocean Avenue	Totals
Unit Rehab	-	30,000	20,000	50,000
Vehicle purchase	26,000	-	-	26,000
				-
TOTAL	26,000	30,000	20,000	76,000

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

HACA AGENDA ITEM NO.: 4-3.

Budgeted Positions

FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Classification	Full-Time Equivalent (FTE)	Monthly Salary Range		Annual Salary Range		Annual Estimated Benefit Range		Total Annual Salary plus Benefit Range	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Account Specialist	5	\$ 3,886	\$ 4,618	\$ 46,632	\$ 55,416	\$ 26,580	\$ 31,587	\$ 73,212	\$ 87,003
Accountant	1	\$ 6,045	\$ 8,976	\$ 72,540	\$107,712	\$ 41,348	\$ 61,396	\$ 113,888	\$ 169,108
Administrative Analyst	1	\$ 6,045	\$ 8,976	\$ 72,540	\$107,712	\$ 41,348	\$ 61,396	\$ 113,888	\$ 169,108
Administrative Clerk *	11	\$ 3,716	\$ 4,401	\$ 44,592	\$ 52,812	\$ 25,417	\$ 30,103	\$ 70,009	\$ 82,915
Deputy Director ***	1	\$ 9,905	\$14,708	\$ 118,860	\$176,496	\$ 67,750	\$ 100,603	\$ 186,610	\$ 277,099
Eligibility Leadworker	2	\$ 4,578	\$ 5,496	\$ 54,936	\$ 65,952	\$ 31,314	\$ 37,593	\$ 86,250	\$ 103,545
Eligibility Technician	13	\$ 4,121	\$ 4,896	\$ 49,452	\$ 58,752	\$ 28,188	\$ 33,489	\$ 77,640	\$ 92,241
Executive Assistant	1	\$ 4,961	\$ 7,367	\$ 59,532	\$ 88,404	\$ 33,933	\$ 50,390	\$ 93,465	\$ 138,794
Executive Director	1	\$ 12,370	\$18,369	\$ 148,440	\$220,428	\$ 84,611	\$ 125,644	\$ 233,051	\$ 346,072
Facilities Manager ****	1	\$ 7,185	\$10,670	\$ 86,220	\$128,040	\$ 49,145	\$ 72,983	\$ 135,365	\$ 201,023
Finance Director	1	\$ 9,427	\$14,000	\$ 113,124	\$168,000	\$ 64,481	\$ 95,760	\$ 177,605	\$ 263,760
FSS Coordinator	3	\$ 4,383	\$ 5,257	\$ 52,596	\$ 63,084	\$ 29,980	\$ 35,958	\$ 82,576	\$ 99,042
FSS Leadworker (HO/FSS)	1	\$ 4,822	\$ 5,782	\$ 57,864	\$ 69,384	\$ 32,982	\$ 39,549	\$ 90,846	\$ 108,933
Housing Inspector	2	\$ 4,245	\$ 5,091	\$ 50,940	\$ 61,092	\$ 29,036	\$ 34,822	\$ 79,976	\$ 95,914
Housing Management Assistant	1	\$ 4,383	\$ 5,257	\$ 52,596	\$ 63,084	\$ 29,980	\$ 35,958	\$ 82,576	\$ 99,042
Housing Management Leadworker	1	\$ 5,606	\$ 6,883	\$ 67,272	\$ 82,596	\$ 38,345	\$ 47,080	\$ 105,617	\$ 129,676
Housing Specialist	9	\$ 4,869	\$ 5,842	\$ 58,428	\$ 70,104	\$ 33,304	\$ 39,959	\$ 91,732	\$ 110,063
Human Resources Manager ****	1	\$ 7,737	\$11,490	\$ 92,844	\$137,880	\$ 52,921	\$ 78,592	\$ 145,765	\$ 216,472
Information Technology Manager	1	\$ 8,541	\$12,683	\$ 102,492	\$152,196	\$ 58,420	\$ 86,752	\$ 160,912	\$ 238,948
Leasing Services Leadworker	2	\$ 5,253	\$ 6,377	\$ 63,036	\$ 76,524	\$ 35,931	\$ 43,619	\$ 98,967	\$ 120,143
Maintenance Worker II	3	\$ 5,655	\$ 5,655	\$ 67,860	\$ 67,860	\$ 38,680	\$ 38,680	\$ 106,540	\$ 106,540
Procurement Manager ****	1	\$ 6,509	\$ 9,666	\$ 78,108	\$115,992	\$ 44,522	\$ 66,115	\$ 122,630	\$ 182,107
Program Integrity Officer	1		**		**		**		**
Programs Manager	1	\$ 8,541	\$12,683	\$ 102,492	\$152,196	\$ 58,420	\$ 86,752	\$ 160,912	\$ 238,948
Property Aide (Part Time)	4								
Secretary	1	\$ 3,805	\$ 4,635	\$ 45,660	\$ 55,620	\$ 26,026	\$ 31,703	\$ 71,686	\$ 87,323
Senior Administrative Analyst	1	\$ 7,010	\$10,410	\$ 84,120	\$124,920	\$ 47,948	\$ 71,204	\$ 132,068	\$ 196,124
Special Programs Manager	1	\$ 7,737	\$11,490	\$ 92,844	\$137,880	\$ 52,921	\$ 78,592	\$ 145,765	\$ 216,472
Systems Manager ****	1	\$ 7,549	\$11,210	\$ 90,588	\$134,520	\$ 51,635	\$ 76,676	\$ 142,223	\$ 211,196
Total	73								

*One position is on a hiring freeze and another is less than full-time.

**Service contract with the Alameda County District Attorney's office.

*** Vacant positions:

Housing Specialist (1) on a hiring freeze

IT Manager (1) on a hiring freeze

Deputy Director (1) on a hiring freeze for nine months of the year

**** Class specification changed. Personnel Committee adopted on 5/10/17

Management position

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Audit for the Fiscal Year Ending June 30, 2017

Exhibits Attached: Attachment B: Audit Reports

Recommendation: Accept Reports

Financial Statement: None

BACKGROUND

The Housing Authority's (HACA) audit for the fiscal year ending June 30, 2017, was completed by the auditors, Patel & Associates, LLP, on March 19, 2018.

Patel & Associates, LLP performed a "single audit," as HACA received over \$750,000 of federal funding during the fiscal year. The audit was designed and conducted in the areas of financial operation, internal control and OMB Circular A-133 compliance.

Included in the audit report is HACA's non-profit component unit, Preserving Alameda County Housing, Inc. (PACH).

DISCUSSION and ANALYSIS

Independent Auditor's Report (pages 1-3)

In the independent auditor's report addressed to the Board of Commissioners, Patel & Associates, LLP opines that HACA's financial statements at the fiscal year ending June 30, 2017 were stated fairly in all material respects.

Management's Discussion and Analysis (MD&A) (pages 4-11)

The MD&A serves as an introduction to the agency wide financial statements and is an overview of HACA's financial activity. It highlights changes in our financial position as well as identifies significant financial and individual fund issues. It also discusses the current year's results in comparison to the prior year's, with emphasis on the current year.

The *Statement of Net Position* presents information about HACA's financial and capital resources (assets) and its obligations to creditors (liabilities), and is similar to a balance sheet. The *Authority-Wide Statement of Net Position* is shown on Table 1, page 6.

- ❖ Total assets and deferred outflow of resources was \$44.65 million.
- ❖ Total liabilities and deferred inflow of resources was \$13.07 million.
- ❖ Total assets exceeded total liabilities by \$31.58 million (net position) and consist of the following:
 - \$13.77 million are invested in capital assets. This includes land, buildings and improvements, and furniture and equipment net of accumulated depreciation.
 - \$14.60 million are restricted net position and consist of 1) restricted monies received from the net proceeds of the disposition of the former Arroyo Vista public housing project in Dublin and 2) PACH replacement (capital) reserves of \$2.33 million.
 - \$3.20 million are unrestricted net position and include the Housing Development Fund, Park Terrace (Hayward), Ocean Avenue (Emeryville), and Public Housing and Housing Choice Voucher (HCV) reserves.

Total assets and deferred outflow of resources decreased by approximately \$120,000. Non-current assets changed from last year due to interest accrued on the Notes Receivable from Eden Dougherty, LLP, for a total amount of \$12.24 million and also because of the PACH restricted replacement reserve balance.

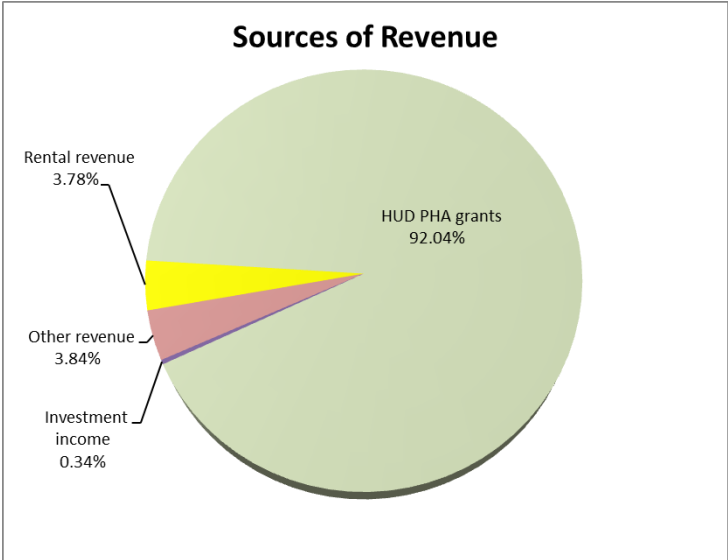
Total liabilities increased by approximately \$577,000, primarily due to net pension liability recorded. Please refer to Notes 1(d), 1(e) and 6 on pages 19-21, pages 30-38 and pages 50-51 for more information.

Total net position decreased by \$0.70 million and was \$31.58 million in 2017 and \$32.28 million in 2016.

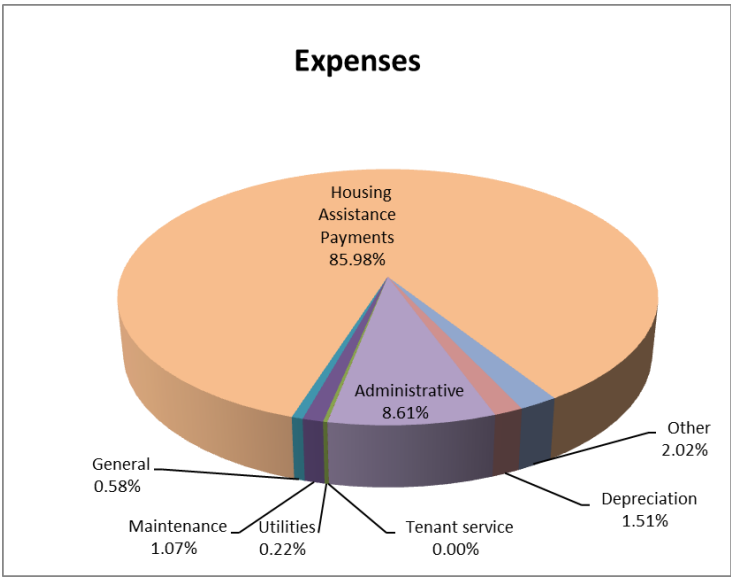
The *Statement of Revenues, Expenses and Changes in Net Position* reports HACA's revenues by source and type and its expenses by category to substantiate the change in net position (similar to net income or loss) for the fiscal year.

- ❖ Table 2 on page 8 shows total revenue (excluding Housing Assistance Payments-Portability in) of \$117.51 million compared to \$99.61 million in 2016, an increase of \$17.90 million.
 - HUD provided the majority of HACA's total revenue (\$108.16 million or 96%) so changes in HUD funding greatly impact operating results. The HCV program received \$107.09 million in funding, which was \$17.70 million more than the previous year. The Low Rent Public Housing program received \$0.11 million in final subsidy and the Mod Rehab program received \$0.96 million.

- Rental revenue increased by 18% from the previous year, mainly due to the change in the contract rents for the 230 former public housing units disposed of to PACH and converted to Section 8 project-based vouchers.



- Total expenses were \$118.20 million compared to \$99.30 million in 2016, an increase of \$18.90 million. The largest program expenditure as reflected in the chart was for housing assistance payments (HAP).



Audited Financial Statements (pages 12-16 and 45-48)

Patel & Associates, LLP conducted an audit of the financial statements of each of the programs administered by HACA. Each program is considered a separate accounting entity with its own assets, liabilities, net position, revenues and expenses.

Page 12 shows the *Statement of Net Position* for all programs. Page 45 shows the individual funds that make up the total.

The Low Rent Public Housing program has total net position of \$12.30 million, which includes net restricted position of \$12.24 million and net unrestricted position of \$54,640.

The Housing Choice Voucher program has total net position of -\$6.42 million.

The Housing Development Fund has a total net position balance of \$10.23 million.

In March 2016, HACA completed the RAD conversion and sold its remaining 72 units of Public Housing to PACH, which now owns all 230 former public housing units. For FY 2017, PACH had total assets of \$13.24 million, total liabilities of \$0.23 million and net position of \$13.01 million. It had total revenues of \$4.38 million and expenses of \$2.73 million. See also Note 7 on page 39.

Park Terrace had a net position balance of \$1.50 million and Ocean Avenue hds \$0.78 million.

Pages 14 and 46 show the *Statement of Revenues, Expenses and Changes in Net Position*. As your Commission will note, the change in net position includes depreciation expense. While depreciation is treated as an expense that reduces the results of operations, it does not have an impact on restricted or unrestricted net position. When the depreciation expense and, in some instances, changes due to acquisitions, dispositions and improvements of capital assets are excluded, the change in net position balances shows the actual operating income or loss for the year.

HACA's Low Rent Public Housing program had operating income of \$38,494.

The Housing Choice Voucher program had a net operating *loss* of \$1.20 million (\$252,000 from operations and \$950,000 due to pension liability).

The Housing Development Fund had a net operating *loss* of \$320,166.

PACH had a net operating income of \$2.53 million.

Ocean Avenue had a net operating income of \$5,132.

Park Terrace had a net operating income of \$39,318.

Summary of Auditor's Reports

In the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and the Independent Auditor's Report on Compliance for each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133 (pages 52-55)*, the following were reported:

- No material weaknesses or significant deficiencies were identified from the testing and evaluation of HACA's internal control system.
- In testing HACA's compliance with certain provisions and requirements applicable to the programs it administered, the auditors did not identify any instances of noncompliance with program requirements.

Schedule of Findings and Questioned Costs

Section 1 – *Summary of Auditor's Results* (page 56)

Patel & Associates, LLP issued an unmodified opinion on HACA's financial statements. This means that HACA complied with Generally Accepted Accounting Principles (GAAP) and that our financial statements were presented, in all material aspects, appropriately and fairly. HACA is considered a low-risk auditee based on past experience and overall evaluation of its operations and because a single audit has been conducted in prior years where there were no material weaknesses identified.

Sections II and III (page 57-58) – There were no financial statement findings or non-compliance issues identified in this and the prior fiscal year.

RECOMMENDATION

Staff recommends that your Commission accept the audited financial statements and reports for all HACA programs for the fiscal year ended June 30, 2017.

HOUSING AUTHORITY OF ALAMEDA COUNTY

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Management Classification Compensation Survey Results

Exhibits Attached: Koff & Associates Summary Survey

Recommendations: Accept the range assignment recommendation, pending approval by the Personnel Committee of the revised Information Technology Manager classification

Financial Statement: None

BACKGROUND

All management classifications were updated and approved by your Personnel Committee on June 14, 2017. Since that time, there have been a number of changes with respect to the Housing Authority’s Information Technology Department. Information Technology Manager Jim McRoberts retired and the vacancy was not filled as a cost-saving measure. The remaining employee in the department is the Systems Manager, Irv Aragon. At the same time, HACA was converting its housing programs management software to a significantly different program. The Systems Manager has taken on many of the responsibilities for the software conversion and has delegated some of the network tasks to an Administrative Analyst. Because of the changes in the nature of the work, the Systems Manager classification no longer accurately reflects the actual work being performed.

The proposed Information Technology Manager classification is a new classification that combines some of the tasks of the previous Information Technology Manager classification and tasks of the Systems Manager classification that are currently being performed by the Systems Manager. Staff is recommending that the Personnel Committee approve the revised classification of Information Technology Manager at today’s meeting.

DISCUSSION and ANALYSIS

A compensation study for the revised Information Technology Manager classification was performed by Koff & Associates, the same firm that conducted the triennial survey of all management classifications in 2017. The same survey methodology was used for the IT Manager study as was used for the triennial survey of all management classifications. For each

comparable agency, a “benchmark” classification is selected as the best match to the comparable HACA classification. Job title is not necessarily the deciding factor. The same comparability pool was used, which consists of 12 public agencies including Bay Area cities, the

County of Alameda and other Housing Authorities. The twelve agencies of comparison are as follows:

1. City of Fremont
2. City of Hayward
3. City of San Leandro
4. City of San Mateo
5. County of Alameda
6. Housing Authority of the City of Alameda
7. Oakland Housing Authority
8. City of Richmond Housing Authority
9. Contra Costa Housing Authority
10. Marin Housing Authority
11. Santa Clara County Housing Authority
12. San Mateo County Housing Authority

Koff & Associates has made a recommendation for a salary range adjustment based on the survey results. It should be noted that any adjustments to salary ranges resulting from the comparability survey do not automatically increase an employee’s salary but instead are added to the salary range for the position. Employee increases are based on a manager’s annual performance evaluation.

