



## HOUSING COMMISSION AGENDA

### Regular Meeting: April 11, 2012

Time: 8:00 a.m.

HACA Board Room, 22941 Atherton Street, Hayward, CA 94541-6633

*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, April 5, 2012**, 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.

<b>1. CALL TO ORDER / ROLL CALL</b>		<b><u>PAGE</u></b>
<b>2. EXECUTIVE SESSION</b>		
Appoint chief negotiator for upcoming negotiations with SEIU 1021		
<b>3. APPROVAL OF THE MINUTES OF THE MARCH 14, 2012 MEETING</b>		<b>2</b>
<b>4. PUBLIC COMMENT</b>		
On matters not on the Agenda		
<b>5. NEW BUSINESS</b>		
5-1. Recognize Gregory Koubek as HACA's Shining Star	<b>PRESENTATION</b>	<b>8</b>
5-2. Audit for the Fiscal Year Ending June 30, 2011	<b>ACTION</b>	<b>9</b>
5-3. Revisions to HACA's Section 8 Administrative Plan	<b>ACTION</b>	<b>15</b>
5-4. Resolution Approving Updated Utility Allowance Schedule	<b>ACTION</b>	<b>17</b>
5-5. Procurement Awards	<b>INFORMATION</b>	<b>21</b>
5-6. Quarterly Investment Portfolio for QE March 31, 2012	<b>INFORMATION</b>	<b>22</b>
5-7. Budget Status Report	<b>INFORMATION</b>	<b>24</b>
5-8. Program Activity Report	<b>INFORMATION</b>	<b>27</b>
<b>6. COMMITTEE REPORTS</b>		
<b>7. COMMISSIONER REPORTS</b>		
<b>8. COMMUNICATIONS</b>		
Oral report on NAHRO Legislative Conference in Washington DC		
<b>9. ADJOURNMENT</b>		

**MINUTES**  
**March 14, 2012**



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**HOUSING COMMISSION MINUTES  
REGULAR MEETING: MARCH 14, 2012 8:00 A.M.  
HACA BOARD ROOM**

**SUMMARY ACTION MINUTES**

**1. CALL TO ORDER/ROLL CALL**

**Call to Order**

Chairperson Steiner called the meeting to order at 8:01 a.m.

**Roll Call**

Present: Cmr. Asher, Biddle, Cashmere, Gacoscas, Gerry, Haddock, Iosefa, Peixoto, and Steiner.

Excused: Cmr. Apodaca, Natarajan, and Reed.

**2. ACTION: APPROVAL OF THE MINUTES OF THE FEBRUARY 8, 2012 MEETING**

Recommendation: Approve the minutes of the February 8, 2012 meeting as presented.

Motion/Second: Biddle/Gacoscas.

7 ayes; 1 abstention: Cmr. Gerry; 1 not present for the vote: Cmr. Iosefa.

Motion passed.

**APPROVED AS RECOMMENDED.**

**3. PUBLIC COMMENT – On matters not on the agenda**

None.

**4. NEW BUSINESS**

**4-1. RESOLUTION NO. 04-12: APPROVING HACA'S ANNUAL PLAN FOR FISCAL YEAR 2012**

Ron Dion, Deputy Director for Programs, presented the staff report. Mr. Dion reported that the draft of HACA's Annual PHA Plan was revised since it was last presented to the Commission in February. He explained that the revised draft of the Plan now includes provisions for housing assistance for veterans in the city of Dublin and updated information related to the Capital Fund program that reflects information recently released by HUD. Mr. Dion also reported that a meeting was held with the Resident Advisory Board (RAB) to seek their input on the Plan and that the RAB had no proposed changes.

Recommendation: Adopt Resolution No. 04-12 approving HACA's 5-Year and Annual Plan for the Fiscal Year 2012.

Commission Discussion: Cmr. Peixoto asked if the VASH vouchers were similar to Section 8 vouchers. Mr. Dion explained that they are somewhat similar but differ in that the rental assistance is combined with supportive services provided by the Department of Veterans Affairs. Ms. Gouig reported that HACA currently administers 75 VASH vouchers.

Recommendation: Adopt Resolution No. 04-12 approving HACA's 5-Year and Annual Plan for fiscal year 2012.

Motion/Second: Biddle/Peixoto.

Ayes: All

**APPROVED AS RECOMMENDED.**

**4-2. RESOLUTION NO. 05-12: AUTHORIZING APPLICATION FOR 100 REPLACEMENT VOUCHERS FOR NIDUS AND DYER DEVELOPMENTS IN UNION CITY**

Ron Dion presented the staff report. Mr. Dion reported that HACA has received approval from HUD to dispose of 100 public housing units at the Nidus and Dyer developments and that HACA can now apply for 100 replacement vouchers.

Recommendation: Adopt Resolution No. 05-12 authorizing the application for 100 replacement vouchers for the Nidus and Dyer developments in Union City.

Commission Discussion: Cmr. Biddle asked how many public housing units will remain after the 100 units at Nidus and Dyer are converted to project-based voucher units. Mr. Dion stated that 36 units in Emeryville and 36 units in Union City will remain. Ms. Gouig explained that these remaining units are family units and that HUD has placed restrictions on how many family units within a project can be converted to project based vouchers.

Motion/Second: Gacoscos/Haddock.

Ayes: All Motion passed.

**APPROVED AS RECOMMENDED.**

**4-3. ACTION: BUDGET/AUDIT AND NEGOTIATIONS COMMITTEE APPOINTMENTS**

Christine Gouig presented the staff report. The Commission discussed appointments to the Budget/Audit and Negotiations Committee for the 2012 fiscal year. The following Commissioners agreed to serve on this Committee: Cmr. Asher, Gerry, Natarajan, Reed and Steiner.

Recommendation: Appoint Cmr. Asher, Gerry, Natarajan, Reed and Steiner to the Budget/Audit and Negotiations Committee for the 2012 fiscal year.

Motion/Second: Biddle/Gacoscos.

Ayes: All Motion passed.

**APPROVED AS RECOMMENDED.**

**4-4. ACTION: SCHOLARSHIP COMMITTEE APPOINTMENTS**

Christine Gouig presented the staff report. The Commission discussed appointments to the 2012 HACA Scholarship Committee. The following Commissioners volunteered to serve: Cmr. Biddle, Cashmere, Gacoscos and Gerry.

Commission Discussion: Chairperson Steiner suggested that staff check with Cmr. Reed to see if she would like to serve on this Committee again.

Recommendation: Appoint Cmr. Biddle, Cashmere, Gacoscos and Gerry to the 2012 HACA Scholarship Committee.

Motion/Second: Haddock/Asher.

Ayes: All Motion passed.

**APPROVED AS RECOMMENDED.**

**4-5. ACTION: AUTHORIZE PARTICIPATION IN PHA CONSORTIUM RE: HUD DEMONSTRATION**

Christine Gouig presented the staff report. Ms. Gouig reported that she and Chairperson Steiner recently heard a presentation on HUD's Moving To Work (MTW) demonstration program. She spoke about the history of the MTW program, described the program's objectives, and what the MTW program's key benefits would mean for HACA. Ms. Gouig noted that HACA is not eligible to compete for an MTW designation at this time and explained that congressional approval is needed in order to expand the MTW program to allow housing authorities such as HACA to compete. She further reported that HACA along with a few other housing authorities in the region have discussed a proposal to form a consortium and work with a Washington governmental affairs consultant to advocate for an expanded MTW program. Ms. Gouig stated that HACA's participation would be funded by the Local Fund and that HACA would be able to end its participation at any time.

Recommendation: Authorize HACA's participation in the consortium.

Commission Discussion: Chairperson Steiner commented that it is important to get legislation passed to expand the MTW program and encouraged the Commissioners to stay actively involved.

Cmr. Peixoto commented that with the flexibility MTW offers, there is a potential for the misuse of funds. Ms. Gouig commented that housing authorities that have an MTW designation must balance their funding very carefully.

Cmr. Peixoto asked how HACA acquired the funds in the Local Fund. Ms. Gouig indicated that HACA saved these funds over many years and gave an example of one of the various sources from which the funds originated.

Cmr. Cashmere commented that some housing authorities under the MTW program have not managed the program well. Ms. Gouig commented that HUD's recent Notice of Funding Availability for the MTW program indicates that there will be a rigorous evaluation and testing component which the program did not have initially.

Public Comment: A member of the public commented that while the cost for participation in the consortium is considerable given the recent cuts to funding, the MTW program would be very beneficial to HACA.

Motion/Second: Biddle/Gacoscos.

Ayes: All Motion passed.

**APPROVED AS RECOMMENDED.**

**4-6. INFORMATION: PROCUREMENT AWARD INFORMATION**

Tom Makin, Deputy Director for Operations, presented the staff report. He reported the following procurement actions: the award of a contract in the amount of \$40,000 to Security Engineers, the award of a contract for HVAC services in the amount of \$60,000 to Prime Mechanical, and the award of a contract for legal services in the areas of labor and employment in the amount of \$89,000 to Liebert Cassidy Whitmore (LCW).

Public Comment: A member of the public asked if staff anticipates using these services up to the maximum amounts set in the contracts. Mr. Makin indicated that the amounts of the contracts were set based on data from the previous year and that it is likely the full amount would be needed, particularly with the work that is required on the units that are being converted to the PBV program.

Cmr. Gerry asked if HACA's Maintenance Workers can complete some of the work and Mr. Makin stated that they are able to do some of the work but not all since some units require extensive repair and/or renovations.

*Items 4-7 and 4-8 were heard out of agenda order.*

**4-8. INFORMATION: PROGRAM ACTIVITY REPORT**

Report received. Sharon DeCray, HAFS Manager, reported that staff is preparing the application for FSS funding for the 2013 fiscal year. Ms. Gouig highlighted some of the workshops that staff is preparing for the FSS participants.

**4-7. INFORMATION: BUDGET STATUS REPORT**

Report received with no questions or comments from the Commission

**5. COMMITTEE REPORTS**

None.

**6. COMMISSIONER REPORTS**

None.

**7. COMMUNICATIONS**

None.

**8. ADJOURNMENT**

There being no further business Chairperson Steiner adjourned the meeting at 9:00 a.m.

Respectfully submitted,

Melissa Taesali  
Executive Assistant

**Approved:**

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Christine Gouig  
Executive Director/Commission Secretary

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Christine Steiner, Chairperson

**NEW BUSINESS**  
**April 11, 2012**

## HOUSING AUTHORITY OF ALAMEDA COUNTY

### AGENDA STATEMENT

Meeting: April 11, 2012

Subject: Recognize Gregory Koubek as HACA's Shining Star for April-September 2012

Exhibits Attached: None

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### BACKGROUND

In 2006 the Housing Authority created a Communications Committee composed of staff from all departments. The Committee created an "Employee of the Quarter" recognition program to acknowledge exceptional individual contributions of HACA employees. At the end of 2011 the Committee decided to revamp the program to allow more time for chosen employees to enjoy their recognition. The Committee re-named the award "HACA's Shining Star" and extended the recognition period to six months, so there will be two Shining Stars per year.

### DISCUSSION

The Housing Authority is privileged to have on its staff Gregory Koubek, a Housing Inspector in HACA's Housing Assistance and Family Services department. His selection was announced at an all-staff meeting held on March 28. Those who nominated Greg recognized him for his outstanding work in the following categories: Acknowledgement from the Public, Co-Workers and Clients; Team Effort & Flexibility in Working with Others; Customer Service; and Problem Solving. Some of the comments made by those who nominated Greg were:

*"Greg is always willing to help his co-workers out when they need his help. If the Housing Specialists need something done they can count on him. If something needs to be expedited in order to house a family in a tough situation, we can count on his help. He never complains and just gets the job done. He is a true team player that provides excellent customer service to our participants. After working at HACA many years doing the same type of work, his work load changed due to budget cuts. He did not complain and he has handled the changes very well."*

*"Greg is always a pleasure to work with...has always performed his job duties in nothing less than an outstanding manner..."*

Staff recommends that your Housing Commission recognize Greg as HACA's Shining Star for April-September 2012.