Attached is the salary survey conducted by Koff & Associates.

RECOMMENDATIONS

Staff recommends your Commission 1) approve changes to the Information Technology Manager classification, contingent on approval of the revised classification by the Personnel Committee after your meeting today, and 2) accept the salary range assignment effective the first pay period following approval.

Housing Authority of the County of Alameda
Top Monthly Salary Data
February 2018

Information Technology Manager						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	Santa Clara County Housing Authority	Business Systems Supervisor	\$13,204	07/01/17	Unknown	Unknown
2	County of Alameda	Infrastructure Services Engineer / Infrastructure Services Manager ¹	\$13,157	01/03/16	Unknown	Unknown
3	City of San Leandro	Assistant Information Technology Manager / Information Technology Manager ¹	\$12,373	01/01/18	01/01/19	3.0%
4	City of Fremont	Network Engineer / Business Systems Manager ¹	\$11,709	06/25/17	06/24/18	3.0%
5	San Mateo County Housing Authority	IS Systems Supervisor / IS Communications Supervisor ²	\$11,388	10/08/17	Unknown	Unknown
6	City of San Mateo	Network Administrator / Senior Systems Analyst ²	\$11,115	05/07/17	04/08/18	3.0%
7	Oakland Housing Authority	Information Technology Programming Manager	\$10,763	07/01/17	Unknown	Unknown
8	City of Hayward	Network Systems Specialist / Information Technology Manager ¹	\$10,531	07/01/17	Unknown	Unknown
9	City of Richmond Housing Authority	Network and Systems Engineer / Networking and Systems Manager ¹	\$10,398	07/01/15	Unknown	Unknown
10	Housing Authority of the County of Alameda	Information Technology Manager	\$9,887			
	Housing Authority of the City of Alameda	N/C				
	Housing Authority of the County of Contra Costa	N/C				
	Marin Housing Authority	N/C				
		Average of Comparators	Monthly \$11,626	Annual \$139,516		
		% Housing Authority of the County of Alameda Above/Below	-17.6%			
		Median of Comparators	\$11,388	\$136,656		
		% Housing Authority of the County of Alameda Above/Below	-15.2%			
		Number of Matches	9			

NOTE: All calculations exclude Housing Authority of the County of Alameda

N/C - Non Comparator

- 1- This match is a span in control bracket to represent the span of responsibilities performed by HACA's classification. The duties are performed by more than one class at the benchmark agency. The salary reported is the average salaries of the classifications.
- 2- This match is a functional bracket to represent the functional responsibilities performed by HACA's classification. The duties are performed by more than one class at the comparator agency.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Personnel Committee Appointments

Exhibits Attached: None

Recommendation: Discuss and make appointment

BACKGROUND

The Personnel Committee is the Housing Authority's only standing committee. It is comprised of four Commissioners and assists the Commission in various personnel actions designated within the scope of the Housing Authority's Personnel Rules. The current membership of the Personnel Committee is as follows:

Marvin Peixoto (Chairperson)
Don Biddle
Mark Gerry
Christine Steiner

With the passing of Commissioner Don Biddle in February and the resignation of Commissioner Christine Steiner in May your Commission needs to appoint two members to the Personnel Committee.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Nominating Committee for Officers

Exhibits Attached: None

Recommendation: Appoint a Nominating Committee

DISCUSSION AND ANALYSIS

Your Commission must appoint a Nominating Committee to select candidates for the positions of Chairperson and Vice-Chairperson. The terms are for one year. The current Chairperson is Mark Gerry and Michael Hannon is the Vice-Chairperson. While the Commission bylaws stipulate that the Chairperson can serve no more than two successive full terms, they do not specify the number of terms the Vice-Chairperson can serve. Traditionally, the Vice-Chairperson has moved up to become Chairperson (although that is not mandated), so the Nominating Committee's focus is usually on the selection of the Vice-Chairperson candidate.

We do not expect to have a July meeting so at your August meeting the Nominating Committee will present the candidates and an election will be held. The newly-appointed officers will take office immediately and the new Chairperson will chair the August meeting.

BUDGET STATUS

REPORT

Housing Authority of Alameda County
HOUSING CHOICE VOUCHER
Administrative Budget Status Report FYE June 30, 2018
March 2018

FY 2018 - HCV OPERATING BUDGET	Budgeted @ 3/31/2018	Actual @ 3/31/2018	OVER (UNDER)	PROJECTED TO 6/30/18	SCH. NO.	2017 BUDGET	2018 BUDGET	DIFFERENCE
INCOME								
Investment Income	375	0	(375)	0	A1	500	500	0
Misc. Income	244,500	259,774	15,274	313,365	A1	326,000	326,000	0
Grant Income	0	0	0	0				0
Administrative Fee Income	4,975,936	5,218,198	242,262	6,947,048	A	6,976,234	6,634,582	(341,652)
TOTAL INCOME	5,220,812	5,477,972	257,160	7,260,413		7,302,735	6,961,082	(341,652)
EXPENSES								
Administration								
Salaries	(2,819,973)	(2,879,762)	(59,789)	(4,040,727)	B-1& 2	(4,110,734)	(3,759,964)	350,770
Other Admin.	(1,195,268)	(1,005,268)	190,000	(1,340,357)	C-1&2	(1,563,758)	(1,593,691)	(29,933)
Total	(4,015,241)	(3,885,029)	130,211	(5,381,084)		(5,674,492)	(5,353,654)	320,838
General								
Insurance	(168,523)	(122,295)	46,228	(163,059)	E	(226,429)	(224,697)	1,732
Employee Benefits	(1,607,384)	(1,596,887)	10,497	(2,193,179)		(2,240,350)	(2,143,179)	97,171
Miscellaneous	0	0	0	0		0	0	0
Total	(1,775,907)	(1,719,182)	56,726	(2,356,239)		(2,466,779)	(2,367,877)	98,902
Total Routine Expenses	(5,791,148)	(5,604,211)	186,937	(7,737,322)		(8,141,271)	(7,721,531)	419,740
Capital Expenditures								
	0	0	0	0	D2	0	0	0
TOTAL EXPENSES	(5,791,148)	(5,604,211)	186,937	(7,737,322)		(8,141,271)	(7,721,531)	419,740
Income (Deficit)						(838,536)	(760,449)	
NET INCOME (DEFICIT)	(570,337)	(126,239)	444,097	(476,909)		(838,536)	(760,449)	78,088

Unrestricted Net Position @ 6/30/17
 Estimated Income (Loss) FYE 6/30/18
 Estimated Income (Loss) FYE 6/30/18 due to NPL
 Projected Unrestricted Net Assets @ 6/30/18

\$ (6,425,207)
 (476,909)
 (1,000,000)
\$ (7,902,116)

Unrestricted Net Position (UNP)	Op. Res w/o GASB 68 - pension	GASB 68 - Pension Liability	Total UNP
Beginning Bal 7/1/16	1,396,348	(6,619,893)	(5,223,545)
Net loss @ 6/30/17	(251,900)	(949,762)	(1,201,662)
UNP @ 7/1/17	1,144,448	(7,569,654)	(6,425,207)
Estimated Loss @ 6/30/18	(476,909)	(1,000,000)	(1,476,909)
Est. UNP @ 6/30/18	667,539	(8,569,654)	(7,902,116)

PROGRAM ACTIVITY

REPORT

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: June 13, 2018

Subject: Programs Activity Report

Exhibits Attached: Section 8 and Housing Assistance Payments (HAP) Report; Section 8 Average Contract Rent Report; Landlord Rental Listing Report; FSS Program Monthly Report

Recommendation: Receive Report

Financial Statement: None

SECTION 8 HOUSING CHOICE VOUCHERS

- **Lease-Up:** As of June 1, 2018, the Section 8 Housing Choice Voucher program had 6,009 units under contract.
- **HCV Program Utilization:** As of June 1, 2018, the average HAP subsidy was \$1,584 and the average tenant-paid rent portion was \$502 for an average Contract Rent of \$2,086. Amounts vary by \$1 due to rounding.
 - ❖ As of June 1, 2018, HACA had 119 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
 - ❖ As of June 1, 2018, HACA billed other housing authorities for 410 incoming portability contracts.
 - ❖ As of June 1, 2018, 222 of PACH's 230 project-based voucher (PBV) units are leased. These are HACA's former public housing units converted under HUD's Section 18 or Rental Assistance Demonstration programs and transferred to PACH, HACA's instrumentality.
- **Section 8 Contract Report:** A copy of the Contract Report is attached.
- **Landlord Rental Listings:** As of June 4, 2018, there were 43 active properties listed. There were three new landlords added to the Section 8 program in May.

FAMILY SELF SUFFICIENCY (FSS)

In April, the FSS Department held two FSS program orientations with 60 prospective participants in attendance. The FSS Department will hold two more orientations in July in an effort to continue to grow the program.

Also in April, the FSS Department held a homeownership workshop to help the 42 participants become more self-aware of their readiness to become homeowners. Additionally, the FSS Department held an employment workshop featuring six Bay Area employers. Seventeen FSS participants attended this workshop.

In May, the FSS Department held its annual HACA Scholarship workshop to assist participants with submitting a quality scholarship application.

Also in May, the FSS department held a Program Coordinating Committee (PCC) meeting in an effort to enhance the operation of the FSS program and its coordination with our partnering agencies.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Section 8 Contract and HAP Report for the Month of April 2018

City	Certificates		Vouchers		APRIL 2018 TOTAL		APRIL 2017	APRIL 2016
	Number	HAP*	Number	HAP**	Number	HAP		
		based on avg		based on avg				
		\$ 1,451		\$ 1,595				
Albany	0	\$0	18	\$28,710	18	\$28,710	23	26
Castro Valley	13	\$18,863	202	\$322,190	215	\$341,053	210	209
Dublin	3	\$4,353	395	\$630,025	398	\$634,378	352	354
Emeryville	6	\$8,706	148	\$236,060	154	\$244,766	155	129
Fremont	21	\$30,471	1,039	\$1,657,205	1,060	\$1,687,676	1,069	1,062
Hayward	88	\$127,688	1,894	\$3,020,930	1,982	\$3,148,618	2,006	2,017
Newark	5	\$7,255	206	\$328,570	211	\$335,825	213	220
Pleasanton	3	\$4,353	203	\$323,785	206	\$328,138	117	112
San Leandro	12	\$17,412	1,346	\$2,146,870	1,358	\$2,164,282	1,415	1,460
San Lorenzo	1	\$1,451	201	\$320,595	202	\$322,046	204	197
Union City	4	\$5,804	726	\$1,157,970	730	\$1,163,774	743	727
TOTALS	156	226,356	6,378	10,172,910	6,534	10,399,266	6,507	6,513

* Based on an average April Housing Assistance Payment (HAP) of \$1,451 per certificate contract

**Based on an average April Housing Assistance Payment (HAP) of \$1,595 per voucher contract

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
Section 8 Contract and HAP Report for the Month of May 2018

City	Certificates		Vouchers		MAY 2018 TOTAL		MAY 2017	MAY 2016
	Number	HAP*	Number	HAP**	Number	HAP		
		based on avg		based on avg				
		\$ 1,537		\$ 1,605				
Albany	0	\$0	19	\$30,495	19	\$30,495	22	26
Castro Valley	13	\$19,981	202	\$324,210	215	\$344,191	209	212
Dublin	3	\$4,611	394	\$632,370	397	\$636,981	354	356
Emeryville	6	\$9,222	148	\$237,540	154	\$246,762	153	128
Fremont	20	\$30,740	1,034	\$1,659,570	1,054	\$1,690,310	1,069	1,059
Hayward	56	\$86,072	1,899	\$3,047,895	1,955	\$3,133,967	1,994	2,010
Newark	5	\$7,685	209	\$335,445	214	\$343,130	210	218
Pleasanton	3	\$4,611	206	\$330,630	209	\$335,241	172	113
San Leandro	12	\$18,444	1,342	\$2,153,910	1,354	\$2,172,354	1,398	1,451
San Lorenzo	1	\$1,537	202	\$324,210	203	\$325,747	203	193
Union City	4	\$6,148	719	\$1,153,995	723	\$1,160,143	734	738
TOTALS	123	189,051	6,374	10,230,270	6,497	10,419,321	6,518	6,504

* Based on an average May Housing Assistance Payment (HAP) of \$1,537 per certificate contract

**Based on an average May Housing Assistance Payment (HAP) of \$1,605 per voucher contract

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Average Contract Rent Report for the Month of April 2018

City	Number of HAP Contracts	Average Contract Rent	Average HAP Paid by HACA	Average Rent Paid by Family	Average Family-Paid Rent as a Percentage of Average Contract Rent
Albany	18	\$1,675	\$1,343	\$332	20%
Castro Valley	202	\$2,074	\$1,661	\$413	20%
Dublin	395	\$1,901	\$1,497	\$405	21%
Emeryville	148	\$1,621	\$1,134	\$485	30%
Fremont	1,039	\$2,253	\$1,769	\$485	22%
Hayward	1,894	\$2,012	\$1,545	\$466	23%
Newark	206	\$2,420	\$1,818	\$602	25%
Pleasanton	203	\$1,707	\$1,313	\$394	23%
San Leandro	1,346	\$1,995	\$1,504	\$491	25%
San Lorenzo	201	\$2,277	\$1,723	\$554	24%
Union City	726	\$2,274	\$1,758	\$516	23%

*Some rents may vary by \$1 due to rounding

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

Section 8 Average Contract Rent Report for the Month of May 2018

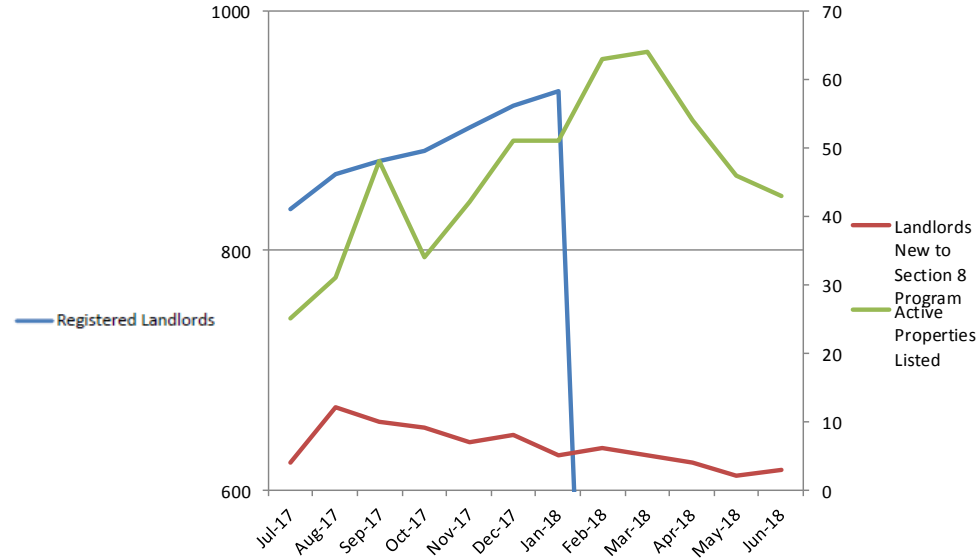
City	Number of HAP Contracts	Average Contract Rent	Average HAP Paid by HACA	Average Rent Paid by Family	Average Family-Paid Rent as a Percentage of Average Contract Rent
Albany	19	\$1,685	\$1,329	\$356	21%
Castro Valley	215	\$2,065	\$1,645	\$420	20%
Dublin	397	\$1,902	\$1,494	\$408	21%
Emeryville	154	\$1,638	\$1,156	\$479	29%
Fremont	1,054	\$2,268	\$1,776	\$492	22%
Hayward	1,955	\$2,012	\$1,550	\$461	23%
Newark	214	\$2,445	\$1,831	\$613	25%
Pleasanton	209	\$1,751	\$1,346	\$406	23%
San Leandro	1,354	\$2,011	\$1,524	\$487	24%
San Lorenzo	201	\$2,283	\$1,723	\$560	25%
Union City	723	\$2,285	\$1,768	\$516	23%

*Some rents may vary by \$1 due to rounding

Landlord Rental Listing Report

Monthly

	7/5/2017	8/1/2017	9/1/2017	10/2/2017	11/1/2017	12/4/2017	1/2/2018	2/5/2018	3/1/2018	4/2/2018	5/1/2018	6/4/2018
Registered Landlords	834	864	874	883	903	921	933	0	0	0	0	0
Landlords New to Section 8 Program	4	12	10	9	7	8	5	6	5	4	2	3
Active Properties Listed	25	31	48	34	42	51	51	63	64	54	46	43



The blue line on the chart above takes a severe drop in February as the Registered Landlords data is not available at this time. Our rental listing vendor is working toward restoring our ability to access this information. The data is still being tracked but simply isn't currently available to customers.



To: Christine Gouig, Executive Director
From: Daniel Taylor, Special Programs Manager
Re: **FSS Program Summary**
CC: Linda Evans, Phyllis Harrison, Mary Sturges, Danielle Roundtree
Date: May 1, 2018

Program Summary	April 2018
Total Clients Under Contract:	178
MDRC:	100
Graduates:	1
Escrow Disbursed:	\$14,986.24
Ports In:	0
Ports Out:	0
Terminations:	0
New Contracts:	5

FSS PROGRAM NEWS:

FSS Orientations

The FSS team held two orientations this month for prospective participants, one on Tuesday, April 3, 2018 and the other on Thursday, April 5, 2018. Sixty (60) participants in total attended the workshops. The FSS team will hold two more orientations in July as we continue to try to grow the program.

FSS Homeownership Workshop

On Saturday, April 14, 2018, the FSS team hosted a workshop entitled, *Orientation to Homeownership, Are You Ready?* Our community partner, Sheri Powers of the non-profit San Francisco Housing Development Corporation, presented the workshop. The session included topics such as:

- Pros & Cons of Homeownership
- Steps of the Home Buying Process
- The True Costs of Homeownership
- The 5 C's of Lending
- How Much Can You Afford to Buy?
- Managing Your Money
- Tips for Becoming a Default-Resistant Homeowner

The goal was to help participants become more self-aware of their readiness to become homeowners. Forty-two (42) people attended.

FSS Employment Workshop

On Wednesday, April 25, 2018, the FSS team hosted an employment workshop featuring various employers from the Bay Area. The employers in attendance were:

- Alameda County Social Services
- Apple One
- BART
- Eden Area One Stop
- Mission Linen
- Moler Barber College

All of the presenters offered an abundance of information regarding their organization and hiring practices. Seventeen (17) participants attended.

Case Management Referrals = 31

Job Referrals = 58



To: Christine Gouig, Executive Director
From: Daniel Taylor, Special Programs Manager
Re: **FSS Program Summary**
CC: Linda Evans, Phyllis Harrison, Mary Sturges
Date: June 4, 2018

Program Summary	May 2018
Total Clients Under Contract:	183
MDRC:	100
Graduates:	1
Escrow Disbursed:	\$0
Ports In:	0
Ports Out:	0
Terminations:	0
New Contracts:	6

FSS PROGRAM NEWS:

HACA Scholarship

On Thursday, May 3, 2018, the FSS team presented a HACA Scholarship workshop. Executive Assistant Melissa Taesali explained the application and the process for submission. Following the presentation, the FSS team answered questions about the application process. The goal of the workshop was to assist participants with submitting a quality scholarship application.

Program Coordinating Meeting

On Wednesday, May 16, 2018, the FSS team held a Program Coordinating Committee (PCC) meeting. The PCC consists of Alameda County agencies, nonprofit organizations and FSS participants. The goal of the PCC is to enhance the operation of the FSS program and partnerships. The PCC members provided updates regarding their respective agencies and shared valuable information.

Case Management Referrals = 25
Job Referrals = 61

ATTACHMENT

A

MEMORANDUM OF UNDERSTANDING – MAINSTREAM PROGRAM

This Memorandum of Understanding (MOU) is entered into by and between the Housing Authority of the County of Alameda (“HACA”) and _____ (“Partner”) in connection with the Mainstream Voucher Program and has an effective date of June 1, 2018.

RECITALS

Whereas, HACA’s mission is to provide decent, safe and sanitary affordable housing to very low and extremely low income households, primarily through the Housing Choice Voucher (including project based vouchers), HUD-VASH, RAD and NED programs; and

Whereas, Partner’s mission is to:

_____ ; and

Whereas, a common goal of HACA and Partner is to expand housing opportunities for individuals and households with disabilities, including the homeless; and

Whereas, the U. S. Department of Housing and Urban Development (“HUD”) has issued a NOFA announcing competitive funding for Mainstream Vouchers to provide rental subsidies for non-elderly persons with disabilities who are: 1) homeless, 2) at risk of becoming homeless, 3) coming out of an institution or 4) at risk of going into an institution; and

Whereas, HACA and Partner currently provide various services and subsidies to such persons and have determined that the provision of Mainstream Vouchers will be of significant assistance to the participants of their programs and, therefore, HACA has decided to apply for said Mainstream Vouchers; and

Whereas, HACA and Partner each have committed to providing certain services in order to carry out the objectives of the Mainstream Voucher program as described below; and

Whereas, HACA and Partner have further described below the population they serve, including whether the population is limited by type of disability, age or geographic area;

Now, therefore, HACA and Partner hereby approve the terms and conditions of this MOU as enumerated below.

Introduction

HACA is committed to administering the Mainstream Voucher program in compliance with HUD regulations, guidance, notices and program requirements and to collaborating with Partner to provide housing for the target populations. Partner is committed to providing services to users

of its programs so they may participate in the Mainstream Voucher program and to collaborating with HACA to achieve the goals of the program.

HACA and Partner have designated the following liaisons as their respective Program Contacts:

For HACA – Overall Program Liaison	Jennifer Cado	Senior Administrative Analyst
For HACA – Participant/Tenant Liaison	Daniel Taylor	Special Programs Manager
For Partner – Overall Program Liaison		
For Partner – Participant/Tenant Liaison		

Statement of Cooperation

HACA and Partner agree to cooperate with HUD, provide requested data to HUD or a HUD-approved contractor delegated the responsibility of program evaluation, and follow all evaluation protocols established by HUD or a HUD-approved contractor, including possible random assignment procedures.

Roles, Responsibilities and Services

HACA agrees to provide the following services:

1. Upon notification that Mainstream Vouchers have been awarded, train partner staff on HACA’s voucher process and procedures.
2. Manage its wait list to determine persons on the current list who may be eligible for a Mainstream Voucher. Open its waitlist to accept other persons who may be eligible, including those referred by Partner or any other of HACA’s partners in the Mainstream Voucher program. The wait list will close after a sufficient number of applicants has been received. All persons receiving a Mainstream Voucher will come from HACA’s wait list.
3. HACA’s Administrative Plan already is always open for CCT applicants. It also has a defined homeless preference. HACA will further amend its Administrative Plan in accordance with Mainstream Voucher requirements, if needed.
4. Administer the Vouchers in accordance with applicable program regulations and requirements including but not limited to:
 - a. Processing eligibility in accordance with HUD regulations.
 - b. Conducting regularly scheduled briefings for tenant participants in collaboration with its Mainstream partners.
 - c. Maintaining and sharing a list of property owners and managers willing to accept Mainstream Vouchers, including units with accessibility features

- d. Working with its Mainstream Voucher partners to locate appropriate housing for tenant participants, including housing located in areas of opportunity.
 - e. Verifying landlord ownership and conducting other property due diligence prior to entering into a HAP contract.
 - f. Conducting inspections of units for compliance with HUD’s Housing Quality Standards (HQS) at time of leasing, on an ongoing basis, and when requested by staff, the landlord or tenant.
 - g. Reviewing rental agreements between the tenant participant and the property owner and verifying rent amounts.
 - h. Establishing a HAP contract with the landlord.
 - i. Paying, on a timely basis, the monthly HAP.
 - j. Processing annual tenant recertifications and interims in accordance with HUD regulations.
 - k. Maintaining collaborative relationships with property owners and managers.
5. Conduct regular meetings (at least quarterly) with its Mainstream Voucher partners.
 6. Comply with the provisions of this MOU.

Partner agrees to:

1. Provide the services listed in Attachment A.
2. Participate in training provided by HACA.
3. Participate in regular meetings conducted by HACA.
4. Maintain records that enable HACA to report to HUD as required.
5. Provide information necessary to evaluate the outcomes and performance of the program.
6. Comply with the provisions of this MOU.

Population Served (including whether the population is limited by type of disability, age or geographic area)

HACA does not limit its program based on type of disability or age. HACA serves nine cities in Alameda County plus the unincorporated communities of Castro Valley and San Lorenzo plus other unincorporated areas.

Partner serves the population described in Attachment A.

Additional Activities

HACA and Partner recognize that as the program evolves additional services or approaches not contemplated or unknown at this time may be required to achieve the goals. HACA and Partner

agree to work together cooperatively to augment and refine their work if they determine such is needed.

The parties hereto signify their agreement with this MOU by signing below:

For HACA

Signature

Title

Date

For Partner

Name of Organization

Signature

Title

Date



ALCOHOL, DRUG & MENTAL HEALTH SERVICES
CAROL BURTON, MSW, Interim Director

P.O. Box 29172
Oakland, California 9412
(510) 891-8923

June 1, 2018

Christine Gouig
Executive Director
Housing Authority of the County of Alameda (HACA)
22941 Atherton Street
Hayward, CA 94541-6633

RE: Letter of Intent to Partner with HUD Section 811 Mainstream Voucher Program

Dear Ms. Gouig:

The Housing Solutions for Health unit of the Alameda County Health Care Services Agency is excited to partner with you on your application for the HUD Section 811 Mainstream Voucher Program. Our Agency is committed to ensuring Alameda County residents with disabilities enrolled in the Medi-Cal (Medicaid) program receive the appropriate health and social supports they need to obtain and retain housing in one of the most expensive housing markets in the United States. As a health care funding and direct service provider agency, one of our largest systemic challenges is the inadequate availability of affordable housing resources for Medi-Cal beneficiaries. A HUD allocation of additional resources will make a contribution to addressing this significant regional need.

Alameda County is one of 25 jurisdictions in California participating in a Section 1115 Medicaid waiver program known as Whole Person Care. Alameda County's waiver program goes by the name of Alameda County Care Connect (<http://accareconnect.org/>). This program has enabled our Agency to expand the level of housing-related supports and resources available to Medi-Cal beneficiaries experiencing homelessness, those residing in Skilled Nursing Facilities without homes to return to, and Medi-Cal recipients with complex health conditions receiving inadequate and uncoordinated care.

We're committed to supporting HACA's implementation of the Mainstream Voucher program should it receiving funding from HUD. Members of our team will participate in trainings and regular meetings with HACA related to this program. We will maintain records that enable HACA to report to HUD as required and on outcomes and performance measures for the program.

Our resources and services are countywide. We can offer supports to Medi-Cal recipients that meet the Whole Person Care eligibility criteria listed above and other populations of Medi-Cal recipients including those with serious mental illness. The Whole Person Care program does not restrict eligibility based on disability type or the age of the client.



As part of our partnership, we're committed to offer the following services and supports directly or via our contracted provider network as indicated below for those that meet our aforementioned eligibility criteria:

- Coordination of outreach and referral of persons who are homeless or at-risk of becoming homeless and to persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program and other HACA housing wait list opportunities.
- Assist persons with institutional or segregated setting discharge/transition planning.
- Assist persons to apply to HACA's waiting list for this and other HACA housing programs.
- Assist persons through HACA's eligibility process to receive a voucher for this program (e.g., paperwork, obtaining documents needed for eligibility determination).
- Assist persons in finding housing by providing housing search assistance.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards, including additional assistance to individuals in search of accessible units.
- Assist persons by providing assistance in securing units, e.g., rent deposit, move-in costs, and furniture.
- Assist persons with making or facilitating home modifications to make the unit more accessible.
- Assist persons with securing disability-related accommodations.
- Assist persons with moving into units, including physically accessible units where appropriate (can be through home modification), on the private rental market.
- Assist persons with accessing home and community-based services, supported employment, and tenancy supportive services.
- Assist persons with accessing tenant rights services, legal services for eviction defense, as needed and available.
- Provide funding or staffing to support training and coordination of program implementation, including any necessary training, between HACA and partner organizations.
- Assist HACA with promoting the program to potential landlords willing to participate in the program, e.g., print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins.
- Assist persons to obtain housing by providing landlord incentive services (e.g. signing bonus)

We recognize that as the program evolves in Alameda County additional services or approaches not contemplated may be required to achieve the program goals. We're committing to working with HACA to augment and refine our collaborative work as needed to ensure the program's success. Our longstanding partnership with HACA has provided tremendous benefits to the people we serve. We look forward to working with HACA on this new endeavor.

Sincerely,



Robert Ratner, MPH, MD
 Housing Services Director
 (10) 891-8925; robert.ratner@acgov.org



T H E C I L

U.S. Department of Housing & Urban Development (HUD)
451 7th Street S.W.
Washington, DC 20410

11 May 2018

To whom it may concern at HUD:

The Center for Independent Living, Inc. (TheCIL) is the Title-VII-of-the-Rehab-Act disability services and advocacy agency whose federally designated catchment is northern Alameda County, California. We are writing to express our support for and our intentions regarding the Housing Authority of the County of Alameda's (HACA's) application for Section 811 housing vouchers through HUD's FY2017 Mainstream Voucher Program NOFA. Should HACA obtain non-elderly disabled (NED) vouchers via this NOFA, TheCIL intends to (a) help HACA recruit qualified candidates with whom to lease up the subsidized units and (b) serve as an ongoing resource to tenants who use these vouchers.

Recruitment:

HACA's jurisdiction comprises all of Alameda County except for the cities of Alameda, Berkeley, Livermore, and Oakland. According to the CA Dept of Public Health (<https://www.cdph.ca.gov/Pages/CDPHHome.aspx>) there are 115 long term care facilities in Alameda County, and according to the Public Policy Institute of California (<http://www.ppic.org/publication/anticipating-changes-in-regional-demand-for-nursing-homes/>) long term care facilities' occupancy rates vary only slightly among the various regions in the State, the Statewide occupancy rate hovers around 87%, and 17% of available beds go to non-seniors. Given this data, there is a very substantial pool of institutionalized Alameda County residents who would potentially be interested and eligible to use a NED voucher to move into a home in the community. TheCIL intends to outreach to all skilled nursing facilities in northern Alameda County – with TheCIL staff physically travelling to outreach in person to all such facilities within the cities of Albany and Emeryville (i.e., the northern Alameda County cities that fall within HACA's jurisdiction) -- in order to identify and engage individuals who are interested in using and likely eligible to use the vouchers in question. For all interested and likely eligible individuals identified, we will evaluate their preferences, desires, and needs in order to

determine if TheCIL and the individual in question feel that a safe and sustained transition to a community home is possible were that individual to receive a NED voucher, referring parties to HACA as appropriate.

Ongoing services and supports:

Irrespective of age, type of disability, or location of residence, every disabled individual who receives a NED voucher through HACA will be eligible to receive no-cost services from TheCIL – including information and referral to existing resources, peer counseling, independent living skills training, advocacy support, personal assistance services referral, and assistive technology services – by travelling to any TheCIL site, which are located in the cities of Berkeley, Oakland, and Alameda. At/near the time of lease execution, TheCIL will offer all northern Alameda County voucher holders (and their household stakeholders) an in-depth presentation at a location convenient to the voucher holder regarding the various TheCIL services available to them. We expect that voucher holders will often avail themselves of TheCIL’s support in navigating the In-Home Supportive Services processes and in developing an individualized money-management plan so that they can “run out of month before they run out of cash.”

TheCIL has over 45 years’ worth of experience coordinating disabled persons’ transitions from institutional settings to community homes, three of those years as a Lead Organization with CA’s California Community Transitions program (known federally as the Money Follows The Person program). Please don’t hesitate to contact me should you desire further information.

Yours truly,



Thomas Gregory
Deputy Director
tgregory@thecil.org



Centro Legal de la Raza

*Working for Justice
Strengthening Community
Since 1969*

June 1, 2018

U.S. Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

To Whom it May Concern at:

Centro Legal de la Raza (Centro Legal) is a comprehensive legal services agency. Its mission is to protect and advance the right of immigrant, low-income and Latino communities through bilingual legal representation, education, community organizing and advocacy throughout the East Bay region. Centro Legal's Tenants' Rights Program (aka Housing Program) focuses on ensuring stable, affordable housing to all low-income tenants. In response to the growing housing crisis, our program has expanded to include all of Alameda County and the City of Richmond.

We are writing to express our support for and our intentions regarding the Housing Authority of the County of Alameda's (HACA's) application for Section 811 housing vouchers through HUD's FY2017 Mainstream Voucher Program NOFA. Should HACA obtain non-elderly disabled (NED) vouchers via this NOFA, Centro Legal intends to accept referrals made by HACA for persons needing the following: (a) assist persons by accepting referrals for needed tenancy support including legal services for eviction defense, as needed and available, (b) assist persons by providing tenant rights services, (c) assist persons in securing units (e.g. rent deposit, move-in costs, furniture).

A handwritten signature in black ink, appearing to read 'Leah Simon-Weisberg'.

Leah Simon-Weisberg
Managing Attorney

Eden I&R, Inc.

Eden I&R, Inc.
570 B Street
Hayward, CA 94541

June 4, 2018

To whom it may concern:

We are pleased to partner with Housing Authority of Alameda County on their Mainstream Voucher program application.