## **HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

### **AGENDA STATEMENT**

Meeting: April 11, 2012

Subject: Audit for the Fiscal Year Ending June 30, 2011

Exhibits Attached: Attachment A: Audit Reports and Certificates of Actual Modernization Cost

Recommendation: Accept Reports and Certificates

Financial Statement: None

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### **BACKGROUND**

The Housing Authority's (HACA) audit for the fiscal year ending June 30, 2011 was completed by the auditors, Patel & Associates, on March 21, 2012.

The audit includes financial information from the Dublin Housing Authority (DHA) for the period July 1, 2010 through March 31, 2011. As your Commission will recall, when HUD approved the disposition of DHA's Arroyo Vista public housing project it required that DHA consolidate with HACA. The consolidation occurred on March 1, 2011. As a result of the consolidation, HACA was required to submit a combined financial statement that includes DHA's financial data as part of its June 30, 2011 fiscal year end statement and audit.

### **DISCUSSION and ANALYSIS**

#### **Independent Auditor's Report (pages 1-2)**

In the independent auditor's report addressed to the Board of Commissioners, Patel & Associates opines that HACA's financial statements at the fiscal year ending June 30, 2011 were stated fairly in all material respects. The auditors did not identify any deficiencies in internal control over financial reporting that they considered to be material weaknesses. The audit is an unqualified audit and there were no financial statement findings nor were there any material findings regarding compliance with program or internal control requirements.

#### **Management's Discussion and Analysis (MD&A) (pages 3-10)**

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 with the prior year's, with emphasis on the current year. Because key financial information and current year results of operations were compared with those of the prior year, DHA's financial data for the fiscal year ending June 30, 2010 were combined with HACA's as well.

The *Statement of Net Assets* 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 Assets is shown on Table 1, page 6.

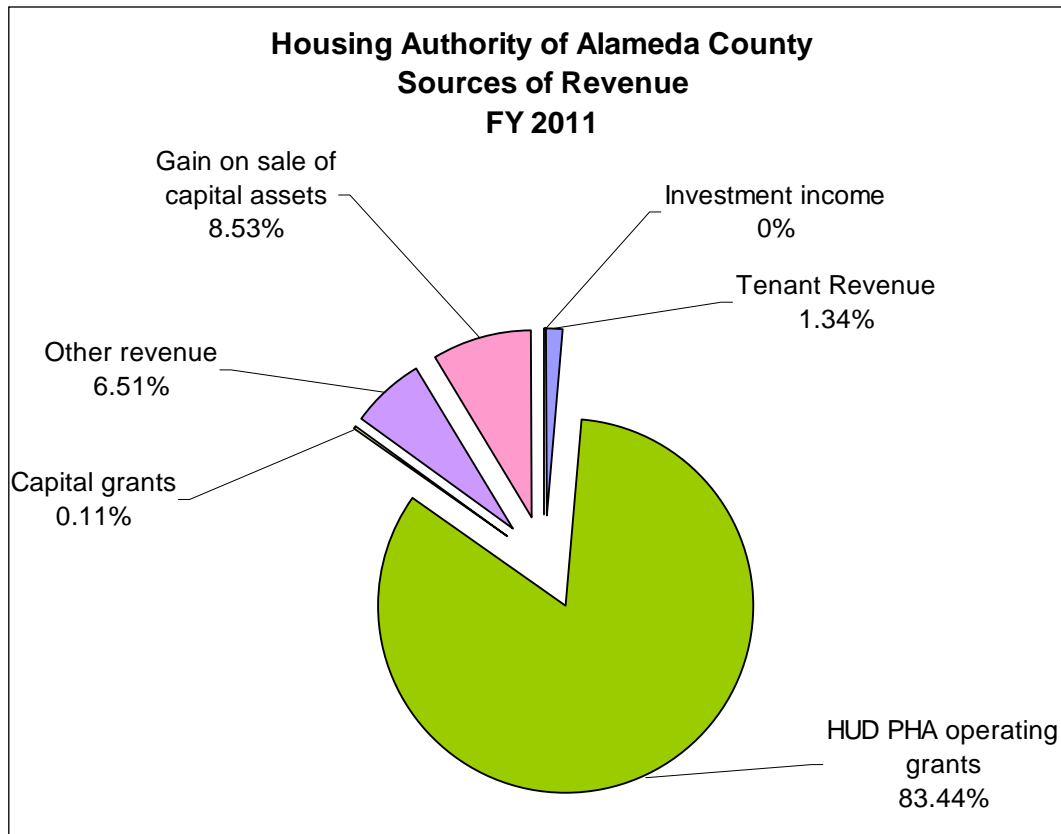
- ❖ Total assets were \$47.40 million.
- ❖ Total liabilities were \$2.16 million.
- ❖ HACA's assets exceeded its liabilities by \$45.24 million (net assets).

Pages 4-5 provide the definition of each of the three categories of net assets.

- ❖ \$8.91 million are invested in capital assets. This includes land, building and improvements, and furniture and equipment net of accumulated depreciation.
- ❖ \$18.56 million are net restricted assets (NRA) and include \$11.00 million of restricted monies received from the net proceeds of the disposition of Arroyo Vista to be loaned to the redeveloper of the site. The balance also includes \$7.44 million of excess Housing Choice Voucher (HCV) and Veterans Affairs Supportive Housing (VASH) programs monies restricted for payment of housing assistance payments (HAP) to landlords up to the number of vouchers authorized by HUD and cannot be used for operations.
- ❖ \$17.77 million are unrestricted net assets (UNA).

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

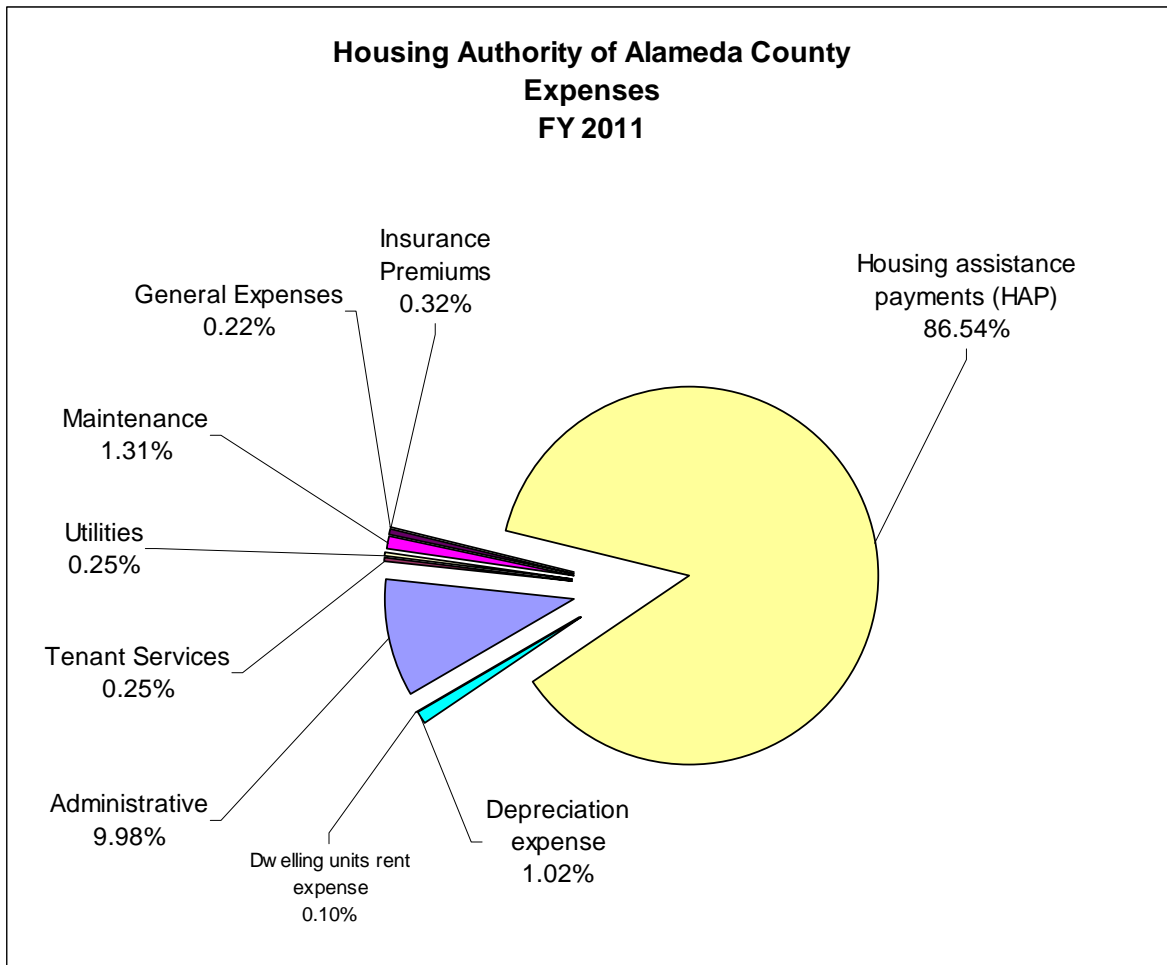
- ❖ Table 2 on page 7 shows total revenue of \$101.36 million compared to \$86.20 million in 2010, an increase of \$15.16 million (18%).



The disposition of Arroyo Vista resulted in a gain on sale of capital assets of \$8.65 million. HACA also received other revenue of \$3 million related to the disposition.

Excluding revenues related to the disposition, HUD provided more than 90% of HACA's total revenue (\$84.69 million) so changes in HUD funding greatly impact operating results. The HCV program funding represents the majority of HACA's total operating subsidies and grants revenue. The HCV Program received higher annual contributions from HUD as compared to last year because of the award of requested renewal funding set-aside funds and initial funding for the VASH Program.

- ❖ Total expenses were \$86.80 million compared to \$88.10 million in 2010, a decrease of \$1.30 million (1%).



The largest program expenditure as reflected in the chart was for HAP. Most expenses changed slightly with the exception of tenant services, which included the payment of relocation costs as part of the Arroyo Vista project disposition agreement.

**Audited Financial Statements (pages 11-15 and 33-34)**

Patel & Associates 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 assets, revenues and expenses.

Page 13 shows the Statement of Net Assets – Proprietary Funds for all programs individually and in total. Page 33 shows the individual funds that make up the total under the Other Enterprise Non-Major Funds.

Excluding investment in capital assets, the Low Rent Public Housing program has NRA of \$11.10 million and UNA of \$1.28 million.

The Housing Choice Voucher program has NRA of \$6.44 million and UNA of \$2.87 million.

The Housing Development Fund has a balance of \$12.04 million.

The VASH program has an NRA balance of \$1.00 million.

Park Terrace has a balance of \$917,487 and Ocean Avenue has \$674,779.

Pages 14 and 34 show the Statement of Revenues, Expenses and Changes in Net Assets. As your Commission will note, these statements, under the line item Income (Loss) before transfers (the fifth line from the bottom of the page), show balances that include depreciation expense. While depreciation is treated as an expense that reduces the results of operations, it does not have an impact on Restricted and Unrestricted Net Assets. When the depreciation expense is excluded, the change in net assets balances shows the actual income or loss for the year.

HACA's Low Rent Public Housing program had a deficit of \$73,373.

The HCV program had a net income of \$2,099,958 (which is a combination of an *income* of \$2,150,753 due to funding received in excess of HAP payments made which are restricted for future HAP payments and an operating *loss* of \$50,795, primarily due to reduced administrative fee funding for the first half of calendar year 2011).

The Housing Development Fund had a net income of \$2.95 million.

The VASH program had a net income of \$1.00 million.

Park Terrace had a net income of \$33,353 and Ocean Avenue a net income of \$4,482.

#### *Schedule of Findings and Questioned Costs (pages 36-42)*

There were no financial statement findings nor were there any material findings regarding compliance with the requirements applicable to the programs administered by HACA or internal control requirements (pages 36-39).

Section 1 – Summary of Auditor's Results on page 40 shows that the audit was an unqualified audit. HACA is qualified as a low-risk auditee because a single audit has been conducted and there were no significant findings in the past two years.

Sections II and III (page 41) – There were no financial statement findings or federal award findings and questioned costs. There were no findings reported in the prior year (page 42).

### Actual Modernization Cost Certificate

**Annual Capital Fund.** Every year, HUD provides Capital Funds to housing authorities for the development, financing, and modernization of public housing developments and for management improvements. Upon expenditure of all funds for a given grant year, a housing authority must submit to HUD an audited Actual Modernization Cost Certificate (AMCC) for review and approval for audit. After audit verification, HUD approves the AMCC.

The AMCCs for the Capital Fund program are attached. They were prepared by Patel & Associates as part of the audit of our fiscal year June 30, 2011 and cover the Capital Fund grants awarded to HACA in 2009 and to DHA in 2009 and 2010.

HACA 2009. The auditor determined that the total cost was \$357,860, that all costs have been paid and liabilities discharged and that HACA did not incur any budget overruns. The work funded under this contract was completed within the fiscal year and the AMCC now closes the grant.

DHA 2009. The auditor determined that the total cost was \$282,742, that all costs have been paid and liabilities discharged and that HACA did not incur any budget overruns. The work funded under this contract was completed within the fiscal year and the AMCC now closes the grant.

DHA 2010. The auditor determined that the total cost was \$282,087, that all costs have been paid and liabilities discharged and that HACA did not incur any budget overruns. The work funded under this contract was completed within the fiscal year and the AMCC now closes the grant.

Staff recommends that your Commission accept the audited financial statements and reports for all HACA programs for the fiscal year ended June 30, 2011.

## HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

### AGENDA STATEMENT

Meeting: April 11, 2012

Subject: Administrative Plan Policy Revisions

Exhibits Attached: Attachment B: Redline summary of policy revisions

Recommendation: Approve proposed policy revisions

Financial Statement: None

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#### **BACKGROUND**

HACA's Section 8 Housing Choice Voucher (HCV) Program Administrative Plan (Admin Plan) sets forth HACA's policies for administering the Section 8 Program in a manner consistent with HUD requirements and HACA's Agency Plan—its policies, programs, operations, and strategies for meeting local housing needs and goals. HACA's Admin Plan is available for public review.

From time to time it becomes necessary to amend the Admin Plan in order to incorporate changed HUD regulations, revised HACA practices, program initiatives, or to make clarifications or corrections.

#### **DISCUSSION AND ANALYSIS**

Policy revisions are proposed to HACA Admin Plan Chapters 3, 4, 6, 12, 17 and the Admin Plan Glossary. A red-line version of the changes is enclosed. See Attachment B.

##### **Chapter 3**

Adds a provision to Section 3-III.E. that recognizes successful completion of the CHOICES program or new FACT program sponsored by Alameda County Behavioral Health Care Services (BHCS) as factors that HACA will consider when deciding whether to forego denying assistance based on a family's past history.

Both programs are targeted to population of adults with severe mental illness. HACA provides a housing rental subsidy funded by BHCS; other agencies provide multi-disciplinary community treatment and support. CHOICES works sequentially with groups of 130-260 voluntary participants currently enrolled in one of 18 County or contract mental health service teams; FACT is targeted to adults with one or more contacts with the criminal justice system.

##### **Chapter 4**

Adds provisions addressing FACT to Sections 4.II.C. and 4.III.C.

**Chapter 6**

Revisions to Section 6-I.G. for clarity, and the addition of Exhibit 6-3(b) to document how HACA calculates the net cash value of real property.

**Chapter 12**

Revisions to Section 12-I.E. to conform language to new and extant HUD regulations.

**Chapter 17**

Clarifies Section 17-V.F. to make vacancy payments to the owner of a Project-Based Voucher project for one month, regardless of the number of calendar days. Adds a provision to Section 17-VII.C addressing the new FACT Program sponsored by Alameda County Behavioral Health Care Services.

**Glossary**

Revisions to the definitions of *Disabled family*, *Elderly family*, *Family*, and *Near-elderly family* to comply with HUD's final rule regarding equal access to housing in HUD programs regardless of sexual orientation or gender identity, published in the February 3, 2012 Federal Register.

Staff recommends that you approve the revisions to the Admin Plan. Once approved, staff training will be conducted and the revised Plan will be implemented.



## HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

### AGENDA STATEMENT

Meeting: April 11, 2012

Subject: Utility Allowance Schedule

Exhibits Attached:     - Proposed 07/01/2012 Utility Allowance Schedule  
                              - Resolution 06-12

Recommendation: Adopt the attached Resolution

Financial Statement: Estimated \$173,100 increase in Section 8 program costs for FY 2013 and subsequent fiscal years.

Estimated \$1,872 change for the Public Housing Program for FY 2013 and subsequent fiscal years.

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### BACKGROUND

HACA's Section 8 Program and Public Housing Program subsidies are applied against the family's rent and any utilities paid for by the family. The amount of the HACA utility subsidy is determined by our utility allowance schedule. The utility allowance schedule is based on the typical cost of essential utilities and services paid for by energy-conserving households that occupy housing of similar size and type in HACA's jurisdiction.

HUD requires that housing authorities review their utility allowance schedules at least annually and revise them if utility rates have changed, either up or down, by 10% or more. As rates have changed by more than this amount, staff has developed a revised utility allowance schedule for your approval.

### DISCUSSION AND ANALYSIS

The utility allowances for gas and electric service are based on the PG&E *California Alternate Rates for Energy (CARE)* program. Targeted to very low income families, the CARE program reduces typical PG&E rates by almost 20%. In order to obtain the CARE rates, families must submit a simple one-page form to PG&E. HACA is a Community Outreach Contractor for PG&E, providing information, applications and assistance to Section 8 households and the public wishing to apply for the CARE program. In 2009, HACA surveyed its Section 8 participants to determine if they are participating in the CARE program. Seventy-percent (70%) of participants responded and we found that nearly 90% of them were participating. (Another 10% indicated the gas and electric bill

for their unit was paid by the landlord or someone else so they weren't eligible for the CARE program.)

The underlying methodology for analyzing gas and electric rates follows that of an outside consultant retained by HACA in 2001, 2002 and 2004 except as otherwise noted.

**Gas:** In the past, a snapshot of the gas rates at a fixed point in time was used to set the annual utility allowance schedule. However, since rates fluctuate from month-to-month and year-to-year, HACA began incorporating a floating 12-month rate average in 2006 and continues this method for 2012. This year, gas rates increased by 3% to 4%. Last year, gas rates increased by 5% to 6%. The proposed utility allowance schedule reflects increases from \$0-\$2.

**Electricity:** Rates decreased in November 2004 and have not changed since. Consequently, the current HACA allowances for electricity are not changed on the schedule.

**Water:** Water rates increased by an average of 7% this year. Last year, water rates increased by 6%. The proposed utility allowance schedule reflects increases from \$0-\$10.

**Sewer:** Last year, HACA averaged sewer rates for single family homes and attached homes together. This year, HACA has calculated sewer rates separately for single family homes and attached homes. Sewer rates for single family homes decreased by an average of 6% due to the decoupling and sewer rates for attached homes increased by an average of 13%. The proposed utility allowance schedule reflects changes from \$2 less to \$4 more. These changes include those where the rates changed by less than 10% as this is the baseline for future analysis.

**Garbage:** Garbage rates increased by 3-5% this year. The current HACA allowances for garbage are not changed on the schedule as the rate changes were less than 10%.

**Tenant-Supplied Stove or Refrigerator:** No increase is proposed over the current \$2 per month allowance.

**Housing Authority of Alameda County**  
**Section 8 Utility Allowance Schedule**  
**Effective 07/01/2012 for Re-examinations and Move-Ins Effective 07/01/2012 or Later**

<b>Single Family Homes</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedrooms</b>	<b>3 Bedrooms</b>	<b>4 Bedrooms</b>	<b>5 Bedrooms</b>
Electric Heating	10	10	18	23	41	44
Gas Heating	12	17	20	24	27	33
Electric Cooking	1	2	2	3	3	3
Gas Cooking	2	2	2	2	2	2
Electric Hot Water	10	11	19	25	26	26
Gas Hot Water	7	9	11	16	17	19
Refrigerator (If tenant-supplied)	2	2	2	2	2	2
Stove (If tenant-supplied)	2	2	2	2	2	2
Water	20	30	38	46	59	68
Sewer	20	20	20	20	20	20
Trash	22	22	22	38	38	59
Other Electric	11	14	20	24	28	31

<b>Attached Homes</b>	<b>Studio</b>	<b>1 Bedroom</b>	<b>2 Bedrooms</b>	<b>3 Bedrooms</b>	<b>4 Bedrooms</b>	<b>5 Bedrooms</b>
Electric Heating	8	8	11	14	17	25
Gas Heating	10	12	14	16	20	19
Electric Cooking	1	2	2	3	3	3
Gas Cooking	2	2	2	2	2	2
Electric Hot Water	10	11	20	25	26	26
Gas Hot Water	7	9	11	16	19	19
Refrigerator (If tenant-supplied)	2	2	2	2	2	2
Stove (If tenant-supplied)	2	2	2	2	2	2
Water	19	30	35	43	60	62
Sewer	18	18	18	18	18	18
Trash	22	22	22	38	38	59
Other Electric	11	14	20	24	28	31

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**RESOLUTION NO. 06-12**

**APPROVING UPDATE TO THE UTILITY ALLOWANCE SCHEDULE**

**WHEREAS**, the U. S. Department of Housing and Urban Development (“HUD”) requires that housing authorities review their utility allowance schedules at least annually and revise them if utility rates have changed by 10% or more; and

**WHEREAS**, rates for some utilities have changed by at least 10%;

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Commission of the Housing Authority of the County of Alameda does hereby adopt a utility allowance schedule with an effective date of July 1, 2012 for annual re-examinations and move-ins with an effective date of July 1, 2012 or later.

**PASSED, APPROVED, AND ADOPTED** by the Housing Commission of the Housing Authority of the County of Alameda on this \_\_\_\_\_ day of \_\_\_\_\_ 2012 by the following vote:

**AYES:**

**NAYS:**

**ABSTAIN:**

**EXCUSED:**

**ABSENT:**

\_\_\_\_\_  
Christine Steiner  
Commission Chairperson

**ATTEST:**

\_\_\_\_\_  
Christine Gouig  
Commission Secretary/Executive Director

**Adopted:** \_\_\_\_\_

## **HOUSING AUTHORITY OF ALAMEDA COUNTY**

### **AGENDA STATEMENT**

Meeting: April 11, 2012

Subject: Procurement Awards

Exhibits Attached: None

Recommendation: Information only

Financial Statement: As indicated below

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### **BACKGROUND**

The information below is provided in accordance with the Housing Authority's Procurement Policy, which requires that a procurement action valued between \$25,000 and \$100,000 be brought to your Housing Commission as an information item.

### **DISCUSSION AND ANALYSIS**

On January 13, 2012, HACA issued an Invitation for Bids to remodel a three-bedroom residence at 33615 Fifth Street, Union City. The scope of work included a complete remodel of the bathrooms and kitchen, replacement of all doors, windows, flooring and HVAC systems and some exterior work. The bid was awarded on March 12, 2012 and a contract was executed with Men of All Trades, Oakland, CA. The amount of the contract was \$40,245.70. Funding for this work comes from the PACH operating budget.

On January 13, 2012, HACA issued an Invitation for Bids to remodel a three-bedroom residence at 33625 Fifth Street, Union City. The scope of work included a complete remodel of the bathrooms and kitchen, replacement of all doors, windows, flooring and HVAC systems and some exterior work. The previous tenant had lived there for 20 years. The bid was awarded on March 12, 2012 and a contract was executed with Men of All Trades, Oakland, CA. The amount of the contract was \$40,445.70. Funding for this work comes from the PACH operating budget.