Eden I&R serves a population that consist of Alameda County residents, many whom are low-income, homeless, disabled, seniors and single parent families.

The relevant services we would provide to HACA's clients would be the following.

- Provide referrals to persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program.
- Provide referrals to persons who are homeless or at risk of becoming homeless who are eligible for the program.
- Assist HACA to outreach to and recruit potential applicants by advertising HACA wait list openings to those who call our 2-1-1 Call Center.
- Assist persons in finding housing by providing housing search assistance.
- Assist persons with securing disability-related accommodations by providing referrals.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards.
- Assist persons with referrals for home and community-based services.
- Assist HACA with promoting the program to potential landlords willing to participate in the program (e.g. print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins).

We are a community based non-profit committed to the well-being of our residents.

For questions, please contact Pamela Glassoff at pamglassoff@gmail.com or (510)727-9506.

Sincerely,



Alison DeJung
Executive Director
(510)537-2710 X 8

Attachment A

Population Served (including whether the population is limited by type of disability, age or geographic area)

Since 1979, Community Resources for Independent Living (CRIL) has been providing residents of southern and eastern Alameda County who have a significant disability with comprehensive core and enhanced independent living skills supports and services, as well as systems advocacy. CRIL is recognized as a state leader in community organizing and provides 15 high quality life skills services to approximately 850 people of all ages and backgrounds who identify as 95% extremely low income and from a vulnerable population (100% disabled). Currently, CRIL's consumers are made up of 35% seniors, 25% African American, 22% Hispanic, 10% Asian and 35% Caucasian. CRIL's services closely reflect Alameda County's ethnic make-up

Services Provided

The following services are to be provided to non-elderly persons with disabilities ("persons") eligible for the Mainstream Voucher program.

- Coordinate outreach and referral of persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program.
- Assist persons with institutional or segregated setting discharge/transition planning.
- Coordinate outreach and referral of persons who are homeless or at risk of becoming homeless who are eligible for the program.
- Assist HACA to outreach to and recruit potential applicants by advertising HACA wait list openings.
- Assist persons to apply to HACA's waiting list for this housing program.
- Assist persons through HACA's eligibility process to receive a voucher for this program (e.g. paperwork, obtaining documents needed for eligibility determination).
- Assist persons in finding housing by providing housing search assistance.
- Assist persons with making or facilitating home modifications to make the unit more accessible.
- Assist persons to cover the cost home modifications to make the unit more accessible.
- Assist persons with securing disability-related accommodations.
- Assist persons with moving into units, including physically accessible units where appropriate (can be through home modification), on the private rental market.

- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards, including additional assistance to individuals in search of accessible units.
- Assist persons with referrals for home and community-based services.
- Assist persons by coordinating home and community-based services.
- Assist persons by providing home and community-based services.
- Assist persons by monitoring home and community-based services.
- Assist persons with supported employment services.
- Assist persons by providing tenancy support.
- Assist persons by accepting referrals for needed tenancy support including legal services for eviction defense, as needed and available.
- Assist persons by providing tenant rights services.
- Assist persons by providing assistance in securing units (e.g. rent deposit, move-in costs, furniture).
- Provide funding or staffing to support training and coordination of program implementation, including any necessary training, between HACA and partner organizations
- Assist HACA with promoting the program to potential landlords willing to participate in the program (e.g. print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins).
- Assist persons to obtain housing by providing landlord incentive services (e.g. signing bonus).

Other (please describe):

Provide a myriad of service to enhance a person's independent living in the community.

Other (please describe):

Maintains an active listserv of 1200 consumers with disabilities in the southern / eastern Alameda County.

Other (please describe):

Maintains a strong relationships with governmental, CBO (Community Based Organizations) and faith based organizations that support people with disabilities and seniors.

Other (please describe):

CRIL has 2 Coleman Transition Intervention (CTI) Service Coaches to assist people with disabilities in transitioning from institutional and other segregated settings into community based living.

Other (please describe):

CRIL has monthly housing workshops in Fremont and Livermore and weekly housing search workshops in Hayward. CRIL also provides assistance to consumers with housing applications (Applications parties).

Other (please describe):

Though CRIL's listserv, consumers are regularly informed of any openings on housing authorities in California.

Other (please describe):

Other (please describe):

Attachment A

Population Served (including whether the population is limited by type of disability, age or geographic area)

East Bay Innovations serves two main populations of people with disabilities. 1) People with disabilities who are eligible for MediCal and are residing in skilled nursing facilities and who wish to live in their own home. 2) People with developmental disabilities who wish to live on their own. EBI serves people within Alameda County.

Services Provided

The following services are to be provided to non-elderly persons with disabilities ("persons") eligible for the Mainstream Voucher program.

- Coordinate outreach and referral of persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program.
- Assist persons with institutional or segregated setting discharge/transition planning.
- Coordinate outreach and referral of persons who are homeless or at risk of becoming homeless who are eligible for the program.
- Assist HACA to outreach to and recruit potential applicants by advertising HACA wait list openings.
- Assist persons to apply to HACA's waiting list for this housing program.
- Assist persons through HACA's eligibility process to receive a voucher for this program (e.g. paperwork, obtaining documents needed for eligibility determination).
- Assist persons in finding housing by providing housing search assistance.
- Assist persons with making or facilitating home modifications to make the unit more accessible.
- Assist persons to cover the cost home modifications to make the unit more accessible.
- Assist persons with securing disability-related accommodations.
- Assist persons with moving into units, including physically accessible units where appropriate (can be through home modification), on the private rental market.

- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards, including additional assistance to individuals in search of accessible units.
- Assist persons with referrals for home and community-based services.
- Assist persons by coordinating home and community-based services.
- Assist persons by providing home and community-based services.
- Assist persons by monitoring home and community-based services.
- Assist persons with supported employment services.
- Assist persons by providing tenancy support.
- Assist persons by accepting referrals for needed tenancy support including legal services for eviction defense, as needed and available.
- Assist persons by providing tenant rights services.
- Assist persons by providing assistance in securing units (e.g. rent deposit, move-in costs, furniture).
- Provide funding or staffing to support training and coordination of program implementation, including any necessary training, between HACA and partner organizations
- Assist HACA with promoting the program to potential landlords willing to participate in the program (e.g. print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins).
- Assist persons to obtain housing by providing landlord incentive services (e.g. signing bonus).

Attachment A

Population Served (including whether the population is limited by type of disability, age or geographic area)

EveryOne Home is Alameda County's Homeless Continuum of Care Lead Agency. In that role we provide staff support to Coordinated Entry, including managing the by-name-list of all persons experiencing homelessness in Alameda County, including those with disabilities.

Services Provided

The following services are to be provided to non-elderly persons with disabilities ("persons") eligible for the Mainstream Voucher program.

- Coordinate outreach and referral of persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program.
- Assist persons with institutional or segregated setting discharge/transition planning.
- Coordinate outreach and referral of persons who are homeless or at risk of becoming homeless who are eligible for the program.
- Assist HACA to outreach to and recruit potential applicants by advertising HACA wait list openings.
- Assist persons to apply to HACA's waiting list for this housing program.
- Assist persons through HACA's eligibility process to receive a voucher for this program (e.g. paperwork, obtaining documents needed for eligibility determination).
- Assist persons in finding housing by providing housing search assistance.
- Assist persons with making or facilitating home modifications to make the unit more accessible.
- Assist persons to cover the cost home modifications to make the unit more accessible.
- Assist persons with securing disability-related accommodations.
- Assist persons with moving into units, including physically accessible units where appropriate (can be through home modification), on the private rental market.

- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards, including additional assistance to individuals in search of accessible units.
- Assist persons with referrals for home and community-based services.
- Assist persons by coordinating home and community-based services.
- Assist persons by providing home and community-based services.
- Assist persons by monitoring home and community-based services.
- Assist persons with supported employment services.
- Assist persons by providing tenancy support.
- Assist persons by accepting referrals for needed tenancy support including legal services for eviction defense, as needed and available.
- Assist persons by providing tenant rights services.
- Assist persons by providing assistance in securing units (e.g. rent deposit, move-in costs, furniture).
- Provide funding or staffing to support training and coordination of program implementation, including any necessary training, between HACA and partner organizations
- Assist HACA with promoting the program to potential landlords willing to participate in the program (e.g. print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins).
- Assist persons to obtain housing by providing landlord incentive services (e.g. signing bonus).

Other (please describe):

The CoC does not directly provide the services listed above, but can support matching referred and selected clients to those providers who do. We would also have knowledge about where capacity for supportive services is in the network of providers if the perspective tenant is not already matched them through coordinated entry.

Other (please describe):

[Redacted]

Other (please describe):

[Redacted]

Other (please describe):

[Redacted]

Other (please describe):

[Redacted]

Other (please describe):

[Redacted]

Other (please describe):

[Redacted]

Other (please describe):

[Redacted]

Attachment A

Population Served (including whether the population is limited by type of disability, age or geographic area)

HCEB serves all of Alameda County and does not limit its services based on type of disability or age.

Services Provided

The following services are to be provided to non-elderly persons with disabilities ("persons") eligible for the Mainstream Voucher program.

- Coordinate outreach and referral of persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program.
- Assist persons with institutional or segregated setting discharge/transition planning.
- Coordinate outreach and referral of persons who are homeless or at risk of becoming homeless who are eligible for the program.
- Assist HACA to outreach to and recruit potential applicants by advertising HACA wait list openings.
- Assist persons to apply to HACA's waiting list for this housing program.
- Assist persons through HACA's eligibility process to receive a voucher for this program (e.g. paperwork, obtaining documents needed for eligibility determination).
- Assist persons in finding housing by providing housing search assistance.
- Assist persons with making or facilitating home modifications to make the unit more accessible
- Assist persons to cover the cost home modifications to make the unit more accessible.
- Assist persons with securing disability-related accommodations.
- Assist persons with moving into units, including physically accessible units where appropriate

(can be through home modification), on the private rental market.

- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards, including additional assistance to individuals in search of accessible units.
- Assist persons with referrals for home and community-based services.
- Assist persons by coordinating home and community-based services.
- Assist persons by providing home and community-based services.
- Assist persons by monitoring home and community-based services.
- Assist persons with supported employment services.
- Assist persons by providing tenancy support.
- Assist persons by accepting referrals for needed tenancy support including legal services for eviction defense, as needed and available.
- Assist persons by providing tenant rights services.
- Assist persons by providing assistance in securing units (e.g. rent deposit, move-in costs, furniture).
- Provide funding or staffing to support training and coordination of program implementation, including any necessary training, between HACA and partner organizations
- Assist HACA with promoting the program to potential landlords willing to participate in the program (e.g. print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins).
- Assist persons to obtain housing by providing landlord incentive services (e.g. signing bonus).

Other (please describe):
Assist landlords through performing pre-HQS inspections to improve program compliance.

Other (please describe):
Assist persons by monitoring housing authority and affordable housing wait lists.

Other (please describe):
Assist persons to advocate for reasonable accommodations as needed.

Other (please describe):

Other (please describe):

Other (please describe):

Other (please describe):

Other (please describe):

Attachment A

Population Served (including whether the population is limited by type of disability, age or geographic area)

The Rental Housing Association of Southern Alameda County serves the cities of Dublin, Fremont, Hayward, Livermore, Newark, Pleasanton, San Leandro, Union City and unincorporated Alameda County. We do not limit our services based on disability or age.

Services Provided

The following services are to be provided to non-elderly persons with disabilities ("persons") eligible for the Mainstream Voucher program.

- Coordinate outreach and referral of persons in institutional and other segregated settings who want to move to community settings or who are at serious risk of institutionalization who are eligible for the program.
- Assist persons with institutional or segregated setting discharge/transition planning.
- Coordinate outreach and referral of persons who are homeless or at risk of becoming homeless who are eligible for the program.
- Assist HACA to outreach to and recruit potential applicants by advertising HACA wait list openings.
- Assist persons to apply to HACA's waiting list for this housing program.
- Assist persons through HACA's eligibility process to receive a voucher for this program (e.g. paperwork, obtaining documents needed for eligibility determination).
- Assist persons in finding housing by providing housing search assistance.
- Assist persons with making or facilitating home modifications to make the unit more accessible.
- Assist persons to cover the cost home modifications to make the unit more accessible.
- Assist persons with securing disability-related accommodations.
- Assist persons with moving into units, including physically accessible units where appropriate (can be through home modification), on the private rental market.

- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards.
- Assist persons to locate housing by providing an enhanced accessible housing registry with units compliant with federal accessibility standards, including additional assistance to individuals in search of accessible units.
- Assist persons with referrals for home and community-based services.
- Assist persons by coordinating home and community-based services.
- Assist persons by providing home and community-based services.
- Assist persons by monitoring home and community-based services.
- Assist persons with supported employment services.
- Assist persons by providing tenancy support.
- Assist persons by accepting referrals for needed tenancy support including legal services for eviction defense, as needed and available.
- Assist persons by providing tenant rights services.
- Assist persons by providing assistance in securing units (e.g. rent deposit, move-in costs, furniture).
- Provide funding or staffing to support training and coordination of program implementation, including any necessary training, between HACA and partner organizations
- Assist HACA with promoting the program to potential landlords willing to participate in the program (e.g. print ad, presentation on the program to potential landlords, e-blasts, Facebook posts, literature for walk-ins).
- Assist persons to obtain housing by providing landlord incentive services (e.g. signing bonus).

Other (please describe):

Allow HACA to advertise the Voucher program in our Members Newsletter - sent to approximately 1,100 housing providers

Other (please describe):

Provide free -eblasts and facebook posts (as available) for HACA to publicize the program to our members and constituents

Other (please describe):

Distribute promotional and informational literature to the 200+ walk-ins we receive

Other (please describe):

Partner with HACA to deliver informational seminars to memberships assemblies

Other (please describe):

In our offices, display and distribute informational literature to our housing provider members and seekers of housing

Other (please describe):

Place program information on our Website under "Housing Resources."

Other (please describe):

Other (please describe):

ATTACHMENT

B

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED JUNE 30, 2017

The logo consists of three vertical bars of varying heights, with the tallest bar on the left and two shorter bars to its right.

**Patel &
Associates, LLP**
Certified Public Accountants

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Housing Authority of the County of Alameda
Hayward, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Housing Authority of the County of Alameda (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2017, the respective changes in financial position and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, Schedule of Proportionate Share of the Net Pension Liability on page 50 and Schedule of Pension Contributions on page 51 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual enterprise fund financial statements including the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual enterprise fund financial statements as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual enterprise fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Patel & Associates, LLP
Certified Public Accountants

Patel & Associates, LLP

Oakland, California
March 19, 2018

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

The Housing Authority of the County of Alameda (Authority) primarily provides housing assistance to low income individuals and families. Its primary sources of funding are through grants received from the U.S. Department of Housing and Urban Development (HUD) and rents collected from the properties it owns.

The Authority's Management's Discussion and Analysis (MD&A) is designed to:

- Provide an overview of the Authority's financial activity,
- Identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges),
- Assist the reader in focusing on significant financial issues, and
- Identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the attached financial statements.

FINANCIAL HIGHLIGHTS

Total assets and deferred outflow of resources of the Authority was \$44.65 million and total liabilities and deferred inflow of resources was \$13.07 million.

The assets of the Authority exceeded its liabilities at the close of the fiscal year (FY) by \$31.58 million (net position). Of that amount, \$13.77 million was invested in capital assets; \$14.60 million was considered restricted and \$3.20 million was considered unrestricted and may be used to meet the Authority's ongoing obligations. The Authority's FY 2017 total net position decreased by \$(0.70) million (-2%) compared to the FY 2016 balance of \$32.28 million.

Total revenues, excluding Housing Assistance Payments-Portability in, increased by approximately \$17.91 million (0.18%) during 2017, and were \$117.51 million and \$99.60 million for 2017 and 2016, respectively. The increase was due to funding provided by HUD.

Total expenses, excluding Housing Assistance Payments-Portability in, increased by approximately \$18.90 million (19%). Total expenses were \$118.20 million and \$99.30 million for 2017 and 2016, respectively.

The Authority's component unit, Preserving Alameda County Housing, Inc. (PACH), was formed in March 2011. The Authority is the managing agent for the properties owned by PACH. In March 2016, HACA completed the Rental Assistance Demonstration (RAD) conversion and sold its remaining 72 units of Public Housing to PACH. For FY 2017, PACH had total assets of \$13.24 million, total liabilities of \$0.23 million and net position of \$13.01 million. It had total revenues of \$4.38 million and expenses of \$2.73 million. PACH's total net position increased by \$1.64 million.

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business in that all enterprise fund type activities are consolidated into columns, which add to a total for the entire Authority. The Authority-wide financial statements report information on the Authority as a whole, net of inter-fund activity.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

The *Statement of Net Position* is similar to a Balance Sheet. The Statement of Net Position provides information about the Authority's financial and capital resources (assets) and its obligations to creditors (liabilities). Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year) and "Non-current." The statement is presented in the format where assets minus liabilities equal "Net Position," formerly known as Net Assets.

Net Position (formerly Net Assets) is reported in three broad categories:

- Net Position, Invested in Capital Assets, Net of Related Debt: This component of Net Position consists of all capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as security deposits, debt covenants), grantors, contributors, laws, regulations, etc.
- Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Position Invested in Capital Assets, Net of Related Debt," or "Restricted Net Position." It represents the net available liquid assets, net of liabilities, for the entire Authority.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Fund Net Position* is similar to an Income Statement. This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative costs, utilities, maintenance, depreciation, and Non-Operating Revenue & Expenses, such as grant revenue, investment income and interest expense. The focus of this statement is the "Change in Net Position," which is similar to Net Income or Loss.

The *Statement of Cash Flows* discloses net cash provided by or used for operating activities, investing activities, non-capital financing activities, and from capital and related financing activities. This statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the fiscal year.

The accompanying *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on fund types. The Authority consists of exclusively Enterprise Funds. The Enterprise method of accounting is similar to accounting utilized by the private sector where the determination of net income is necessary or useful to sound financial administration. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other monies. They are reported using the full accrual method of accounting.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

The Department of Housing and Urban Development (HUD) requires the Authority to maintain many of the funds. Others are segregated to enhance accountability and control.

FINANCIAL ANALYSIS

TABLE 1

Statement of Net Position

	The Authority		PACH		Total		Change	%
	6/30/2017	6/30/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016		
Current and other assets	\$ 7,463,922	\$ 8,004,574	\$ 4,906,838	\$ 3,556,223	\$ 12,370,760	\$ 11,560,797	\$ 809,963	7 %
Non-current assets	12,771,389	12,341,174	2,330,000	2,448,268	15,101,389	14,789,442	311,947	2 %
Capital assets	7,770,840	8,886,816	6,003,514	5,897,842	13,774,354	14,784,658	(1,010,304)	(7)%
Deferred outflow of resources	3,407,894	3,640,417			3,407,894	3,640,417	(232,523)	(6)%
Total assets and deferred outflow of resources	31,414,045	32,872,981	13,240,352	11,902,333	44,654,397	44,775,314	(120,917)	(0.27)%
Current liabilities	1,108,349	1,186,868	227,681	722,895	1,336,030	1,909,763	(573,733)	(30)%
Noncurrent liabilities	10,844,945	9,882,504			10,844,945	9,882,504	962,441	10 %
Deferred inflow of resources	890,114	701,777			890,114	701,777	188,337	27 %
Total liabilities and deferred inflow of resources	12,843,408	11,771,149	227,681	722,895	13,071,089	12,494,044	577,045	5 %
Net position:								
Invested in capital assets	7,770,840	8,886,816	6,003,514	5,897,842	13,774,354	14,784,658	(1,010,304)	(7)%
Restricted	12,241,116	11,911,116	2,363,408	2,330,000	14,604,524	14,241,116	363,408	3 %
Unrestricted	(1,441,319)	303,900	4,645,749	2,951,596	3,204,430	3,255,496	(51,066)	(1.57)%
Total net position	\$ 18,570,637	\$ 21,101,832	\$ 13,012,671	\$ 11,179,438	\$ 31,583,308	\$ 32,281,270	\$ (697,962)	(2)%

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

Major Factors Affecting the Statement of Net Position (Table 1)

Current and other assets decreased by approximately \$(0.12) million because of non-current assets and deferred inflow of resources.

Non-current assets changed from last year due to decrease in restricted cash & cash equivalents in various funds. The HUD disposition approval imposed that the net proceeds were to be loaned to the redeveloper of the former Arroyo Vista public housing site, to use for the development of new low-income family and elderly housing units. Non-current assets also increased because of the PACH restricted replacement reserve balance.

Total liabilities increased by approximately \$0.58 million primarily due to net pension liability recorded.

Total net position decreased by \$(0.70) million (-2%) and was \$31.58 million and \$32.28 million in 2017 and 2016, respectively. Table 2 presents details on the change in Net Position.

Net Position Invested in Capital Assets (e.g., land, buildings and improvements, furniture and equipment) decreased by approximately \$(1.01) million, net of depreciation, and was \$13.77 million and \$14.78 million in 2017 and 2016, respectively.

Restricted Net Position balance increased by approximately \$0.36 million and was \$14.60 million and \$14.24 million in 2017 and 2016, respectively. The balance includes \$14.60 million of restricted monies received, plus accrued interest, from the net proceeds of the disposition of Arroyo Vista public housing which was loaned out to Eden Dougherty, LLC.

Unrestricted Net Position decreased by \$(0.0511) million and was \$3.20 million as of June 30, 2017.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

HACA AGENDA ITEM NO.: 4-4.

**TABLE 2
Statement of Revenues, Expenses and Changes in Net Position**

	The Authority		PACH		Total		Change	%
	6/30/2017	6/30/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016		
Revenues								
Rental revenue - tenants	\$ 368,631	\$ 552,307	\$ 4,069,753	\$ 3,195,018	\$ 4,438,384	\$ 3,747,325	\$ 691,059	18 %
HUD PHA grants	108,159,024	92,387,373			108,159,024	92,387,373	15,771,651	17 %
Other revenue	4,245,878	991,864	264,752	2,124,740	4,510,630	3,116,604	1,394,026	45 %
Investment income	356,015	338,034	42,948	13,381	398,963	351,415	47,548	14 %
Sub-Total	<u>113,129,548</u>	<u>94,269,578</u>	<u>4,377,453</u>	<u>5,333,139</u>	<u>117,507,001</u>	<u>99,602,717</u>	<u>17,904,284</u>	<u>18 %</u>
Housing assistance payments-Portability-in	<u>3,080,683</u>	<u>7,287,333</u>			<u>3,080,683</u>	<u>7,287,333</u>	<u>(4,206,650)</u>	<u>(58)%</u>
Total revenues	<u>116,210,231</u>	<u>101,556,911</u>	<u>4,377,453</u>	<u>5,333,139</u>	<u>120,587,684</u>	<u>106,890,050</u>	<u>13,697,634</u>	<u>13 %</u>
Expenses								
Administrative	9,150,077	8,643,496	1,031,490	615,350	10,181,567	9,258,846	922,721	10 %
Tenant service		137,449	4,709	2,427	4,709	139,876	(135,167)	(97)%
Utilities	69,631	123,214	186,127	126,445	255,758	249,659	6,099	2 %
Ordinary maintenance and operations	485,187	595,105	776,179	602,941	1,261,366	1,198,046	63,320	5 %
General expenses	650,595	582,299	37,924	28,886	688,519	611,185	77,334	13 %
Depreciation	1,092,310	1,100,575	697,597	611,633	1,789,907	1,712,208	77,699	5 %
Housing Assistance Payments	101,624,996	84,242,604			101,624,996	84,242,604	17,382,392	21 %
Other expenses	2,390,193	1,887,699			2,390,193	1,887,699	502,494	27 %
Sub-Total	<u>115,462,989</u>	<u>97,312,441</u>	<u>2,734,026</u>	<u>1,987,682</u>	<u>118,197,015</u>	<u>99,300,123</u>	<u>18,896,892</u>	<u>19 %</u>
Housing Assistance Payments-Portability in	<u>3,080,683</u>	<u>7,287,333</u>	<u>0</u>	<u>0</u>	<u>3,080,683</u>	<u>7,287,333</u>	<u>(4,206,650)</u>	<u>0 %</u>
Total expenses	<u>118,543,672</u>	<u>104,599,774</u>	<u>2,734,026</u>	<u>1,987,682</u>	<u>121,277,698</u>	<u>106,587,456</u>	<u>14,690,242</u>	<u>14 %</u>
Net Income (Loss) – Change in Net Position	<u>\$ (2,333,441)</u>	<u>\$ (3,042,863)</u>	<u>\$ 1,643,427</u>	<u>\$ 3,345,457</u>	<u>\$ (690,014)</u>	<u>\$ 302,594</u>	<u>\$ (992,608)</u>	<u>(328)%</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position (Table 2)

Total revenues increased by approximately \$17.90 million (18%) and total expenses increased by approximately \$18.90 million from a year ago.

HUD provided 96% of the Authority's revenue in 2017. The Housing Choice Voucher (HCV) program represents the majority of the Authority's total operating subsidies and grants revenue. Changes in HUD funding directly impact the Authority's operating results. Operating subsidies and grants decreased by \$15.77 million from the previous year.

Rental revenue increased by 18% compared to the previous year. Total expenses increased by 27%.

The component unit, PACH, started operations in September 2011. Revenue and expenses account for the 12-month leasing operations for 158 units. and 3-month leasing operations for 72 units. Expenses include administration (management fees and contracted services), utilities, maintenance and depreciation.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year ended June 30, 2017, the Authority had \$13.77 million invested in a variety of capital assets as reflected in the following table, which represents a net decrease (addition, deductions (disposition and depreciation) of approximately \$(1.01) million or -7% from the end of last year.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

**TABLE 3
Capital Assets and Debt Administration**

	The Authority		PACH		Total		Change	%
	6/30/2017	6/30/2016	6/30/2017	6/30/2016	6/30/2017	6/30/2016		
Land and land rights	\$ 1,342,253	\$ 1,386,253	\$ 2,246,244	\$ 2,202,244	\$ 3,588,497	\$ 3,588,497	\$	-
Buildings and improvements	10,930,000	10,840,429	16,551,212	16,327,431	27,481,212	27,167,860	313,352	1 %
Furniture and equipment	1,940,842	2,540,087	1,543,798	478,301	3,484,640	3,018,388	466,252	15 %
Accumulated depreciation	<u>(6,428,319)</u>	<u>(5,879,953)</u>	<u>(14,351,675)</u>	<u>(13,110,134)</u>	<u>(20,779,994)</u>	<u>(18,990,087)</u>	<u>(1,789,907)</u>	<u>9 %</u>
Total	<u>\$ 7,784,776</u>	<u>\$ 8,886,816</u>	<u>\$ 5,989,579</u>	<u>\$ 5,897,842</u>	<u>\$ 13,774,355</u>	<u>\$ 14,784,658</u>	<u>\$ (1,010,303)</u>	<u>(7)%</u>

The following reconciliation summarizes the change in capital assets, which is presented in detail in notes to the financial statements.

**TABLE 4
Change in Capital Assets**

	The Authority	PACH	Total
Beginning balance	\$ 8,886,816.00	\$ 5,897,842.00	\$ 14,784,658.00
Additions		1,347,214.00	1,347,214.00
Deletion	(567,612.00)		(567,612.00)
Depreciation	<u>(1,092,312.00)</u>	<u>(697,593.00)</u>	<u>(1,789,905.00)</u>
Total	<u>\$ 7,226,892.00</u>	<u>\$ 6,547,463.00</u>	<u>\$ 13,774,355.00</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2017**

Debt Outstanding

As of year-end, the Authority and its component unit, PACH had no debt (bonds, notes, etc.) outstanding.

ECONOMIC FACTORS

The Authority continues to be dependent on funding from HUD for the administration of its Public Housing and Housing Choice Voucher programs.

The need for affordable housing in Alameda County has historically been, and will continue to be, very high. The number of people served and the level of service the Authority provide are constrained only by the amount of funds available for those services. The Authority is primarily dependent upon HUD for the funding of operations; therefore, it is affected more by the Federal budget than by local economic conditions. For several years, funding from HUD has been insufficient to cover housing assistance payments, capital improvements, operating and administrative expenses. The Authority continues to be challenged with unpredictable and reduced HUD funding levels to administer federal housing programs. The reduction has required the Authority's management to implement a comprehensive strategy to find new ways of assisting its participants while reducing costs, and continuing to comply with regulatory requirements. The Authority continues to look for ways to improve the efficiency, effectiveness and economy of its programs and administration. It is anticipated that most programs will continue to receive renewal funding.

The Authority continues to be challenged by other significant external and economic factors beyond its control which includes the following:

- Local labor supplies and demand, which can affect salary and wage rates
- Local inflationary, economic and employment trends that can affect resident incomes and therefore impact the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Supply of affordable housing
- Restructuring of the financial and health insurance industries
- Increasing pension liabilities

FINANCIAL CONTACT

This financial report is designed to provide a general financial overview of the Authority. The individual to be contacted regarding this report is Cathy Leoncio, Finance Director, at (510) 727-8521. Specific requests may be submitted to the Housing Authority of the County of Alameda, 22941 Atherton Street, Hayward, California 94541.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Primary Government Business-Type Activities</u>
Assets:	
Current Assets:	
Cash and cash equivalent (Note 2)	\$ 2,573,319
Short term investments (Note 2)	9,085,799
Accounts receivable- HUD	120,107
Accounts receivables- other	575,119
Prepaid and other assets	<u>16,416</u>
Total current assets	<u>12,370,760</u>
Restricted assets:	
Cash and cash equivalents (Note 2)	2,860,273
Notes receivable (Note 13)	<u>12,241,116</u>
Total restricted assets	<u>15,101,389</u>
Capital assets (Note 4)	34,554,348
Less accumulated depreciation (Note 4)	<u>(20,779,994)</u>
Capital assets, net	<u>13,774,354</u>
Total assets	41,246,503
Deferred outflow of resources	<u>3,407,894</u>
Total assets and deferred outflow of resources	<u><u>44,654,397</u></u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Primary Government Business-Type Activities</u>
Liabilities:	
Current liabilities:	
Accounts payable	654,301
Accounts payable - HUD	55,344
Accrued compensated absences (Note 1)	151,651
Unearned revenue (Note 10)	46,842
Tenants security deposits	129,622
Accrued liabilities	283,711
Other liabilities	<u>14,559</u>
Total current liabilities	<u>1,336,030</u>
Noncurrent liabilities:	
Net pension liability (Note 6)	10,314,924
Family self sufficiency escrows - noncurrent portion	489,691
Accrued compensated absences - noncurrent portion (Note 1)	<u>40,330</u>
Total liabilities	<u>12,180,975</u>
Deferred inflow of resources	890,114
Net position:	
Net investment in capital assets	13,774,354
Restricted	14,604,524
Unrestricted	<u>3,204,430</u>
Total net position	<u>31,583,308</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 44,654,397</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Operating Revenues:

Rental revenue - tenant	\$ 4,438,384
Other revenue	112,339
HUD PHA grants	108,159,024
Housing assistance payments-Portability-in	3,080,683
Other operating revenue	<u>1,711,173</u>
Total operating revenues	<u>117,501,603</u>

Operating Expenses:

Administration	10,181,567
Tenant services	4,709
Utilities	255,758
Ordinary maintenance and operations	1,261,366
General expenses	688,519
Depreciation	1,789,907
Housing assistance payments - Portability-in	3,080,683
Housing assistance payments	101,624,996
Other expenses	<u>2,390,193</u>
Total operating expenses	<u>121,277,698</u>

Operating income (loss)	<u>(3,776,095)</u>
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Non-Operating Revenues and Expenses:

Other government grant	2,687,118
Investment income	<u>398,963</u>
Total non-operating revenues & expenses	<u>3,086,081</u>

Change in net position	(690,014)
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Net position at the beginning of the year	<u>32,281,270</u>
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<i>Restatement</i>	<u>(7,948)</u>
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Net position at the end of the year	<u>\$ 31,583,308</u>
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The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

Cash flows from operating activities:

Cash collected from:

Dwelling rental	\$ 4,438,384
Other operating revenue	2,108,950
HUD PHA grants received	108,239,685
Housing assistance payments-Portability-in	3,080,683

Cash paid for:

Housing assistance payments	(101,582,616)
Housing assistance payments-Portability-in	(3,080,683)
Administrative expenses	(10,177,030)
Tenant services	(5,455)
Utility expenses	(255,758)
Maintenance expenses	(1,261,366)
General expenses	214,346
Other expenses	<u>(2,789,119)</u>

Net cash used by operating activities (1,069,979)

Cash flows from non-capital & related financing activities:

Other revenue received	2,752,286
Interfund payments	(569,635)
Interfund receipts	<u>569,635</u>
Net cash provided by non-capital financing activities	<u>2,752,286</u>

Cash flows from capital and related financing activities:

Acquisition of capital assets, net	(779,604)
Net cash used by capital and related financing activities	<u>(779,604)</u>

Cash flows from investing activities:

Purchase of investments	(2,033,304)
Interest received from investments less accrued interest	<u>3,795</u>

Net cash used by investing activities (2,029,509)

Net decrease in cash and cash equivalents (1,126,806)

Cash and cash equivalents at the beginning of the year 6,560,398

Cash and cash equivalents at the end of the year \$ 5,433,592

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of operating income (loss) to net cash used by operating activities:

Operating income (loss)	\$ (3,776,095)
Adjustments to reconcile operating income (loss) to net cash provided/(used) by operating activities:	
Depreciation expense	1,789,907
(Increase)/Decrease in accounts receivable - HUD	62,084
(Increase)/Decrease in accounts receivable - other	40,517
(Increase)/Decrease in prepaid expenses	11,988
Increase/(Decrease) in deferred outflow of resources	232,523
Increase/(Decrease) in deferred inflow of resources	188,337
Increase/(Decrease) in accounts payable	(319,671)
Increase/(Decrease) in accounts payable - HUD	44,469
Increase/(Decrease) in accrued compensated absences	1,017
Increase/(Decrease) in accrued compensated absences - noncurrent	271
Increase/(Decrease) in deferred revenue	18,577
Increase/(Decrease) in FSS escrow	(198,340)
Increase/(Decrease) in FSS escrow-non current	291,350
Increase/(Decrease) in other current liabilities	2,426
Increase/(Decrease) in accrued liabilities	(130,037)
Increase/(Decrease) in accrued pension and OPEB liability	670,820
Increase/(Decrease) in tenant security deposit	<u>(122)</u>
Net cash provided/(used) by operating activities	<u>\$ (1,069,979)</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The Housing Authority of the County of Alameda (the Authority) was established by the Alameda County Board of Supervisors on December 3, 1968. It is funded primarily by the Department of Housing and Urban Development (HUD) by means of Annual Contribution Contracts.