On March 12, 2012, the Housing Authority issued an Invitation for Bids to remodel a one-bedroom residence at 2106 Nidus Ct. #18, Union City. The scope of work included a complete remodel, re-configuration and installation of an accessible bathroom and accessible kitchen, replacement of all doors including the patio door and windows, including adding two new windows, flooring and the HVAC system. The previous tenant had lived there for 25 years. The bid was awarded on March 29, 2012 and a contract was executed with TSM Building Construction, Oakland, CA. The amount of the contract was \$39,306.00. Funding for this work comes from the Public Housing operating budget.

## **HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

### **AGENDA STATEMENT**

Meeting: April 11, 2012

Subject:	Quarterly Investment Portfolio Report
Exhibits Attached:	Investment Portfolio Report for Quarter ended March 31, 2012
Recommendation:	Receive Report
Financial Statement:	\$22,197,393 Invested at an Average Monthly Yield ranging from 0.12% to 0.40% (excluding FSS Escrow Participant Accounts)

---

### **BACKGROUND**

Public Agencies are required to file an investment policy with their governing boards and to provide quarterly financial reports on the status of the Agency's investments and to certify to their compliance with the approved investment policy.

### **DISCUSSION AND ANALYSIS**

The investment portfolio report that is attached reflects the investments at March 31, 2012 for each program that HACA administers.

The Housing Choice Voucher program has a total investment of \$7,997,587, which is 36% of the total investment portfolio.

The Housing Development Fund has a total investment of \$10,911,884, which is 49% of the total investment portfolio. Approximately 61% of its portfolio is in the State of California Local Agency Investment Fund (LAIF).

The Public Housing program has a total investment of \$1,684,813, which is 8% of the total investment portfolio.


Ocean Avenue and Park Terrace investments are 3% and 4% of the total investment, respectively.

The FSS Participant Escrow Accounts are maintained in a savings account, in accordance with HUD regulations, at Union Bank.

**HOUSING AUTHORITY OF ALAMEDA COUNTY  
INVESTMENT PORTFOLIO  
FOR THE QUARTER ENDED MARCH 31, 2012**

PROGRAM NAME	TYPE OF ACCOUNT	AMOUNT	INTEREST RATE	MATURITY DATE
HCV	Union Bank N.A.	\$ 5,997,800.00	0.201%	3/30/12
	Union Bank N.A.	\$ 1,999,786.67	0.120%	4/2/12
Ocean Avenue	Abbey National N America LLC	\$ 679,199.11	0.401%	3/30/12
Park Terrace	Abbey National N America LLC	\$ 923,910.56	0.400%	3/30/12
Housing Dev Fund	Union Bank N.A.	\$ 1,999,390.00	0.300%	3/30/12
	Abbey National N America LLC	\$ 2,249,600.00	0.200%	4/2/12
Local Fund (formerly DHA)	State of CA - Local Agency Investment Fund	\$ 6,660,001.90	0.380%	LAIF Avg Eff Yield 12/31/11
	State of CA - Local Agency Investment Fund	\$ 2,891.84	0.380%	LAIF Avg Eff Yield 12/31/11
Public Housing	Union Bank NA Commercial Paper	\$ 699,925.33	0.120%	4/2/12
	Abbey Nat'l N America LLC	\$ 479,736.00	0.300%	3/30/12
	State of CA - Local Agency Investment Fund	\$ 505,152.01	0.380%	LAIF Avg Eff Yield 12/31/11
<b>TOTAL</b>		<b>\$ 22,197,393.42</b>		

The above investment portfolio is in compliance with the policy approved by the Housing Commission.

  
 Christine Gouig  
 Executive Director

4-3-12  
 Date

# **BUDGET STATUS**

## **REPORT**



**Housing Authority of Alameda County**  
**HOUSING CHOICE VOUCHER**  
**Budget Status Report FYE 2011-2012**  
**FEBRUARY 2012**

<b>FY 2012 OPERATING BUDGET</b>	<b>Budgeted @ 2/29/2012</b>	<b>Actual @ 2/29/2012</b>	<b>OVER (UNDER)</b>	<b>PROJECTED TO 6/30/12</b>	<b>SCH. NO.</b>	<b>2011 BUDGET</b>	<b>2012 BUDGET</b>	<b>DIFFERENCE</b>
<b>INCOME</b>								
Investment Income	2,400	2,815	415	4,222	A1	3,600	<b>3,600</b>	0
Misc. Income	230,027	191,889	(38,138)	287,833	A1	358,200	<b>345,040</b>	(13,160)
(Fees)	4,847,316	4,682,812	(164,503)	7,021,566	A	8,060,912	<b>7,270,973</b>	(789,939)
<b>TOTAL INCOME</b>	<b>5,079,742</b>	<b>4,877,516</b>	<b>(202,227)</b>	<b>7,313,621</b>		<b>8,422,712</b>	<b>7,619,613</b>	(803,099)
<b>EXPENSES</b>								
Administration					B-1& 2	4,749,188	<b>4,391,400</b>	(357,788)
Salaries	2,927,600	2,616,195	(311,405)	4,021,239	C-1&2	1,099,199	<b>1,077,012</b>	(22,187)
Other Admin.	718,008	669,044	(48,964)	1,056,566		5,848,386	<b>5,468,412</b>	(379,975)
Total	3,645,608	3,285,239	(360,369)	5,077,805				
General					E	194,547	<b>204,029</b>	9,482
Insurance	136,019	123,007	(13,012)	184,511		2,374,594	<b>2,195,700</b>	(178,894)
Employee Benefits	1,463,800	1,415,747	(48,053)	2,163,621		0	<b>0</b>	0
Miscellaneous	0	0	0	0		2,569,141	<b>2,399,729</b>	(169,412)
Total	1,599,819	1,538,754	(61,065)	2,348,131				
Total Routine Expenses	5,245,427	4,823,993	(421,434)	7,425,937		8,417,527	<b>7,868,141</b>	(549,386)
Capital Expenditures	0	0	0	0	D2	0	<b>0</b>	0
<b>TOTAL EXPENSES</b>	<b>5,245,427</b>	<b>4,823,993</b>	<b>(421,434)</b>	<b>7,425,937</b>		8,417,527	<b>7,868,141</b>	(549,386)
Income (Deficit) Unfunded 2012 FSS (1/2 year) - Use of Reserve				(158,607)				
Income (Deficit)	(165,685)	53,523	219,207	46,291		5,185	<b>(248,527)</b>	(253,713)
<b>Total Net income (Deficit)</b>				<b>(112,316)</b>				

Unrestricted Net Assets @ 6/30/10  
Deficit @ 6/30/11  
Unrestricted Net Assets @ 6/30/11  
Budgeted Income/(Deficit) @ 6/30/12  
Budgeted Unrestricted Net Assets-AF @ 6/30/12

\$ 2,919,590  
**(50,795)**  
2,868,795  
**(248,527)**  
\$ 2,620,268

**Housing Authority of Alameda County**  
**PUBLIC HOUSING**  
**Budget Status Report FYE 2011-2012**  
**February 2012**

FY 2012 OPERATING BUDGET	YTD BUDGET 2/29/2012	YTD ACTUALS 2/29/12	OVER/ (UNDER) BUDGET	Projected to 6/30/12
<b>INCOME</b>				
Dwelling Rentals	536,632	596,012	59,379	894,018
Investment Income	1,350	7,681	6,331	11,522
Misc. Income	56,739	57,114	375	85,671
Operating Subsidy	331,086	396,343	65,256	496,628
Asset Reposition Fee	99,063	283,802	184,739	283,802
Capital Grant	112,850	0	(112,850)	169,275
<b>TOTAL INCOME</b>	<b>1,137,719</b>	<b>1,340,952</b>	<b>203,232</b>	<b>1,940,916</b>
<b>EXPENSES</b>				
<b>Administration</b>				
Salaries	255,630	249,428	(6,202)	381,478
Other Admin.	111,575	183,088	71,513	274,633
Total	367,206	432,516	65,311	656,111
<b>Tenant Services</b>				
Resident Managers	3,667	1,800	(1,867)	2,700
Recreation	5,000	6,617	1,617	7,500
Total	8,667	8,417	(250)	10,200
<b>Utilities</b>				
Water	49,333	55,659	6,326	83,489
Electricity	12,667	16,179	3,513	24,269
Gas	1,733	2,068	336	3,102
Sewage	31,733	31,531	(202)	47,297
Total	95,466	105,438	9,973	158,156
<b>Maintenance</b>				
Salaries	93,213	87,151	(6,062)	130,726
Materials	42,640	62,786	20,146	94,179
Contract Costs	311,035	469,921	158,886	704,882
Total	446,888	619,858	172,970	929,787
<b>General</b>				
Insurance	53,808	48,653	(5,155)	72,979
Tax-In Lieu Of	44,117	42,357	(1,759)	63,536
Employee Benefits	174,422	158,234	(16,188)	237,351
Collection Loss	667	0	(667)	0
Miscellaneous	667	0	(667)	0
Total	273,680	249,244	(24,435)	373,866
<b>Total Routine Expenses</b>	<b>1,191,906</b>	<b>1,415,473</b>	<b>223,568</b>	<b>2,128,120</b>
<b>Capital Expenditure</b>				
<b>TOTAL EXPENSES</b>	<b>1,191,906</b>	<b>1,415,473</b>	<b>223,568</b>	<b>2,128,120</b>
<b>NET INCOME (DEFICIT)</b>	<b>(54,187)</b>	<b>(74,520)</b>	<b>(20,337)</b>	<b>(187,203)</b>

SCH. NO.	2011 BUDGET	2012 BUDGET	Difference
A-1	1,030,260	804,948	(225,312)
A	900	2,025	1,125
A-1	158,756	85,108	(73,648)
A-1	398,218	496,628	98,410
A-1	0	148,594	148,594
A-1	231,178	169,275	(61,902)
	1,819,312	1,706,579	(112,732)
B-1& 2	312,533	383,445	70,912
C-1	64,902	167,363	102,461
	377,435	550,808	173,373
	5,500	5,500	0
	7,500	7,500	0
	13,000	13,000	0
	74,000	74,000	0
	19,000	19,000	0
	2,600	2,600	0
	47,600	47,600	0
	143,199	143,199	0
B-2	189,144	139,820	(49,324)
D	80,600	63,960	(16,640)
D	586,151	466,552	(119,599)
	855,895	670,332	(185,564)
E	87,800	80,712	(7,087)
	88,706	66,175	(22,531)
	250,839	261,633	10,794
	1,000	1,000	0
	1,000	1,000	0
	429,344	410,520	(18,824)
	1,818,874	1,787,859	(31,015)
	0	0	0
	1,818,874	1,787,859	(31,015)
	438	(81,280)	(81,718)

Unrestricted Net Assets @ 6/30/11  
 Budgeted Income/(Deficit) @ 6/30/12  
 Budgeted Unrestricted Net Assets @ 6/30/12

\$ 1,279,237  
 (81,280)  
 \$ 1,197,957

# **PROGRAM ACTIVITY**

## **REPORT**

## HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

### AGENDA STATEMENT

Meeting: April 11, 2012

Subject: Programs Activity Report

Exhibits Attached: Section 8 Contract Report; Section 8 Average Contract Rent Report; Fraud Payments Report; Landlord Rental Listing Report; FSS Program Monthly Report

Recommendation: Receive Report

Financial Statement: None

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#### **SECTION 8 HOUSING CHOICE VOUCHERS**

- **Lease-Up:** As of April 1, 2012 the Section 8 Housing Choice Voucher program had 5,793 units under contract. The fiscal year-to-date lease-up average is 98.35% units. The budget authority use average through January 2012 is 99.7%.
- **Program Utilization:** As of April 1, 2012 the average HAP subsidy is \$1,047 and the average tenant-paid rent portion is \$393 for an average Contract Rent of \$1,440.
  - ❖ As of April 1, 2012 HACA had 86 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
  - ❖ As of April 1, 2012 HACA billed other housing authorities, primarily the Oakland Housing Authority, for 1,626 incoming portability contracts. HACA receives only 80% of the HUD-authorized Administrative Fee for billed incoming portability contracts.
- **Section 8 Contract Report:** A copy of the Contract Report is attached.
- **Fraud / Debt Recovery:** HACA retained \$2,896.79 in fraud and debt recovery payments for the month of February 2012. A total of \$27,369.87 was retained over the last six months.