The Authority provides housing assistance to low and moderate-income families at rents they can afford. Eligibility is determined by family composition, income and residency in areas served by the Authority.

The accompanying financial statements are those of the Low Rent Public Housing Program, the Housing Choice Voucher Program, the existing Moderate Rehabilitation programs, the Authority administered Continuum of Care program and the Housing Development Fund. A summary of the programs administered by the Authority is provided below to assist the reader in interpreting such financial statements.

The Authority has one component unit in accordance with statement No. 61 Government Accounting Standards Board ("GASB"). The Authority's financial statements include those of Preserving Alameda County Housing, Inc. (PACH), which is a blended component unit that meets both of the following criteria under GASB 61.

1. The Authority and PACH have substantively the same governing body.
2. Management of the Authority has operational responsibility for the activities of PACH.

(b) Basis of Presentation

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the USA.

Government-wide Statements: The statement of net position and the statement of activities display information about the Authority. These statements include the financial activities of the overall Authority.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non operating* revenues, such as grants and investment earnings, result from non exchange transactions or ancillary activities.

(c) Business –type Activities

Low Rent Public Housing - Under the Low Rent Public Housing Program (LRPH), the Authority rents units that it owns to low-income households. The LRPH Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the Authority to provide housing at a rent that is based upon 30% of a household's adjusted gross income. The LRPH Program also includes the Capital Fund Program (CFP), which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program (HCV), the Authority administers contracts with independent landlords that own properties. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions funding to enable the Authority to set the participant's share of the rent at 30% of adjusted gross income. The HCV program also provides rental assistance for homeless veterans through the Veterans Affairs Supportive Housing (VASH) program. Support services are provided by the Department of Veterans Affairs (VA). The VA provides these services for participating veterans at VA medical centers (VAMC's) and community-based outreach clinics.

Housing Development Fund - The Authority maintains a Local Fund for low-income housing development and management improvements.

Moderate Rehabilitation Programs - A form of the Section 8 Rental Assistance program in which the rental assistance is "tied" to the rental unit rather than to the family. The Authority has 96 units under this program.

Preserving Alameda County Housing, Inc. – PACH leases, rehabilitates and operates affordable housing units and serves as a support corporation for the Authority. The Authority acts as the agent for the management of the properties owned by PACH.

Continuum of Care Program - This program provides rental assistance and supportive services for homeless individuals who have long-term disabilities resulting mainly from serious mental illness, alcohol and drug abuse, or an HIV positive medical condition. It is funded through the Alameda County Housing and Community Development Agency, for which the Authority is a contractor to provide the housing subsidy administration.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Other Business Activities - The Authority owns non-assisted units in Hayward known as Park Terrace (9 units) and in Emeryville known as Ocean Avenue (6 units) that are rented to low-income families. The Authority owns land in Union City to be developed for low-income housing. The Authority also manages, for a fee, 1 house owned by the City of Union City which is rented to a low-income family. In December 2009, the Authority also established the CHOICES program with the Alameda County Behavioral Health Care Services Department (BHCS). The program provides a monthly housing subsidy for designated BHCS clients with serious mental health issues. On October 1, 2012, the Memorandum of Understanding (MOU) with BHCS was amended to include the Forensic Assertive Community Treatment (FACT) program.

(d) Basis of Accounting

The basic accounting and reporting entity is a “fund”. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

“Basis of accounting” refers to when revenues and expenses are recognized in the accounts and reported in the basic financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement.

The Authority is accounted for as an enterprise fund, which is used to account for operations similar to a private business enterprise where the intent of the Authority is that the costs and expenses, including depreciation, of providing services to the members on a continuing basis be financed or recorded primarily through user charges.

As an enterprise fund, the Authority uses the full accrual basis of accounting. With the economic resources measurement focus, all assets and all liabilities of the enterprise are recorded on its Statement of Net Position, all revenues are recognized when earned, and all expenses, including depreciation, are recognized when incurred. Enterprise Fund Net Position includes Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position.

The Authority considers all of its funds to be proprietary. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Authority or if total assets, liabilities, revenues, or expenses of the individual fund are at least 10 percent of the Authority-wide total. The Authority considers all of its activity to be housing related and therefore, considers all the financial activity of the Authority to be one major fund.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Private sector standards of accounting and financial reporting are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The statement of position presents the Authority's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Statement of Revenues, Expenses, and Changes in Net Position – The Statement of Revenues, Expenses, and Changes in Net Position is the operating statement for the enterprise fund. Revenues are reported by major source. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income.

Deferred outflows/inflows of resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflow of resources. The Authority has pensions related to deferred inflows of resource items that qualify for reporting in this category.

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Authority has pensions related to deferred outflows of resource items that qualify for reporting in this category.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Measurement Focus

“Measurement Focus” refers to what is being measured; “basis of accounting” refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The proprietary fund types are accounted for on an “income determination” or “cost of services” measurement focus. Accordingly, all assets and liabilities are included on the statement of net position, and the reported net position provides an indication of the historical net worth of the fund. Operating statements for proprietary fund types report increases (revenues) and decreases (expenses) in total historical net worth.

Proprietary funds use the accrual basis of accounting, i.e., revenues are recognized in the period earned and expenses are recognized in the period incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses result from providing goods and services related to the fund’s ongoing operations. The principal operating revenue of the Authority’s enterprise funds is dwelling rental income. Operating expenses include the cost of services provided, administrative expenses and depreciation on fixed assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(f) Cash, Cash Equivalents and Investments

The Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments. For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds’ share in the cash and investment pool of the Authority. Cash equivalents have an original maturity date of three months or less from the date of purchase.

The Authority pools cash and investments of all funds. Each fund’s share in this pool is displayed in the accompanying financial statements as *cash* and *investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund’s average cash and investment balance.

Investments are reported at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for certain investments and for External Investment Pools.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Capital Assets

The Authority's established capitalization policy requires all acquisitions of property and equipment in excess of \$3,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

	<u>Years</u>
Furniture and equipment	5
Building improvements	10
Buildings	27.5

(h) Accounts Receivable

Receivables are principally amounts due from other governments and tenants. Allowance for doubtful accounts has been provided based on the likelihood of the recoverability.

(i) Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

(j) Accrued Compensated Absences

Accumulated vacation benefits are recorded as liabilities on the books of the Authority. The total liability for the Authority is \$191,981 based on year-end hourly rates, of which \$151,651 is current.

(k) Net Position

Net Position consists of investment in capital assets, restricted net position, and unrestricted net position. Unrestricted net position is designated for use for expenditures in future periods. Restricted net position is designated for tenant security deposits, family self-sufficiency escrow deposits, capital fund program and HAP equity.

(l) Taxes

The Authority is exempt from federal and state income taxes. The Authority is also exempt from property taxes but makes payments in lieu of taxes on owned public housing.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Unearned Revenues

Unearned revenues represent funds received that have not yet been earned. As the funds are earned, the liability is reduced.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30, 2017 are classified on the Statement of Net Position as follows:

Unrestricted - cash, cash equivalents and investments:	
Deposits and placements with financial institution	\$ 2,572,968
Short term investments	9,085,799
Cash on hand	351
Restricted cash, cash equivalents and investments for tenant security deposits, family self-sufficiency escrow, and capital fund program:	
Deposits and placements with financial institution	530,273
Commercial papers	<u>2,330,000</u>
Total cash, cash equivalents and investments	<u>\$14,519,391</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

The Authority had the following cash, cash equivalents and investments at June 30, 2017:

Cash on hand and demand deposits with financial institution	\$ 2,601,737
Money market accounts	501,855
State of California Local Agency Investment Fund (LAIF)	3,759,551
Commercial papers	<u>7,656,248</u>
Total investment accounts	<u>11,917,654</u>
Total cash, cash equivalents and investments	<u><u>\$14,519,391</u></u>

A. Deposits and Placements with Financial Institution

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside entity.

Generally, credit risk is the risk that an issuer will not be able to fulfill its obligation to the holder of the investment. All time and savings deposits (which include money market deposit accounts and other interest-bearing checking accounts) are maintained in an insured depository institution insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC) depending upon the type of deposit and the location of the insured depository institution.

These accounts are held with a single financial institution. In addition to the insurance coverage provided by the financial institution, the Authority purchased unlimited insurance coverage for all the bank deposits. At June 30, 2017, no cash deposited with a financial institution was exposed to credit risk.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pool such as LAIF.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The Authority considers the investments in LAIF to be highly liquid as deposits can be converted to cash within twenty-four hours without loss of interest or principal. The full faith and credit of the State of California secure investments in LAIF. At June 30, 2017, an account was maintained in the name of the Authority for \$3,759,551, its fair value.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

B. Investments and Concentration

The Authority is authorized by State statutes and in accordance with the Authority's Investment Policy (Policy) to invest in the following:

- Securities issued or guaranteed by the Federal Government or its agencies
- State of California Local Agency Investment Fund (LAIF)
- Insured and/or collateralized certificates of deposit

The Policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years, (2) be laddered and based on cash flow forecasts; and (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments. The Authority's investments comply with the established policy.

Investments Authorized by the California Government Code and the Authority's Investment Policy

The California Government code allows the Authority to invest in the following; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code:

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Authorized Investment Type	Maximum Maturity	Maximum Specified Percentage of Portfolio	Minimum Credit Quality
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
CA Local agency obligations	5 years	None	None
U.S. agencies	5 years	None	None
Banker's acceptances	180 days	40%	A1/P1
Commercial paper – select agencies	270 days	40%	A1/P1
Commercial paper – other agencies	270 days	25%	None
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements and Securities lending agreements	92 days	20%	None
Medium-term notes	5 years	30%	A
Mutual funds	N/A	20%	Multiple
Money market mutual funds	N/A	20%	Multiple
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	AA
Time deposits	5 years	None	None
County pooled investment funds	N/A	None	None
Local agency investment fund (LAIF)	N/A	None	None

There are no restrictions on the maximum amount invested in each security type or maximum that can be invested in any one issuer.

The Authority does not have reverse repurchase agreements.

C. Fair Value Measurement:

GASB No. 72 defines the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Also, GASB No. 72 establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories; Level 1, Level 2 and Level 3 inputs, considering the relative reliability of the inputs. The level is determined based on the lowest level of input significant to the measurement in its entirety.

Level 1 Inputs:

These level inputs are quoted (unadjusted) prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Level 2 Inputs:

These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means, e.g., “market-corroborated” inputs.

Inputs at Level 2 include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability, such as: interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads.
- Market-corroborated inputs

Level 3 Inputs:

These are unobservable inputs for the asset or liability; they should be used only when relevant Level 1 and Level 2 inputs are unavailable. Governments may use their own data to develop unobservable inputs if there is no information available without undue cost and effort.

Fair value hierarchy of the Authority’s investments is as follows:

	<u>Total</u>	<u>Quoted Prices in Active Market for Identical Asset (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market	\$ 501,855	\$ 501,855	\$	\$
LAIF	3,759,551	3,759,551		
Commercial papers	<u>7,656,248</u>	<u>7,656,248</u>		
Total	<u>\$ 11,917,654</u>	<u>\$ 11,917,654</u>	<u>\$</u>	<u>\$</u>

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - INTERFUND BALANCES

Interfund balances are as follows:

	<u>Due From</u>	<u>Due To</u>
Public Housing	\$	\$ 118
Housing Choice Voucher	338,822	158,280
Continuum of Care		308,936
Moderate Rehabilitation	47,009	7,265
Choice / FACTS	50,646	
PACH	24,185	
Ocean Avenue	15	
Housing Development Fund	49,230	45,868
Park Terrace	555	
Business Activities	<u>10,005</u>	
	<u>\$ 520,467</u>	<u>\$ 520,467</u>

Interfund receipt and spending activity between fund entities is reported in self-balancing "Due To/Due From" memorandum accounts. For reporting purposes these balances are eliminated in supplementary combining schedules of net assets and not shown in the basic financial statements.

NOTE 4 - CAPITAL ASSETS

A summary of enterprise funds capital assets at June 30, 2017 is shown below:

Capital Assets

Land and land rights	\$ 3,588,497
Buildings and improvements	27,481,212
Furniture and equipment	<u>3,484,639</u>
Total capital assets	34,554,348
Less: Accumulated depreciation	<u>(20,779,994)</u>
Net capital assets	<u>\$ 13,774,354</u>

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Capital asset activities for the year ended June 30, 2017 were as follows:

	<u>Balance at June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2017</u>
Capital assets not being depreciated:				
Land and land rights	\$ 3,588,497	\$	\$	\$ 3,588,497
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total capital assets not being depreciated	<u>3,588,497</u>	<u> </u>	<u> </u>	<u>3,588,497</u>
Capital assets being depreciated:				
Buildings and improvements	27,167,862	313,350		27,481,212
Furniture and equipment	<u>3,018,386</u>	<u>466,253</u>	<u> </u>	<u>3,484,639</u>
Total capital assets being depreciated	<u>30,186,248</u>	<u>779,603</u>	<u> </u>	<u>30,965,851</u>
Less: Accumulated depreciation for:				
Buildings and improvements	(17,365,452)	(1,636,778)		(19,002,230)
Furniture and equipment	<u>(1,624,635)</u>	<u>(153,129)</u>	<u> </u>	<u>(1,777,764)</u>
Total accumulated depreciation	<u>(18,990,087)</u>	<u>(1,789,907)</u>	<u> </u>	<u>(20,779,994)</u>
Total capital assets being depreciated, net	<u>11,196,161</u>	<u>(1,010,304)</u>	<u> </u>	<u>10,185,857</u>
Total capital assets, net	<u>\$ 14,784,658</u>	<u>\$ (1,010,304)</u>	<u>\$</u>	<u>\$ 13,774,354</u>

Depreciation expense for the year ended June 30, 2017 was \$1,789,907.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PAYMENT IN LIEU OF TAXES

In connection with the Low Rent Public Housing Program, the Authority is obligated to make annual payments in lieu of property taxes based on the lesser of assessable value of owned housing times the current tax rate or 10% of the dwelling rents net utilities expense. For the year ended June 30, 2017, the Authority incurred \$0 for payment in lieu of taxes.

NOTE 6 - PENSION PLAN**A. Plan Description**

The Authority provides retirement benefits for all its full-time employees through the Alameda County Employees Retirement Association (ACERA). The Alameda County Employees' Retirement Association (ACERA) was established by the Alameda County Board of Supervisors in 1947. ACERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.).

ACERA is a cost-sharing, multiple employer, defined benefit, public employee retirement system whose main function is to provide service retirement, disability, death, and survivor benefits to the General and Safety members employed by the County of Alameda. ACERA also provides retirement benefits to the employee members of First 5 Alameda County, Housing Authority of the County of Alameda, Alameda Health System, Livermore Area Recreation and Park District (LARPD), Superior Court of California, County of Alameda, and Alameda County Office of Education.

ACERA provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit and contribution provisions are established by State Law and are subject to amendment only by an act of the State of California legislature. Alternative benefit and contribution schedules are permissible with the Board of Supervisors' approval. All risks and costs, including benefit costs, are shared by the participating entities. An actuarial valuation is performed annually for the system as a whole.

ACERA's financial statements and required supplementary information are audited annually by independent auditors. The audit report and December 31, 2016 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th Street, Suite 1000, Oakland, CA 94612.

B. Plan membership

At December 31, 2016, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	9,242
Vested terminated members entitled to, but not yet receiving benefits*	2,263
Active members	<u>11,111</u>
Total	<u><u>22,616</u></u>

* Includes terminated members due a refund of member contributions.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 - PENSION PLAN (Cont'd)

C. Pension Benefits

ACERA provides service retirement, disability, death, and survivor benefits to eligible employees. The ACERA's membership for the Authority's employees is effective on the first day of employee's hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour work is earned.

There are separate retirement benefits for General and Safety members. Safety membership is extended to those involved in active law enforcement, deferred firefighters, or positions that have been designated as Safety by the Board of Retirement (e.g. Juvenile Hall Group Counselor, Probation Officer, etc.). All other employees are classified as General members. These benefits include supplemental cost of living adjustment (COLA) and retired member death benefit. The supplemental COLA is to maintain each retiree's purchasing power at no less than 85% of the purchasing power of the original benefit. The retired member death benefit is a one-time \$1,000 lump sum payment to the beneficiary of a retiree.