HACA retained \$135.00 in Housing Assistance Payment (HAP) overpayments for the month of February 2012. A total of \$1,638.00 was retained over the last six months.

- **Landlord Rental Listings:** As of March 29, 2012 there were 1,544 landlords with properties in HACA's jurisdiction utilizing the *GoSection8* rental listing service. There were 15 new landlords added to the Section 8 program this month. There were 82 active properties listed.

### **FAMILY SELF SUFFICIENCY (FSS)**

Although the recent fire across the street did no harm to HACA's building, it did disrupt the Saturday FSS Financial Management Workshop held on March 10. Hayward Fire and Police had closed the block so participants weren't able to park nearby. In spite of arriving to find flashing lights and police barriers, 35 participants surmounted the difficulties and attended the workshop.

There continues to be great interest in the financial workshops that we sponsor. Our FSS Department has developed excellent relationships with the presenters; however, funding cuts resulted in our partner from Money Management International being laid off and office consolidation at Meriwest Credit Union has resulted in our regular trainer being transferred out of the area. We hope to find similar dedicated and inspiring trainers to work with in the future.

The annual FSS Family Health and Resource Fair is scheduled for July 28. Since our building will be undergoing renovation at that time FSS is working with community contacts to locate space for this event. The space needs to be large enough to accommodate information tables and play areas for the children. Accessibility to public transportation is a key requirement along with adequate parking. All Commissioners are encouraged to attend.

### **PUBLIC HOUSING**

- **Occupancy:** As of April 1, 2012 the Public Housing program had 175 of 182 units leased and has a 96.86% fiscal year-to-date lease up rate. The lower number of leased units is due to the fact that we are converting some of the Public Housing units to Section 8 Project-Based Vouchers and some families have chosen to move with a voucher rather than remain in their former Public Housing unit.

## Housing Authority of the County of Alameda

### SECTION 8 CONTRACTS AND HAP REPORT FOR THE MONTH OF: MARCH 2012

	Certificates		Vouchers		March 2012 TOTAL			
City	Number	HAP*	Number	HAP**	Number	HAP	March 2011	March 2010
Albany	-	\$ -	39	\$ 40,833	39	\$ 40,833	45	43
Castro Valley	14	\$ 12,334	233	\$ 243,951	247	\$ 256,285	253	252
Dublin	2	\$ 1,762	298	\$ 312,006	300	\$ 313,768	285	239
Emeryville	5	\$ 4,405	107	\$ 112,029	112	\$ 116,434	95	96
Fremont	28	\$ 24,668	1,392	\$ 1,457,424	1,420	\$ 1,482,092	1,423	1,441
Hayward	113	\$ 99,553	2,459	\$ 2,574,573	2,572	\$ 2,674,126	2,461	2,389
Newark	2	\$ 1,762	280	\$ 293,160	282	\$ 294,922	294	296
Pleasanton	4	\$ 3,524	155	\$ 162,285	159	\$ 165,809	165	150
San Leandro	15	\$ 13,215	1,404	\$ 1,469,988	1,419	\$ 1,483,203	1,360	1,332
San Lorenzo	2	\$ 1,762	217	\$ 227,199	219	\$ 228,961	200	195
Union City	4	\$ 3,524	764	\$ 799,908	768	\$ 803,432	712	706
<b>TOTALS</b>	189	\$166,509	7,348	\$7,693,356	7,537	\$7,859,865	7,293	7,139

*\*Based on an average March Housing Assistance Payment (HAP) of \$881 per certificate contract*

*\*\*Based on an average March Housing Assistance Payment (HAP) of \$1047 per voucher contract*

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

**Section 8 Average Contract Rent Report for the Month of: APRIL 2012**

<b>City</b>	<b>Number of HAP Contracts</b>	<b>Average Contract Rent</b>	<b>Average HAP Paid by HACA</b>	<b>Average Rent Paid by Family</b>	<b>Average Family-Paid Rent as a Percentage of Average Contract Rent</b>
Albany	39	\$1,311	\$1,028	\$284	22%
Castro Valley	233	\$1,358	\$924	\$434	32%
Dublin	298	\$1,605	\$1,224	\$382	24%
Emeryville	107	\$1,233	\$848	\$385	31%
Fremont	1,391	\$1,560	\$1,135	\$425	27%
Hayward	2,460	\$1,343	\$968	\$375	28%
Newark	280	\$1,801	\$1,308	\$493	27%
Pleasanton	155	\$1,353	\$971	\$381	28%
San Leandro	1,403	\$1,362	\$988	\$373	27%
San Lorenzo	217	\$1,608	\$1,189	\$420	26%
Union City	764	\$1,612	\$1,187	\$425	26%

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

11-12

DEBT COLLECTIONS  
FYE 06/30/12

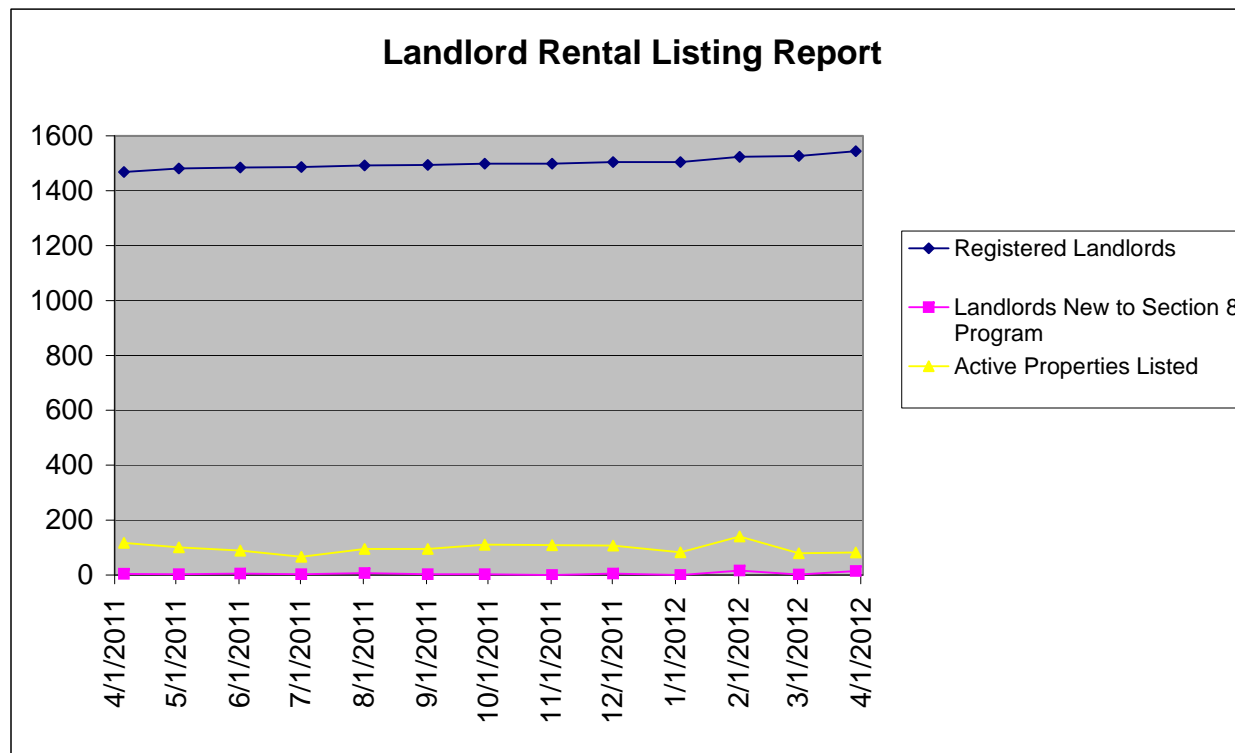
	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	GRAND TOTALS
<i>DAMAGE CLAIMS</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00	\$0.00	\$0.00	\$0.00					\$50.00
<i>FRAUD REPAYMENTS</i>	\$6,603.63	\$13,226.48	\$3,941.52	\$4,775.18	\$2,952.94	\$4,563.48	\$8,239.96	\$2,896.79					\$47,199.98
<i>HAP OVERPAYMENTS</i>	\$200.00	\$350.00	\$343.00	\$200.00	\$135.00	\$135.00	\$690.00	\$135.00					\$2,188.00
<b>TOTALS</b>	<b>\$6,803.63</b>	<b>\$13,576.48</b>	<b>\$4,284.52</b>	<b>\$4,975.18</b>	<b>\$3,137.94</b>	<b>\$4,698.48</b>	<b>\$8,929.96</b>	<b>\$3,031.79</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$49,437.98</b>



# Landlord Rental Listing Report

### Monthly

	4/5/2011	5/2/2011	6/1/2011	7/1/2011	8/1/2011	9/1/2011	9/29/2011	11/1/2011	12/1/2011	1/3/2012	2/1/2012	3/1/2012	3/29/2012
Registered Landlords	1468	1481	1484	1486	1492	1494	1498	1498	1504	1504	1523	1527	1544
Landlords New to Section 8 Program	4	3	5	3	7	3	3	0	5	0	16	2	15
Active Properties Listed	117	101	89	66	95	95	110	109	107	83	141	79	82





**To:** Christine Gouig, Executive Director  
**From:** Sharon DeCray, HAFS Manager  
**Re:** **FSS Program Summary**  
**CC:** Ron Dion, Linda Evans, Phyllis Harrison, Mary Sturges  
**Date:** April 2, 2012

---

<b>Program Summary</b>	<b>March 2012</b>
Total Clients Under Contract:	185
Graduates:	1
Escrow Disbursed:	\$7,918.85
Ports In:	1
Ports Out:	0
Terminations:	1
New Contracts:	0

### **FSS PROGRAM NEWS:**

#### **Workshops**

Saturday March 10, 2012, Meriwest Credit Union presented a Money Management II workshop. Participants engaged in learning how to:

- Manage credit
- Protect their credit score
- Take action if their wallet or purse is lost or stolen
- Access credit reports for free from all three different bureaus
- Protect themselves when buying things on the web
- Fight back against identity theft

The initial start up of the workshop was very challenging. There was a large fire across the street from our building that began at 5:30 a.m. and resulted in the entire block being closed off for a few hours by the Hayward Police and Fire Departments. There was no vehicle access to our parking lot but participants were determined to attend. Workshop participants are required to arrive by a certain time before outside doors are closed for safety reasons.

Everyone had to find parking on the nearby streets. In an effort to make sure she arrived on time, one mother was running down the street with her 6 year old daughter on her back so that she would arrive before the gates closed. Her

daughter's crayons were falling on the ground. An FSS Coordinator encouraged her to stop and take her daughter off her back because we were allowing extra time for entrance due to the fire. She breathed a sigh of relief. Another mother pushed her disabled son in his wheel chair from two blocks away. She said she was not going to let an inconvenient parking situation stop her from attending a workshop she had missed in the past. Many said it was tough finding parking on the street but they did not give up because they wanted to get the information on Money Management. Over 35 participants attended.

Wednesday March 14, 2012, FSS facilitated a HACA Scholarship / college financial aid workshop presented by FSS Program Manager Sharon DeCray and FSS participant Jamar Mears. Sharon reviewed the requirements of the HACA Scholarship. She discussed who may apply, how to apply, the application deadline, scholarship awards and disbursements. Jamar discussed general college financial aid options and resources. He shared his experience applying for financial aid and the importance of beginning the process early. He covered additional topics such as community college admission, equal opportunity programs for minorities, and a special program for foster youth.

### **Referrals**

Case Management = 80

# **ATTACHMENT A**

March 21, 2012

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

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the County of Alameda (the Authority) for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards and OMB Circular A-133 as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 21, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Estimates:* Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Management's estimate of the useful lives of capital assets is based on the intended use and is within generally accepted accounting principles guidelines. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the investments is based on fair value in accordance with GASB 31. We evaluated the key factors and assumptions used to develop the investments in determining that it is reasonable in relation to the financial statements taken as a whole.

*Disclosures:* Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of disposition of Dublin Housing Authority (DHA) and the issuance of notes receivable from the disposition proceeds in Note 17.
- The disclosure of consolidation with DHA in Note 18 to the financial statements.

*Difficulties Encountered in Performing the Audit:* We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 21, 2012.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Commissioners and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Pamela A. Andrews*  
Oakland, California  
March 21, 2012

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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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 **Patel &  
Associates**  
Certified Public Accountant

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HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

JUNE 30, 2011

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-10
FINANCIAL STATEMENTS:	
Statement of Net Assets	11
Statement of Activities	12
Statement of Net Assets – Proprietary Funds	13
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	14
Statement of Cash Flows	15
Notes to Financial Statements	16-32
SUPPLEMENTARY INFORMATION:	
Combining Statement of Net Assets – Non-Major Enterprise Funds	33
Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-Major Enterprise Funds	34
Schedule of Expenditures of Federal Awards	35
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 <i>GOVERNMENT AUDITING STANDARDS</i>	36-37
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	38-39
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	40-41
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS	42



**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Housing Authority of the County of Alameda (the Authority) as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but contains supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods and measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Patel & Associates*

Patel & Associates

Oakland, California

March 21, 2012

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

The Housing Authority of the County of Alameda (the 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 its owned properties.

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.

The Authority managed the Dublin Housing Authority (DHA) which owned 150 public housing units formerly known as Arroyo Vista. DHA began planning the redevelopment of Arroyo Vista in 2003 and received the Department of Housing and Urban Development (HUD) Special Applications Center (SAC) approval for the disposition of all 150 public housing units in May 2009. The HUD SAC approval included provisions for the consolidation of the Authority and DHA wherein the Authority will assume all the rights and liability of DHA. The consolidation occurred on March 1, 2011. On March 4, 2011, the Authority disposed of all the public housing units owned by DHA and DHA ceased to exist. HUD also imposed restrictions on the use of net proceeds from the disposition and affordability restrictions on the replacement housing to be developed on the property. Additionally, the Authority was required to submit a combined financial submission that includes DHA's financial data for the period of July 1, 2010 through March 31, 2011, as part of its June 30, 2011 fiscal year end. Because key financial information and results of the operations will be compared with those of the prior year, DHA's financial data for the fiscal year ending June 30, 2010 were combined with the Authority's as well.

The Authority has begun to dispose of most of its 230 Public Housing units as well. The Authority submitted an application to HUD to dispose of all 58 of its scattered-site Public Housing units in October 2009. That application was approved by HUD December 13, 2010. The Authority applied and was funded for 58 replacement vouchers in two increments (April and July 2011), which it project based and is now proceeding with the disposition of the units to an Authority controlled non-profit instrumentality. The disposition is expected to be completed by July 2012.

The Authority submitted another disposition application to HUD to dispose of all 100 of its Public Housing units designated for elderly or disabled tenants in December 2010. That application was approved by HUD in February 2012. The Authority applied for 100 replacement vouchers in March 2012. Upon receipt of the vouchers, the Authority will project base them as well and dispose of the units to its non-profit instrumentality.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**FINANCIAL HIGHLIGHTS**

Total assets of the Authority were \$47.40 million and total liabilities were \$2.16 million.

The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$45.24 million (net assets). Of that amount, \$8.91 million was invested in capital assets; \$18.56 million was considered restricted and \$17.77 million was considered unrestricted and may be used to meet the Authority's ongoing obligations. The Authority's fiscal year (FY) 2011 total net assets increased by \$15.01 million (50%) compared to the FY 2010 balance of \$30.23 million.

Total revenues increased by approximately \$15.16 million (18%) during 2011, and were \$101.36 million and \$86.20 million for 2011 and 2010, respectively.

Total expenses decrease by approximately \$1.30 million (1%). Total expenses were \$86.80 million and \$88.09 million for 2011 and 2010, respectively.

**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.

The *Statement of Net Assets* is similar to a Balance Sheet. The Statement of Net Assets 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 Assets", formerly known as equity.

Net Assets (formerly equity) are reported in three broad categories:

- Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets 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 Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as security deposits, debt covenants), grantors, contributors, laws, regulations, etc.



**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

- **Unrestricted Net Assets:** Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets". It represents the net available liquid assets, net of liabilities, for the entire Authority.

Over time, increases or decreases in net assets 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 Assets* 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 Assets", which is similar to Net Income or Loss.

The *Statement of Cash Flows* discloses net cash provided by or used for operating 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 Major Funds, rather than 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.

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.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**FINANCIAL ANALYSIS**

**TABLE 1  
STATEMENT OF NET ASSETS  
(in millions)**

	6/30/2011 Combined	6/30/2010 Combined	Change	%
Current and other assets	\$ 35.01	\$ 23.39	\$ 11.62	50%
Non-current assets	3.48	-0-	3.48	N/A
Capital assets	8.91	11.37	(2.46)	22%
Total assets	47.40	34.76	12.64	36%
Current liabilities	2.09	4.48	(2.39)	53%
Noncurrent liabilities	0.07	0.05	0.02	40%
Total liabilities	2.16	4.53	(2.37)	52%
Net assets:				
Invested in capital assets	8.91	11.37	(2.46)	22%
Restricted	18.56	4.41	14.15	321%
Unrestricted	17.77	14.45	3.32	23%
Total net assets (see Note 15)	\$ 45.24	\$ 30.23	\$ 15.01	50%

**Major Factors Affecting the Statement of Net Assets (Table 1)**

Current and other assets increased by approximately \$11.62 million due to higher amounts of cash and cash equivalents and investments resulting from the disposition of the former Arroyo Vista project and lower amounts of accounts receivable balances.

Non-current assets increased by approximately \$3.48 million due to Notes Receivable from Eden Dougherty, LLP. The disposition approval imposed that the net proceeds were to be loaned to the redeveloper of the former Arroyo Vista site, to use for the development of new low-income family and elderly housing units.

Total liabilities decreased by approximately \$2.37 million primarily due to decreases in deferred revenue, accounts payable – other and other liabilities.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

Total net assets increased by \$14.56 million and were \$45.24 million and \$30.23 million (see note 15) in 2011 and 2010, respectively. Table 2 presents details on the change in Net Assets.

Net assets invested in capital assets (e.g., land, buildings and improvements, furniture and equipment) decreased by approximately \$2.46 and were \$8.91 million and \$11.37 million in 2011 and 2010, respectively. The decrease was primarily due to the disposition of the Arroyo Vista project (approximately \$2.35 million), current year depreciation expense (approximately \$0.88 million) and by the increase in capital expenditures (approximately \$0.77 million).

Restricted Net Assets balance increased by \$14.15 million to \$18.56 million as of June 30, 2011 and includes \$11.00 million of restricted monies received from the net proceeds of the disposition of Arroyo Vista and \$7.44 million of excess HCV and VASH funds restricted for payments of housing assistance payments (HAP) up to the number of vouchers authorized by HUD that cannot be used for operations.

Unrestricted Net Assets increased by \$3.32 million to \$17.77 million as of June 30, 2011 and may be used to meet the Authority's ongoing obligations to clients and creditors.

**TABLE 2  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
(in millions)**

	6/30/2011 Combined	6/30/2010 Combined	Change	%
<b>Revenues</b>				
Rental revenue – tenant	\$ 1.36	\$ 2.20	\$ (0.84)	38%
Operating subsidies and grants	86.06	82.09	3.97	5%
Gain on disposition of capital assets	8.65	-0-	8.65	n/a
Investment income	0.07	0.05	0.02	40%
Other revenue	5.22	1.86	3.36	181%
<b>Total revenues</b>	<b>101.36</b>	<b>86.20</b>	<b>15.16</b>	<b>18%</b>
<b>Expenses</b>				
Administrative	8.67	9.29	(0.62)	7%
Tenant service	0.22	0.01	0.21	n/a
Utilities	0.22	0.28	(0.06)	21%
Maintenance	1.14	1.32	(0.18)	14%
General	0.55	0.46	0.09	20%
Housing assistance payments	75.12	75.43	(0.31)	0%
Depreciation	0.88	1.31	(0.43)	33%
<b>Total expenses</b>	<b>86.80</b>	<b>88.09</b>	<b>(1.30)</b>	<b>1%</b>
<b>Net Income (Loss) – Change in Net Assets</b>	<b>\$ 14.56</b>	<b>\$ (1.89)</b>	<b>\$ 16.45</b>	<b>870%</b>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Assets  
(Table 2)**

Total revenues increased by approximately \$15.16 million (18%) and total expenses decreased by approximately \$1.30 million (1%) from a year ago.

The disposition of the Arroyo Vista project resulted in a gain on the disposition of capital assets of \$8.65 million. The Authority also received other revenue of \$3 million related to the disposition.

Excluding revenues related to the disposition, HUD provided 96% and 95% of the Authority's revenue in 2011 and 2010, respectively. The HUD 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 increased by 5% from the previous year. The HCV Program received higher annual contributions from HUD as compared to last year because of the receipts of requested renewal funding set-aside funds and funding for the VASH program.

Most expenses changed slightly with the exception of tenant services, which include the relocation costs paid out as a result of the disposition of the Arroyo Vista project.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets (Table 3)**

As of fiscal year ended June 30, 2011, the Authority had \$8.91 million invested in a variety of capital assets as reflected in the following table, which represents a net decrease (addition, deductions (disposed or donated) and depreciation) of approximately \$2.46 million or 22% from the end of last year.



**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**TABLE 3  
CAPITAL ASSETS AND DEBT ADMINISTRATION  
(in millions)**

	<u>6/30/2011 Combined</u>	<u>6/30/2010 Combined</u>	<u>Change</u>	<u>%</u>
Land and land rights	\$ 3.59	\$ 3.59	\$ -0-	0%
Buildings and improvements	17.76	27.03	(9.27)	34%
Furniture and equipment	1.47	1.37	0.10	7%
Accumulated depreciation	<u>(13.91)</u>	<u>(20.62)</u>	<u>6.71</u>	<u>33%</u>
Total	<u>\$ 8.91</u>	<u>\$ 11.37</u>	<u>\$ (2.46)</u>	<u>22%</u>

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

**TABLE 4  
CHANGE IN CAPITAL ASSETS  
(in millions)**

Beginning balance, July 1, 2010	\$ 11.37
Acquisition of Capital assets	0.77
Depreciation Expense	(0.88)
Disposition of Capital assets	<u>(2.35)</u>
Ending balance, June 30, 2011	<u>\$ 8.91</u>

**Debt Outstanding**

As of year-end, the Authority had no debt (bonds, notes, etc.) outstanding.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

**ECONOMIC FACTORS**

The need for affordable housing in Alameda County has historically 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 a number of years, 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.

Other significant economic factors affecting the Authority are as follows:

- Local labor supplies and demand, which can affect salary and wage rates
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Supply of affordable housing

**FINANCIAL CONTACT**

The individual to be contacted regarding this report is Cathy Leoncio, Finance Director, at (510) 727-8521. Specific request may be submitted to the Housing Authority of the County of Alameda, 22941 Atherton Street, Hayward, California 94541-6633.