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members enrolled in Tiers 1, 2, or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. All Authority's employees are general members. The tiers and their basic provisions are listed below:

Tier Name	Service Retirement Governing Code Section	Effective Date	Basic Provisions	Final Average Salary Period
General Tier 1	§31676.12	Various	2.0% at 57; maximum 3% COLA	Highest 1- year
General Tier 2	§31676.1	September 30, 2011	2.0% at 61; maximum 2% COLA	Highest 3-years
General Tier 3	§31676.18	October 1, 2008	2.5% at 55; maximum 3% COLA	Highest 1-year
General Tier 4	§7522.20(a)	January 1, 2013	2.5% at 67; maximum 2% COLA	Highest 3-years

* For Housing Authority members, the effective date is September 30, 2011.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 - PENSION PLAN (Cont'd)

For members enrolled in Tiers 1, 2, or 3, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum for members enrolled in Tier 4. The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

ACERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the San Francisco-Oakland-San Jose Area (with 1982-84 as the base period), is capped at 3.0% for General Tiers 1 and 3 and Safety Tier 1, and at 2.0% for General Tiers 2 and 4 and Safety Tiers 2, 2C, 2D, and 4.

D. Plan Contributions

The Authority contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of December 31, 2016, for 2016 was 25.51% of compensation.

The Authority is required to make contributions to ACERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of December 31, 2016, for 2016 (based on the December 31, 2014 valuation for the second half of 2014 / 2015 and on the December 31, 2015 valuation for the first half of 2016/2017) was 8.77% of compensation.

The Authority's proportionate share in the actual contributions has been determined for the periods from January 1 to December 31 as follows:

2016 (measurement period)	\$ 1,152,380
2015	\$ 1,056,709

For the year ended June 30, 2017, the Authority made contributions of \$2,199,533 to ACERA.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - PENSION PLAN (Cont'd)

E. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the Authority reported net pension liabilities of \$10,314,924 for its proportionate shares of the net pension liability of the Plan.

Reporting Date for Employer under GASB 68	June 30, 2017
Measurement Date for Employer under GASB 68	December 31, 2016
Beginning net pension liability	\$ 9,644,104
Pension expense	2,244,060
Employer contributions	(1,152,380)
New net deferred inflows / outflows	231,141
New net Deferred Flows due to change in proportion	95,243
Recognition of prior deferred inflows / outflows	
Change in prior deferred allocation	55,138
Recognition of Prior Deferred Flows	(852,722)
Recognition of Prior Deferred Flows Due to Change in Proportion	<u>50,340</u>
Ending net pension liability	<u>\$ 10,314,924</u>

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (plan assets). The Total Pension Liability for each membership class is obtained from internal valuation results. The Plan Fiduciary Net Position for each membership class was estimated by adjusting the valuation value of assets for each membership class by the ratio of the total ACERA Plan Fiduciary Net Position to total ACERA valuation value of assets.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The reporting date for the Authority under GASB 68 is June 30, 2017. The reporting date and the measurement date for the plan under GASB 67 are December 31, 2015. Consistent with the provisions of GASB 68, the assets and liabilities measured as of December 31, 2016 are not adjusted or "rolled forward" to the June 30, 2017 reporting date. Other results, such as the total deferred inflows and outflows, would also be allocated based on the same proportionate share.

The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2016 was as follows:

	<u>Amount</u>
Proportion – <u>June 30, 2017</u>	10,314,924
Proportion – <u>June 30, 2016</u>	9,644,104

For the year ended June 30, 2017, the Authority recognized pension expense of \$2,244,060.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - PENSION PLAN (Cont'd)

At June 30, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 1,522,183	\$
Changes in proportion and differences between employer's contributions and proportionate share of contributions		
Change of assumptions	154,991	178,901
Change of assumptions or other inputs	1,730,720	
Differences between expected and actual experience in the total pension liability	<u> </u>	<u>711,213</u>
	<u>\$ 3,407,894</u>	<u>\$ 890,114</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2017	N/A
2018	873,558
2019	873,559
2020	665,443
2021	63,541
2022	41,679
Thereafter	-

There are changes in each employer's proportionate share of the total Net Pension Liability during the measurement period ended December 31, 2016.

The net effect of the change on the employer's proportionate share of the collective Net Pension Liability and collective deferred outflows of resources and deferred inflows of resources is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through ACERA, which is 5.64 years determined as of December 31, 2015 (the beginning of the measurement period ending December 31, 2016). The measurement of the pension expense is as follows:

Reporting Date for Employer under GASB 68	June 30, 2017
Measurement Date for Employer under GASB 68	December 31, 2016

Components of Pension Expense:

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - PENSION PLAN (Cont'd)

Service cost	\$ 936,769
Interest on the Total Pension Liability	3,210,841
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	20,705
Expensed portion of current-period benefit changes	
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(79,511)
Expensed portion of current-period changes of assumptions or other inputs	128,270
Member contributions	(408,726)
Projected earnings on plan investments	(2,449,916)
Expensed portion of current-period differences between actual and projected earnings on plan investments	1,712
Administrative expense	81,533
Other	
Recognition of beginning of year deferred outflows of resources as pension expense	971,474
Recognition of beginning of year deferred inflows of resources as pension expense	(118,751)
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	<u>(50,340)</u>
Pension Expense	<u>\$ 2,244,060</u>

In addition, the difference between the actual Authority's contributions and the proportionate share of the Authority's contributions during the measurement period ended December 31, 2016 is recognized over the same period.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each non-active or retired member.
- Dividing the sum of the above amounts by the total number of active employee, non-active and retired members.

F. Actuarial Methods and Assumptions

An actuarial valuation is performed for the pension plan on annual basis. ACERA retains an independent actuarial firm to conduct actuarial valuations and to establish the contribution rate requirements for the plan.

The components of the collective net pension liability of the plan as of December 31, 2016 and December 31, 2015 are as follows:

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - PENSION PLAN (Cont'd)

<i>(Dollars in thousands)</i>	<u>2016</u>	<u>2015</u>
Total Pension Liability	\$ 8,410,978,895	\$ 7,971,890,739
Less: Plan Fiduciary Net Position	<u>6,167,784,668</u>	<u>5,853,442,721</u>
Net Pension Liability	<u>\$ 2,243,194,227</u>	<u>\$ 2,118,448,018</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	<u>73.33 %</u>	<u>73.43 %</u>

The Net Pension Liability was measured as of December 31, 2016, and 2015. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the Total Pension Liability from actuarial valuations as of December 31, 2016 and 2015, respectively.

The total pension liability and fiduciary net position include liabilities and assets for non health post employment benefits (non-OPEB). The assets for non-OPEB are held in the SRBR to pay non-vested Supplemental COLA and the retiree death benefit. The liability and assets associated with the OPEB component of the SRBR have been excluded from the total pension liability and the fiduciary net position reported above.

The actuarial assumptions used to develop the December 31, 2016 and December 31, 2015 total pension liability are the same assumptions used in the December 31, 2016 and 2015 funding valuations for ACERA, while the actuarial assumptions used to develop the December 31, 2015 total pension liability are based on the new assumptions adopted by the Retirement Board for use in the December 31, 2015 funding valuation. These assumptions were applied to all periods included in the measurement:

<u>Valuation Date</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Inflation	3.25%	3.25%
Salary Increases	4.15% to 7.45% vary by service, including inflation	4.15% to 7.45% vary by service, including inflation
Investment Rate of Return	7.60%, net of pension plan investment expense, including inflation	7.60%, net of pension plan investment expense, including inflation

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 - PENSION PLAN (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.60% as of December 31, 2016 and December 31, 2015. In order to reflect the provisions of Article 5.5 of the Statute, future allocations of 50% excess earnings to the Supplemental Retiree Benefit Reserve (SRBR) have been treated as an additional outflow against the plan's fiduciary net position in the Governmental Accounting Standards Board (GASB) crossover test. It is estimated that the additional outflow would average approximately 0.75% of assets over time, based on the results of the actuary's stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contributions rates plus additional future contributions that would follow from the allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service cost for the future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for the current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.60% was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2016 and December 31, 2015.

G. Additional Financial and Actuarial Information

Additional financial and actuarial information supporting the schedules of employer allocations and schedule of pension amounts by employer can be obtained from ACERA's Comprehensive Annual Financial Report for the year ended December 31, 2016, and ACERA's GASB 68 Actuarial Valuation Based on December 31, 2016 Measurement Date for Employer Reporting as of June 30, 2017.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 6 - PENSION PLAN (Cont'd)

H. Target Asset Allocation

The long-term expected rate of return on pension plan investments for funding valuation purposes was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term (Arithmetic) Expected Real Rate of Return
Domestic Large Cap Equity	25.60 %	5.91 %
Domestic Small Cap Equity	6.40 %	6.47 %
Developed International Equity	20.25 %	6.88 %
Emerging Market Equity	6.75 %	8.24 %
U.S. Core Fixed Income	11.25 %	0.73 %
High Yield Bonds	1.50 %	2.67 %
International Bonds	2.25 %	0.42 %
Real Estate	6.00 %	4.95 %
Commodities	2.00 %	4.25 %
Absolute Return (Hedge Fund)	7.50 %	3.17 %
Real Return	3.00 %	0.70 %
Private Equity	7.50 %	11.94 %
Total	<u>100.00 %</u>	

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of December 31, 2016 (the measurement date), calculated using the discount rate of 7.60 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.60 percent) or 1 percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
Plan's Net Pension Liability/(Asset)	\$15,753,812	\$ 10,314,924	\$ 5,718,644

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - RENTAL ASSISTANCE DEMONSTRATION

The In the year ended June 30, 2016, the Authority closed out a Rental Assistance Demonstration (“RAD”) conversion commitment and executed a Housing Assistance Payment (“HAP”) contract for its two owned public housing properties of 72 units; Mission View in Union City and Emery Glen in Emeryville with HUD under HUD’s RAD program. Through the RAD program, HUD provides rental subsidies to the owners of properties pursuant to the HAP contract. Under the RAD Program, units move to a Section 8 funding source from Low Rent Public Housing.

As part of the RAD conversion the Authority sold the aforesaid two properties to its blended component unit, Preserving Alameda County Housing, Inc. (PACH), for the value of \$2 as of the date of closing March 29, 2016. As a result of such sale, the Authority and PACH recognized \$211,767 as a special item (gain (loss) on disposition of assets). This item has been eliminated in the basic financial statements.

The net assets as of the closing date in the amount of \$21,961 was transferred from the public housing fund to PACH.

NOTE 8 - CONTINGENCIES

The Authority has received funds from various Federal and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

The Authority is involved in lawsuits and claims which arise out of the normal course of its activities such as contracts with others. The Authority’s management believes based on the opinions of its legal counsel, the ultimate outcomes of such matters will not have a material adverse effect on the financial position of the Authority as of June 30, 2017.

NOTE 9 - RISK MANAGEMENT

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management pool has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public official’s liability forms are used to cover the respective perils. Insurance for these perils is underwritten by a housing authority insurance pool: Housing Authorities Risk Retention Pool (HARRP).

HARRP is a Joint Powers Authority organized under the intergovernmental cooperation laws of the states of Washington, Oregon, California, and Nevada, to manage the self-insurance program of housing authorities. The relationship between the Authority and HARRP is not a component unit of the Authority for financial reporting purposes. Through HARRP, the Authority currently maintains general liability coverage for claims up to \$2 million and property insurance for claims up to \$2 million and also business auto, fidelity bonds and errors and omission coverages.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 9 - RISK MANAGEMENT (Cont'd)

Condensed audited financial information for the year ended December 31, 2015 is as follows:

Total assets	<u>\$36,036,040</u>
Total liabilities	10,729,511
Member's equity	<u>25,306,529</u>
Total liabilities and equity	<u>\$36,036,040</u>
Total revenues	\$11,725,332
Total expenses	<u>9,136,302</u>
Change in member's equity	2,589,030
Member's equity at beginning of year	<u>22,717,499</u>
Member's equity at end of year	<u>\$25,306,529</u>

NOTE 10 - UNEARNED REVENUE

The changes in the Authority's unearned revenue account for the year ended June 30, 2017, were as follows:

Balance at the beginning of year	\$ 28,265
Increase	<u>18,577</u>
Balance at the end of the year	<u>\$ 46,842</u>

NOTE 11 - RESTRICTED CASH AND INVESTMENTS

The Authority reports amounts as restricted cash for any security deposits received from tenants at the time of move-in. Those monies will be returned to the tenant upon move-out after all outstanding costs have been deducted. Also, the Authority reports amounts as restricted cash for FSS Escrow balances which are maintained in a separate bank account for tenants who participate in the Family Self Sufficiency Program. These monies are given to the tenant upon graduation from the program or are forfeited by the tenant if they do not graduate. The Authority also restricts net HAP assets in line with HUD requirements. All of these monies are restricted because they cannot be used for the day-to-day operations of the Authority.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 12 - JOINT POWERS AGREEMENT

The Authority participates in a joint venture under a joint powers agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2015, there were thirty-three members. The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

Condensed audited financial information as of and for the year ended December 31, 2015, is as follows:

Total assets	<u>\$26,789,732</u>
Total liabilities	15,021,154
Net position	<u>11,768,578</u>
Total liabilities and net position	<u>\$26,789,732</u>
Operating revenues and non-operating revenues	<u>\$ 5,351,150</u>
Operating expenses	<u>3,288,286</u>
Net decrease in net position	2,062,864
Net position, beginning of year	<u>9,705,714</u>
Net position, end of year	<u>\$11,768,578</u>

The Authority's share of year end assets, liabilities, or retained earnings has not been calculated. The Authority's annual premium is based on covered payroll. The Premium paid for the fiscal year ended June 30, 2017 was approximately \$171,917. CHWCA issues a separate comprehensive annual financial report. Copies of this report may be obtained by contacting Bickmore Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California, 95833.

NOTE 13 - NOTE RECEIVABLE

On March 4, 2011, pursuant to the disposition and development agreement dated June 25, 2007 and with HUD disposition approval, the Dublin Housing Authority (DHA) disposed of all of its public housing units to the Authority which, in turn, sold them to Eden Housing, Inc. and Citation Homes. The HUD disposition approval also imposed restrictions on the use of the net proceeds. Proceeds of \$11 million were to be loaned to Eden Dougherty, LLP, the developer of the former Arroyo Vista public housing site, to use for the development of new low-income family and elderly housing units on the site.

On March 4, 2011, the Authority entered into a construction permanent note agreement in the amount of \$11,000,000 with Eden Dougherty, LLP. (the Borrower), which will use the funds on the redevelopment project.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 13 - NOTE RECEIVABLE (Cont'd)

The loan is evidenced by the Note, secured by the Regulatory Agreement and the Deed of Trust that encumbers the project to secure repayment of the loan in the form provided by the Authority. The Deed of Trust and the Regulatory Agreement have been recorded against the property in the Office of the Recorder of the County of Alameda. The Note has a term that expires on the date 55 years from the date of project completion, which is determined by the date of issuance of a certificate of occupancy or equivalent. The Borrower shall use Residual Receipts generated by the project to repay the note every 1st of June following the completion of project construction. The note bears no interest until the earlier of i) the permanent loan conversion or ii) the third anniversary of the note closing; thereafter, the note shall bear simple annual interest rate not to exceed 3%. The conversion to permanent loan occurred on September 27, 2013. At June 30, 2017, the Authority had note receivable and accrued interest receivable from the Borrower in the amount of \$11,000,000 and \$1,241,116, respectively.

NOTE 14 - BLENDED COMPONENT UNIT

On March 23, 2011, the authority established under the Nonprofit Public Corporation Law Preserving Alameda County Housing, Inc. (PACH), a not-for-profit instrumentality of the Authority for the purpose of acquiring, owning, leasing, rehabilitating and operating affordable housing units and to serve as a support corporation for the Authority.