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	Primary Government Business-Type Activities
<b>Assets</b>	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 11,463,119
Investments (Note 2)	6,974,362
Accounts receivable - HUD	413,354
Grant receivable - City of Dublin (Note 16)	1,500,000
Accounts receivable - other	552,920
Prepaid and other assets	33,978
Total current assets	<u>20,937,733</u>
Restricted assets:	
Cash and cash equivalents (Note 2)	7,746,117
Investments (Note 2)	6,330,971
Total restricted assets	<u>14,077,088</u>
Non-current assets:	
Notes receivable (Note 17)	3,479,011
Total non-current assets	<u>3,479,011</u>
Capital assets (Note 4)	22,816,073
Less accumulated depreciation (Note 4)	<u>(13,908,017)</u>
Capital assets, net	8,908,056
Total assets	<u>47,401,888</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	324,616
Accounts payable - HUD	9,200
Accounts payable - other	85,290
Accrued compensated absences - current portion (Note 1)	229,245
Deferred revenue (Note 9)	682,260
Tenants security deposits	112,338
Other liabilities	476,865
Accrued liabilities	170,099
Total current liabilities	<u>2,089,913</u>
Noncurrent liabilities:	
Accrued compensated absences - noncurrent portion (Note 1)	72,941
Total noncurrent liabilities	<u>72,941</u>
Total liabilities	<u>2,162,854</u>
<b>Net assets:</b>	
Investment in capital assets	8,908,056
Restricted	18,557,101
Unrestricted	17,773,877
Total net assets	<u>\$ 45,239,034</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Revenue and Changes in Net Assets</u>
Primary government					<u>Total</u>
Business-type activities:					
Low Rent Public Housing Program	\$ 2,675,264	\$ 1,019,586	\$ 953,540	\$ 0	\$ (702,138)
Housing Choice Voucher Program	80,458,577	0	80,722,306	0	263,729
Housing Development Fund	720,709	143,000	0	0	(577,709)
Public Housing Capital Fund Program	0	0	635,724	110,215	745,939
Shelter Plus Care	1,377,955	0	1,377,955	0	0
Veteran Affairs Supportive Housing Program	160,054	0	1,163,756	0	1,003,702
Moderate Rehabilitation 1	120,020	0	120,020	0	0
Moderate Rehabilitation 4	988,234	0	988,234	0	0
Choices Program	88,164	0	0	0	(88,164)
Ocean Avenue	94,002	61,275	0	0	(32,727)
Park Terrace	108,462	112,108	0	0	3,646
Union City Managed	19,221	21,000	0	0	1,779
Total Business-type activities	<u>\$ 86,810,662</u>	<u>\$ 1,356,969</u>	<u>\$ 85,961,535</u>	<u>\$ 110,215</u>	<u>618,057</u>
General revenues:					
Gain on sale of capital assets					8,651,398
Other revenue					5,220,748
Investment income					66,109
Total general revenues					13,938,255
Equity transfer					(1,779)
Change in net assets					14,554,533
Net assets - beginning (Note 15)					30,684,501
Net assets - ending					<u>\$ 45,239,034</u>

The accompanying notes are an integral part of these financial statements

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**JUNE 30, 2011**

	Major Enterprise Funds			Other Enterprise Funds	
	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Funds Non-Major	Total
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents (Note 2)	\$ 694,998	\$ 5,181,248	\$ 5,542,223	\$ 44,650	\$ 11,463,119
Investments (Note 2)	779,097	0	4,645,304	1,549,961	6,974,362
Accounts receivable - HUD	0	0	0	413,354	413,354
Grant receivable - City of Dublin (Note 16)	0	0	1,500,000	0	1,500,000
Accounts receivable - other	23,398	34,274	16,597	478,651	552,920
Prepaid and other assets	6,426	27,552	0	0	33,978
Due from other funds (Note 3)	766,667	869,119	1,133,142	1,148,436	3,917,364
<b>Total current assets</b>	<b>2,270,586</b>	<b>6,112,193</b>	<b>12,837,266</b>	<b>3,635,052</b>	<b>24,855,097</b>
<b>Restricted assets:</b>					
Cash and cash equivalents (Note 2)	1,299,656	6,443,761	2,700	0	7,746,117
Investments (Note 2)	6,321,256	0	0	9,715	6,330,971
<b>Total restricted assets</b>	<b>7,620,912</b>	<b>6,443,761</b>	<b>2,700</b>	<b>9,715</b>	<b>14,077,088</b>
<b>Non-current assets:</b>					
Notes receivable (Note 17)	3,479,011	0	0	0	3,479,011
<b>Total non-current assets</b>	<b>3,479,011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,479,011</b>
Capital assets (Note 4)	15,447,836	138,286	4,908,304	2,321,647	22,816,073
Less accumulated depreciation (Note 4)	(10,718,729)	(89,639)	(2,165,114)	(934,535)	(13,908,017)
<b>Capital assets, net</b>	<b>4,729,107</b>	<b>48,647</b>	<b>2,743,190</b>	<b>1,387,112</b>	<b>8,908,056</b>
<b>Total assets</b>	<b>18,099,616</b>	<b>12,604,601</b>	<b>15,583,156</b>	<b>5,031,879</b>	<b>51,319,252</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	23,321	267,861	11,609	21,825	324,616
Accounts payable - HUD	0	7,925	0	1,275	9,200
Accounts payable - other	85,290	0	0	0	85,290
Accrued compensated absences - current portion (Note 1)	22,806	206,439	0	0	229,245
Deferred revenue (Note 9)	356,953	182,974	4,797	137,536	682,260
Tenants security deposits	99,923	0	0	12,415	112,338
Other liabilities	0	441,535	35,330	0	476,865
Accrued liabilities	36,822	131,793	0	1,484	170,099
Due to other funds (Note 3)	362,162	1,936,002	744,936	874,264	3,917,364
<b>Total current liabilities</b>	<b>987,277</b>	<b>3,174,529</b>	<b>796,672</b>	<b>1,048,799</b>	<b>6,007,277</b>
<b>Noncurrent liabilities:</b>					
Accrued compensated absences - noncurrent portion (Note 1)	4,072	68,869	0	0	72,941
<b>Total noncurrent liabilities</b>	<b>4,072</b>	<b>68,869</b>	<b>0</b>	<b>0</b>	<b>72,941</b>
<b>Total liabilities</b>	<b>991,349</b>	<b>3,243,398</b>	<b>796,672</b>	<b>1,048,799</b>	<b>6,080,218</b>
<b>Net assets:</b>					
Investment in capital assets	4,729,107	48,647	2,743,190	1,387,112	8,908,056
Restricted	11,099,923	6,443,761	0	1,013,417	18,557,101
Unrestricted	1,279,237	2,868,795	12,043,294	1,582,551	17,773,877
<b>Total net assets</b>	<b>\$ 17,108,267</b>	<b>\$ 9,361,203</b>	<b>\$ 14,786,484</b>	<b>\$ 3,983,080</b>	<b>\$ 45,239,034</b>

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 ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Major Enterprise Funds			Other Enterprise Funds Non-Major	Totals
	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund		
<u>Operating revenues</u>					
Rental revenue - tenants	\$ 1,019,586	\$ 0	\$ 143,000	\$ 194,383	\$ 1,356,969
Total operating revenues	<u>1,019,586</u>	<u>0</u>	<u>143,000</u>	<u>194,383</u>	<u>1,356,969</u>
<u>Operating expenses</u>					
Administration	677,268	7,496,431	228,858	265,815	8,668,372
Tenant service	220,911	0	0	0	220,911
Utilities	159,004	0	52,819	7,567	219,390
Ordinary maintenance and operations	896,964	0	159,065	82,362	1,138,391
General expenses	195,226	267,995	0	90,126	553,347
Depreciation	525,891	16,506	279,967	62,491	884,855
Housing assistance payments	0	72,677,645	0	2,447,751	75,125,396
Total operating expenses	<u>2,675,264</u>	<u>80,458,577</u>	<u>720,709</u>	<u>2,956,112</u>	<u>86,810,662</u>
Operating loss	<u>(1,655,678)</u>	<u>(80,458,577)</u>	<u>(577,709)</u>	<u>(2,761,729)</u>	<u>(85,453,693)</u>
<u>Non-operating revenues</u>					
HUD PHA grants	1,589,264	80,722,306	0	3,649,965	85,961,535
Capital grants	110,215	0	0	0	110,215
Gain on sale of capital assets (Note 17)	8,651,398	0	0	0	8,651,398
Other revenue	108,129	1,808,463	3,215,992	88,164	5,220,748
Investment income	11,612	11,260	38,812	4,425	66,109
Total non-operating revenues	<u>10,470,618</u>	<u>82,542,029</u>	<u>3,254,804</u>	<u>3,742,554</u>	<u>100,010,005</u>
Income/(loss) before transfers	<u>8,814,940</u>	<u>2,083,452</u>	<u>2,677,095</u>	<u>980,825</u>	<u>14,556,312</u>
Equity transfer (Note 14)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,779)</u>	<u>(1,779)</u>
Change in net assets	<u>8,814,940</u>	<u>2,083,452</u>	<u>2,677,095</u>	<u>979,046</u>	<u>14,554,533</u>
Net assets at the beginning of year (Note 15)	<u>8,293,327</u>	<u>7,277,751</u>	<u>12,109,389</u>	<u>3,004,034</u>	<u>30,684,501</u>
Ending net assets	<u>\$ 17,108,267</u>	<u>\$ 9,361,203</u>	<u>\$ 14,786,484</u>	<u>\$ 3,983,080</u>	<u>\$ 45,239,034</u>

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, 2011**

	Low-cost Public Housing	Housing Choice Vouchers	Housing Development Fund	Enterprise Funds Non-Major	Totals
<b>Cash flows from operating activities:</b>					
Cash collected from:					
Dwelling rental	\$ 1,032,951	\$ 0	\$ 143,000	\$ 190,006	\$ 1,365,957
Cash paid for					
Housing assistance payments	0	(72,356,963)	0	(3,480,829)	(75,837,792)
Employee expenses	(580,702)	(6,327,822)	0	(198,169)	(7,106,693)
Administrative expenses	(510,977)	(820,764)	(1,721,133)	(67,646)	(3,120,520)
General expenses	(615,220)	(215,723)	(52,819)	(9,529)	(893,291)
Maintenance expenses	(1,541,259)	0	(652,134)	(143,272)	(2,336,665)
Net cash used in operating activities	(2,215,207)	(79,721,272)	(2,283,086)	(3,709,439)	(87,929,004)
<b>Cash flows from non capital financing activities:</b>					
Other revenue received	108,129	1,808,463	3,815,992	88,164	5,820,748
Grant revenue received	1,699,479	80,722,306	0	3,649,965	86,071,750
Net cash provided by non capital financing activities	1,807,608	82,530,769	3,815,992	3,738,129	91,892,498
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets, net	(165,363)	1,170	(604,809)	0	(769,002)
Net proceeds from sale of capital assets	11,000,000	0	0	0	11,000,000
Net cash provided by (used in) capital and related financing activities	10,834,637	1,170	(604,809)	0	10,230,998
<b>Cash flows from investing activities:</b>					
Proceeds from investment maturities	0	4,501,275	4,577,791	0	9,079,066
Notes Receivable-loan to Eden	(3,479,011)	0	0	0	(3,479,011)
Purchase of investments	(6,496,713)	0	0	(37,066)	(6,533,779)
Interest received from investments	11,612	11,260	38,812	4,425	66,109
Net cash (used)/provided by investing activities	(9,964,112)	4,512,535	4,616,603	(32,641)	(867,615)
Net increase/(decrease) in cash and cash equivalents	462,926	7,323,202	5,544,700	(3,951)	13,326,877
Cash and cash equivalents at the beginning of the year (Note 2)	1,531,728	4,301,807	223	48,601	5,882,359
Cash and cash equivalents at the end of the year	\$ 1,994,654	\$ 11,625,009	\$ 5,544,923	\$ 44,650	\$ 19,209,236
<b>Reconciliation of operating loss to net cash used in operating activities:</b>					
Operating loss	\$ (1,655,678)	\$ (80,458,577)	\$ (577,709)	\$ (2,761,729)	\$ (85,453,693)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Prior period adjustment	(146,332)	0	0	0	(146,332)
Equity transfer in/out	0	0	0	(1,779)	(1,779)
Depreciation expense	525,891	16,506	279,967	62,491	884,855
(Increase)/Decrease in accounts receivable - HUD	0	137,708	0	5,560	143,268
(Increase)/Decrease in accounts receivable - other	(22,848)	5,958	546,322	424	529,856
(Increase)/Decrease in accounts receivable - other government	413	(12,656)	(1,516,597)	(11,277)	(1,540,117)
(Increase)/Decrease in accounts receivable - tenants	24,314	0	0	(3,447)	20,867
(Increase)/Decrease in prepaid expenses	(608)	756	0	0	148
(Increase)/Decrease in interfund receivable	(241,901)	152,196	(1,071,111)	(955,975)	(2,116,791)
Increase/(Decrease) in accounts payable	14,873	(33,323)	(24,236)	6,422	(36,264)
Increase/(Decrease) in wages/payroll taxes payable	(18,412)	(39,623)	0	0	(58,035)
Increase/(Decrease) in interfund payable	(227,068)	1,795,209	651,140	5,501	2,224,782
Increase/(Decrease) in accounts payable - other government	(39,471)	(1,512,692)	(522,000)	(4,460)	(2,078,623)
Increase/(Decrease) in accrued compensated absences	(80)	52,272	0	0	52,192
Increase/(Decrease) in deferred revenue	(108,499)	182,974	942	(53,317)	22,100
Increase/(Decrease) in other current liabilities	(250,000)	660	0	0	(249,340)
Increase/(Decrease) in accrued liabilities	(58,852)	(8,640)	(49,804)	1,298	(115,998)
Increase/(Decrease) in tenant security deposit	(10,949)	0	0	849	(10,100)
Net cash used in operating activities	\$ (2,215,207)	\$ (79,721,272)	\$ (2,283,086)	\$ (3,709,439)	\$ (87,929,004)