With HUD approval, PACH acquired 230 disposed units from the Authority between September 2011 and April 2016. The following financial statement of PACH is included in the Authority's basic financial statements for fiscal year ended June 30, 2017.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 14 - BLENDED COMPONENT UNIT (Cont'd)

BLENDED COMPONENT UNIT – STATEMENT OF NET POSITION

ASSETS

Current Assets:

Cash and cash equivalents	\$ 847,657
Restricted cash	2,330,000
Short term investments	3,997,329
Accounts receivable, net	35,464
Prepaid expenses and other current assets	2,203
Due from other funds	<u>24,185</u>
Total current assets	<u>7,236,838</u>

Noncurrent Assets:

Capital assets, net of accumulated depreciation	<u>6,003,514</u>
Total noncurrent assets	<u>6,003,514</u>
Total assets	<u>13,240,352</u>

LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities	108,789
Tenant security deposits	118,892
Due to other funds	<u> </u>
Total current liabilities	<u>227,681</u>
Total liabilities	<u>227,681</u>

NET POSITION

Net investment in capital assets	6,003,514
Restricted net position	2,363,408
Unrestricted net position	<u>4,645,749</u>
Total net position	<u>\$13,012,671</u>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 14 - BLENDED COMPONENT UNIT (Cont'd)

**BLENDED COMPONENT UNIT – STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION**

OPERATING REVENUES

Tenant rental income	\$ 4,069,753
Other revenue	<u>111,188</u>
Total operating revenue	<u>4,180,941</u>

OPERATING EXPENSES

Administration	1,031,490
Tenant services	4,709
Utilities	186,127
Repairs and maintenance	776,179
General expenses	37,924
Depreciation expense	697,597
Other Expenses	
Total operating expenses	<u>2,734,026</u>

OPERATING INCOME 1,446,915

NONOPERATING REVENUES (EXPENSES)

Other revenue (expenses)	153,564
Interest and investment revenue (net)	<u>42,948</u>
Total non-operating revenues	<u>196,512</u>
Income/(loss) before transfers and special items	1,643,427
Special item	211,767
Equity transfer from other funds	(21,961)
Change in Net Position	1,833,233
Total Net Position – beginning of year	<u>11,179,438</u>
Total Net Position – end of year	<u><u>\$13,012,671</u></u>

NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through March 19, 2018, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017**

	100 - Low Rent Public Housing	Housing Choice Vouchers	444 - Housing Development Fund	500 - Continuum of Care	Mod Rehab	PACH	133 - Ocean Avenue	600 - Choice	456 - Park Terrace	555 - Business Activities	Interfund Elimination	Total
Assets												
Current assets:												
Cash and cash equivalents (Note 2)	\$ 54,758	\$ 1,573,865	\$ 77,388	\$	\$	\$ 847,657	\$ 11,872	\$	\$ 7,779	\$	\$	\$ 2,573,319
Short term investments (Note 2)			3,759,551			3,997,329	179,854		1,149,065			9,085,799
Accounts receivable - HUD		112,842			7,265							120,107
Accounts receivable - other		173,350	30,929	330,514	410	35,464	80		4,329	43		575,119
Prepaid and other assets		13,645	568			2,203						16,416
Due from other funds (Note 3)		338,822	49,230		47,009	24,185	15	50,646	555	10,005	(520,467)	
Total current assets	54,758	2,212,524	3,917,666	330,514	54,684	4,906,838	191,821	50,646	1,161,728	10,048	(520,467)	12,370,760
Restricted assets:												
Cash and cash equivalents (Note 2)		530,273				2,330,000						2,860,273
Notes receivable (Note 13)	12,241,116											12,241,116
Total restricted assets	12,241,116	530,273				2,330,000						15,101,389
Capital assets (Note 4)												
Capital assets, net		86,431	11,626,721			20,355,189	1,382,985		933,022	170,000		34,554,348
Less accumulated depreciation (Note 4)		(86,431)	(4,976,512)			(14,351,675)	(784,436)		(580,940)			(20,779,994)
Total capital assets, net			6,650,209			6,003,514	598,549		352,082	170,000		13,774,354
Total assets	12,295,874	2,742,797	10,567,875	330,514	54,684	13,240,352	790,370	50,646	1,513,810	180,048	(520,467)	41,246,503
Deferred outflow of resources		3,376,848	31,046									3,407,894
Total assets and deferred outflow of resources	12,295,874	6,119,645	10,598,921	330,514	54,684	13,240,352	790,370	50,646	1,513,810	180,048	(520,467)	44,654,397
Liabilities												
Current Liabilities:												
Accounts payable		589,259	16,010	21,578		22,745	230	3,804	675			654,301
Accounts payable - HUD		7,925			47,419							55,344
Accrued compensated absences - current portion (Note 1)		131,936	19,715									151,651
Unearned revenue (Note 10)								46,842				46,842
Tenant security deposits						118,892	3,952		4,678	2,100		129,622
Accrued liabilities		177,839	11,855			86,044	3,541		4,432			283,711
Other liabilities		8,332	6,227									14,559
Due to other funds (Note 3)	118	158,280	45,868	308,936	7,265							
Total current liabilities	118	1,073,571	99,675	330,514	54,684	227,681	7,723	50,646	9,785	2,100	(520,467)	1,336,030
Non current liabilities:												
Net pension liability (Note 6)		10,087,501	227,423									10,314,924
Family self-sufficiency escrow- noncurrent portion		489,691										489,691
Accrued compensated absences - non current portion		35,087	5,243									40,330
Total non current liabilities		10,612,279	232,666									10,844,945
Total liabilities	118	11,685,850	332,341	330,514	54,684	227,681	7,723	50,646	9,785	2,100	(520,467)	12,180,975
Deferred inflow of resources		859,002	31,112									890,114
Net position:												
Net investment in capital assets			6,650,209			6,003,514	598,549		352,082	170,000		13,774,354
Restricted	12,241,116					2,363,408						14,604,524
Unrestricted	54,640	(6,425,207)	3,585,259			4,645,749	184,098		1,151,943	7,948		3,204,430
Total net position	\$ 12,295,756	\$ (6,425,207)	\$ 10,235,468	\$	\$	\$ 13,012,671	\$ 782,647	\$	\$ 1,504,025	\$ 177,948	\$	\$ 31,583,308

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

	100 - Low Rent Public Housing	Housing Choice Vouchers	444 - Housing Development Fund	500 - Continuum of Care	Mod Rehab	PACH	133 - Ocean Avenue	600 - Choice	456 - Park Terrace	555 - Business Activities	Total
Operating Revenues											
Rental revenue - tenant	\$	\$	\$ 143,000	\$	\$	\$ 4,069,753	\$ 72,960	\$	\$ 140,071	\$ 12,600	\$ 4,438,384
Other revenue						111,187	1,152				112,339
HUD PHA grants	107,934	107,087,969			963,121						108,159,024
Housing assistance payments-Portability-in		3,080,683									3,080,683
Other Operating Revenue		708,979	1,001,479			1	271		400	43	1,711,173
Total operating revenues	107,934	110,877,631	1,144,479		963,121	4,180,941	74,383		140,471	12,643	117,501,603
Operating Expenses											
Administration	7,151	7,835,576	980,985	83,421	103,815	1,031,490	30,345	59,940	46,804	2,040	10,181,567
Tenant services						4,709					4,709
Utilities	3,554		54,343			186,127	11,682		52		255,758
Ordinary maintenance and operations	45,365		353,540			776,179	26,784		56,843	2,655	1,261,366
General expenses		550,909	97,997			37,924	964		725		688,519
Depreciation			1,012,419			697,597	43,383		36,508		1,789,907
Housing assistance payments-Portability-in		3,080,683									3,080,683
Housing assistance payments	153,564	100,612,126			859,306						101,624,996
Other expenses				1,859,093				531,100			2,390,193
Total operating expenses	209,634	112,079,294	2,499,284	1,942,514	963,121	2,734,026	113,158	591,040	140,932	4,695	121,277,698
Operating (loss)/gain	(101,700)	(1,201,663)	(1,354,805)	(1,942,514)		1,446,915	(38,775)	(591,040)	(461)	7,948	(3,776,095)
Non-Operating Revenues and Expenses											
Other government grant				1,942,514		153,564		591,040			2,687,118
Investment income	330,000		22,220			42,948	524		3,271		398,963
Total non-operating revenues & expenses	330,000		22,220	1,942,514		196,512	524	591,040	3,271		3,086,081
Income/(loss) before transfers and special items	228,300	(1,201,663)	(1,332,585)			1,643,427	(38,251)		2,810	7,948	(690,014)
Special item- gain (loss) on disposition of assets (Note7)	(211,767)					211,767					
Equity transfer (Note 7)	21,961					(21,961)					
Change in net position	38,494	(1,201,663)	(1,332,585)			1,833,233	(38,251)		2,810	7,948	(690,014)
Net position at the beginning of the year	12,257,262	(5,223,544)	11,576,001			11,179,438	820,898		1,501,215	170,000	32,281,270
Restatement	\$	\$	\$ (7,948)	\$	\$	\$	\$	\$	\$	\$	\$ (7,948)
Net position at the end of the year	\$ 12,295,756	\$ (6,425,207)	\$ 10,235,468	\$	\$	\$ 13,012,671	\$ 782,647	\$	\$ 1,504,025	\$ 177,948	\$ 31,583,308

The accompanying notes are an integral part of these financial statements
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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	100 - Low Rent Public Housing	Housing Choice Vouchers	444 - Housing Development Fund	500 - Continuum of Care	Mod Rehab	PACH	133 - Ocean Avenue	600 - Choice	456 - Park Terrace	555 - Business Activities	Total
Cash flows from operating activities:											
Cash Collected from:											
Dwelling rental	\$	\$	\$ 143,000	\$	\$	\$ 4,069,753	\$ 72,960	\$	\$ 140,071	\$ 12,600	\$ 4,438,384
Security deposit		761,239	1,021,075	218,456		102,940	1,399	4,201	(360)		2,108,950
Other operating revenue	107,934	107,127,287			985,887			18,577			108,239,685
HUD PHA grants received		3,080,683									3,080,683
Housing assistance payments- Portability-in											
Cash paid for:											
Housing assistance payments	(153,564)	100,612,126			(817,468)				542		101,582,616
Housing assistance payments- Portability-in		(3,080,683)									(3,080,683)
Security Deposit											
Administrative expenses	(7,151)	(7,835,576)	(988,933)	(70,936)	(103,815)	(1,031,490)	(30,345)	(59,940)	(46,804)	(2,040)	(10,177,030)
Tenant services						(4,709)	(100)		(646)		(5,455)
Utility expenses	(3,554)		(54,343)			(186,127)	(11,682)		(52)		(255,758)
Maintenance expenses	(45,365)		(353,540)			(776,179)	(26,784)		(56,843)	(2,655)	(1,261,366)
General expenses		199,487	51,282			(37,924)	2,226		(725)		214,346
Other expenses	(16,638)			(1,859,093)		(385,607)		(527,296)	1,432	(1,917)	(2,789,119)
Net cash (used)/provided by operating activities	(118,338)	(359,689)	(181,459)	(1,711,573)	64,604	1,750,657	7,674	(564,458)	36,615	5,988	(1,069,979)
Cash flows from noncapital & related financing activities:											
Other revenue received			22,220	1,942,514		196,512		591,040			2,752,286
Interfund payments	(35,717)	(158,486)	41,024	(230,941)	(44,047)	(109,607)	(1,975)	(26,582)	(2,964)	(340)	(569,635)
Interfund receipts	81,270	229,559	65,074		(20,557)	217,480	114		2,343	(5,648)	569,635
Net cash (used)/provided by noncapital financing activities	45,553	71,073	128,318	1,711,573	(64,604)	304,385	(1,861)	564,458	(621)	(5,988)	2,752,286
Cash flows from capital and related financing activities:											
Acquisition of capital assets, net			(158,511)			(591,503)			(29,590)		(779,604)
Proceeds from disposition of capital assets, net											
Net cash provided / used by capital and related financing activities			(158,511)			(591,503)			(29,590)		(779,604)
Cash flows from investing activities:											
Proceeds from investment maturities		366,343	(22,200)			(2,198,060)	(29,915)		(149,472)		(2,033,304)
Purchase of investments							524		3,271		3,795
Interest received from investments less accrued interest											
Net cash provided / (used) by investing activities		366,343	(22,200)			(2,198,060)	(29,391)		(146,201)		(2,029,509)
Net increase/(decrease) in cash & cash equivalents	(72,785)	77,727	(233,852)			(734,521)	(23,578)		(139,797)		(1,126,806)
Cash & cash equivalents at the beginning of the year	127,543	2,026,411	311,240			3,912,178	35,450		147,576		6,560,398
Cash & cash equivalents at the end of the year	\$ 54,758	\$ 2,104,138	\$ 77,388	\$	\$	\$ 3,177,657	\$ 11,872	\$	\$ 7,779	\$	\$ 5,433,592

The accompanying notes are an integral part of these financial statements
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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

	100 - Low Rent Public Housing	Housing Choice Vouchers	444 - Housing Development Fund	500 - Continuum of Care	Mod Rehab	PACH	133 - Ocean Avenue	600 - Choice	456 - Park Terrace	555 - Business Activities	Total
Reconciliation of operating income (loss) to net cash used by operating activities:											
Operating gain (loss)	\$ (101,700)	\$ (1,201,663)	\$ (1,354,805)	\$ (1,942,514)	\$	\$ 1,446,915	\$ (38,775)	\$ (591,040)	\$ (461)	\$ 7,948	\$ (3,776,095)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:											
Depreciation expense			1,012,419			697,597	43,383		36,508		1,789,907
(Gain)/Loss from disposition of Capital Assets and special items											
(Increase)/Decrease in accounts receivable - HUD		39,318			22,766						62,084
(Increase)/Decrease in accounts receivable - other project		(157,001)	(10,064)	218,456	(410)	(13,838)	(24)	4,201	(760)	(43)	40,517
Decrease in accounts receivable - other government											
(Increase)/Decrease in accounts receivable - tenants											
(Increase)/Decrease in prepaid expenses		6,966	(568)			5,590					11,988
(Increase)/Decrease in inter program due from											
(Increase)/Decrease in deferred outflow of resources		202,295	30,228								232,523
Increase/(Decrease) in deferred inflow of resources		163,854	24,483								188,337
Increase/(Decrease) in accounts payable		(109,581)	1,408	12,485	(2,221)	(226,117)	9	3,804	542		(319,671)
Increase/(Decrease) in wages/payroll taxes payable											
Increase/(Decrease) in accounts payable - HUD					44,469						44,469
Increase/(Decrease) in inter program- due to											
Increase/(Decrease) in accounts payable- other project											
Increase/(Decrease) in accrued compensated absences		(18,698)	19,715								1,017
Increase/(Decrease) in accrued compensated absences- noncurrent		(4,972)	5,243								271
Increase/(Decrease) in deferred revenue								18,577			18,577
Increase/(Decrease) in FSS escrow		(198,340)									(198,340)
Increase/(Decrease) in FSS escrow-non current		291,350									291,350
Increase/(Decrease) in other current liabilities		2,456	1,817				(150)			(1,697)	2,426
Increase/(Decrease) in accrued liabilities	(16,638)	40,713	1,459			(160,114)	3,331		1,432	(220)	(130,037)
Increase/(Decrease) in accrued pension and OPEB liability		583,614	87,206								670,820
Increase/(Decrease) in tenant security deposit						624	(100)		(646)		(122)
Net cash (used)/provided by operating activities	\$ (118,338)	\$ (359,689)	\$ (181,459)	\$ (1,711,573)	\$ 64,604	\$ 1,750,657	\$ 7,674	\$ (564,458)	\$ 36,615	\$ 5,988	\$ (1,069,979)

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development:			
Low Rent Public Housing	14.850		\$ 107,934
Section 8 - Moderate Rehabilitation	14.856		963,121
PIH Family Self-Sufficiency Program (Housing Choice Vouchers)	14.896		276,000
Housing Choice Vouchers	14.871		<u>106,811,969</u>
Total Department of Housing and Urban Development			<u>108,159,024</u>
Total Expenditures of Federal Awards			<u>\$ 108,159,024</u>

N/A: Not Available

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Housing Authority of the County of Alameda under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of Housing Authority of the County of Alameda, it is not intended to and does not present the financial position, changes in net position or cash flows of Housing Authority of the County of Alameda.

Note 2: Summary of Significant Accounting

Summary of significant accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of federal awards reported on the schedule are recognized when incurred.

Note 3: Direct and Indirect (Pass-Through) Federal Awards

Federal awards may be granted directly to the Authority by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the Authority. The schedule includes both of these types of federal award programs when they occur.

Note 4: Indirect Cost

The Authority neither had an indirect cost rate nor used the de minimis 10% of Modified Total Direct Costs (MTDC).

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2017**

	<u>2017</u>
ACERA - GENERAL PLAN	
The Authority’s proportion of the net pension liability	<u>0.723 %</u>
The Authority’s proportionate share of the net pension liability	<u>10,314,924</u>
The Authority’s covered – employee payroll	<u>\$ 4,354,275</u>
The Authority’s proportionate share of the net pension liability as a percentage of its covered – employee payroll	<u>236.89 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>76.88 %</u>

Note: In the future, as data becomes available, ten years of information will be presented.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>2017</u>
ACERA - GENERAL PLAN	
Contractually required contribution	\$ 1,152,380
Contributions in relations to the contractually required contribution	<u>1,152,380</u>
Contribution deficiency (excess)	\$ <u> </u>

Note: In the future, as data becomes available, ten years of information will be presented.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
Housing Authority of the County of Alameda
Hayward, California

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Housing Authority of the County of Alameda (the Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 19, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Patel & Associates, LLP

Oakland, California
March 19, 2018



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

The Board of Commissioners
Housing Authority of the County of Alameda
Hayward, California

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the County of Alameda's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Patel & Associates, LLP

Oakland, California

March 19, 2018

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered being material weakness?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	No
Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	Yes

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

No matters were reported.