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, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Organization**

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 Shelter Plus 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 does not have any component units as defined under generally accepted accounting principles.

As further described in Note 18 to the financial statements HUD required that the Authority submit a combined financial submission that includes Dublin Housing Authority's (DHA) financial data as part of its June 30, 2011 fiscal year end submission. As a result of this requirements the opening balances of cash and cash equivalents, capital assets, net assets and other accounts of the Authority and DHA have been combined and restated to comply with this requirement.

**(b) Major Funds**

Based on criteria established by the Governmental Accounting Standards Board's Statement No. 34, the Authority has reported the following major funds:

**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.

In October 2009, the Authority submitted to HUD an application for the disposition of 58 of its public housing units with the plan to convert them to Section 8 Project-Based Vouchers. The disposition application was approved on December 13, 2010. Replacement vouchers were provided in two increments: 40 in April 2011 and 18 in July 2011.



**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 structure a lease that sets the participant's rent at 30% of adjusted gross income.

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

**Non-major Funds** - In addition to the major funds above, the Authority also maintains the following non-major funds. Non-major funds are defined as funds that have assets, liabilities, revenues, or expenses less than 10% of the Authority's total assets, liabilities, revenues or expenses:

**Shelter Plus 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 and is funded through the Alameda County Housing and Community Development Agency, for which the Authority provides the housing subsidy administration.

**Moderate Rehabilitation Program** - 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.

**Veterans Affairs Supportive Housing** - This program combines HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMC's) and community-based outreach clinics.

**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, 2 houses owned by the City of Union City and these homes are also rented to low-income families. In December 2009, the Authority also established the CHOICES program with Alameda County Health Care Services Department (BHCS). The program provides a monthly housing subsidy for designated BHCS clients with serious mental health issues.

(c) **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 assets, all revenues are recognized when earned, and all expenses, including depreciation, are recognized when incurred. Enterprise fund net assets include investment in capital assets, restricted net assets, and unrestricted net assets.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, 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.

*Statement of Net Assets* – The statement of net assets is designed to display the financial position of the Authority. Fund equity is reported as net assets and is broken down into three categories defined as follows:

- Invested in capital assets, net of related debt – This component of net assets 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 assets consists of constraints placed on net assets 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 assets consists of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

*Statement of Revenues, Expenses, and Changes in Net Assets* – The statement of revenues, expenses, and changes in net assets 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.

(d) 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 assets, and the reported net assets provide 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.

(e) 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.

(f) 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

(g) 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.

(h) 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.

(i) Accrued Compensated Absences

Accumulated vacation benefits are recorded as liabilities on the books of the Authority. The total liability for the Authority is \$302,186 based on year-end hourly rates. Of this total amount, \$229,245 is the current portion, and \$72,941 is the non-current portion.

(j) Net Assets

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

(k) 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.

(l) Deferred Revenues

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

(m) Fund Equity

The Authority has adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of July 1, 2010. The objectives of the Statements are to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Authority believes that GASB 54 has no impact on its financial statements.

(n) Restatement

Certain accounts in the financial statements for the year ended June 30, 2010 have been restated to conform to the June 30, 2011 financial statement presentation. For fiscal year ended June 30, 2010, there is \$600,000 of revenue and \$146,332 of expenses from Dublin Housing Authority restated to net assets (Note 15).

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

The opening balance for cash and cash equivalents at the beginning of the year is determined as follows:

	Low Rent Public <u>Housing</u>	Housing Choice <u>Vouchers</u>	Housing Development <u>Fund</u>	Enterprise Funds <u>Non-Major</u>	Combined <u>Totals</u>
The Authority	\$ 98,270	\$ 4,301,807	\$ 207	\$ 48,601	\$ 4,448,885
DHA	<u>1,433,458</u>	<u>-0-</u>	<u>16</u>	<u>-0-</u>	<u>1,433,474</u>
Combined Totals	<u>\$ 1,531,728</u>	<u>\$ 4,301,807</u>	<u>\$ 223</u>	<u>\$ 48,601</u>	<u>\$ 5,882,359</u>

Cash, cash equivalents and investments as of June 30, 2011 are classified on the Statement of Net Assets as follows:

Unrestricted cash, cash equivalents and investments:	
Deposits with financial institution	\$ 11,465,769
Investments	6,984,077
Cash on hand	400
Restricted cash, cash equivalents and investments for tenant security deposits, family self-sufficiency escrow, and capital fund program:	
Deposits with financial institution	7,743,067
Investments	6,321,256
Total cash, cash equivalents and investments	\$ <u>32,514,569</u>

The Authority had the following cash, cash equivalents and investments at June 30, 2011:

Cash and cash equivalents:	
Deposits with financial institution	\$ 7,211,676
Commercial papers	11,997,160
Cash on hand	400
Investments:	
Commercial papers	8,156,442
State of California Local Agency Investment Fund (LAIF)	5,148,891
Total cash, cash equivalents and investments	\$ <u>32,514,569</u>

#### A. Deposits

##### 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) 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, 2011, no cash deposited with 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, 2011, an account was maintained in the name of the Authority for \$5,148,891, its fair value.

#### **B. Investments**

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 ladderized 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.

**NOTE 3: DUE FROM/TO OTHER FUNDS**

During the course of operation, numerous transactions occur between the individual programs of the Authority for goods provided and services rendered. The receivables and payables balances at June 30, 2011, between the various funds of the Authority are as follows:

The Authority has a revolving disbursement account which provides for the pooling of cash to provide a method for the payment of items chargeable to multiple sources. The majority of disbursements are made from this disbursement fund with an appropriate receivable from the subsidiary general ledger whose costs are being paid. Interfund receivables and payables are eliminated as expeditiously as possible. Interfund due from/to in the Authority-wide Statement of Net Assets have been eliminated as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables.

	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Park Terrace	Ocean Avenue	Choices	Other Federal Program	Total Interfund Payable
<u>Due From</u>								
Housing Choice Vouchers	\$ 18,743	\$ 0	\$ 768,823	\$ 5,165	\$ 101	\$ 137,436	\$ 1,005,734	\$ 1,936,002
Low Rent Public Housing	0	0	362,162	0	0	0	0	362,162
Housing Development Fund	742,779	0	2,157	0	0	0	0	744,936
Shelter Plus Care	0	456,904	0	0	0	0	0	456,904
Moderate Rehab 4	0	323,280	0	0	0	0	0	323,280
Moderate Rehab 1	0	88,935	0	0	0	0	0	88,935
Union City Managed	510	0	0	0	0	0	0	510
Ocean Avenue Development	1,854	0	0	0	0	0	0	1,854
Park Terrace	2,781	0	0	0	0	0	0	2,781
Total Interfund Receivable	\$ <u>766,667</u>	\$ <u>869,119</u>	\$ <u>1,133,142</u>	\$ <u>5,165</u>	\$ <u>101</u>	\$ <u>137,436</u>	\$ <u>1,005,734</u>	\$ <u>3,917,364</u>



NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Items	The Authority Balance at June 30, 2010	DHA Balance at June 30, 2010	Combined Total June 30, 2010	Increases	Decreases	Balance at June 30, 2011
Capital assets not being depreciated:						
Land and land rights	\$ 3,588,497	\$ 0	\$ 3,588,497	\$ 0	\$ 0	\$ 3,588,497
Construction in progress	3,150	0	3,150	0	(3,150)	0
Total capital assets not being depreciated	3,591,647	0	3,591,647	0	(3,150)	3,588,497
Capital assets being depreciated:						
Building and improvements	17,084,837	9,947,402	27,032,239	672,751	(9,947,402)	17,757,588
Furniture and equipment	1,370,587	0	1,370,587	100,570	(1,169)	1,469,988
Total capital assets being depreciated	18,455,424	9,947,402	28,402,826	773,321	(9,948,571)	19,227,576
Less: accumulated depreciation for:						
Buildings and improvements	(12,383,964)	(7,598,799)	(19,982,762)	(637,169)	7,577,962	(13,041,969)
Furniture and equipment	(639,199)	0	(639,199)	(247,686)	20,837	(866,048)
Total accumulated depreciation	(13,023,163)	(7,598,799)	(20,621,961)	(884,855)	7,598,799	(13,908,017)
Total capital assets being depreciated, net	5,432,261	2,348,603	7,780,865	(111,534)	(2,349,772)	5,319,559
Total capital assets, net	\$ 9,023,908	\$ 2,348,603	\$ 11,372,512	\$ (111,534)	\$ (2,352,922)	\$ 8,908,056

Depreciation expense for the year ended June 30, 2011 was \$884,855.

A summary of enterprise funds capital assets at June 30, 2011 is shown below:

**Capital Assets**

Land and land rights	\$ 3,588,497
Buildings and improvements	17,757,588
Furniture and equipment	<u>1,469,988</u>
Total capital assets	22,816,073
Less: Accumulated depreciation	<u>(13,908,017)</u>
Net capital assets	\$ <u>8,908,056</u>

**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. At June 30, 2011, accounts payable to others included \$85,290 for payment in lieu of taxes.

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

**Plan Description:**

The Authority provides retirement benefits for all its full-time employees through the Alameda County Employees Retirement Association (ACERA). ACERA began operations on January 1, 1948, and is governed by the California Constitution, the County Employees Retirement Law of 1937 and the bylaws, procedures and policies adopted by the Board of Retirement. ACERA operates as a cost-sharing multiple-employer defined benefit plan for Alameda County and five participating special districts located in the County, but ACERA is not under the control of the Alameda County Board of Supervisors.

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, 2010 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14<sup>th</sup> Street, Suite 1000, Oakland, CA 94612.

*Plan Membership.* All full time employees appointed to permanent positions are required by statute to enroll in the plan when they are hired.

Membership of ACERA at December 31, 2010, is as follows:

Retirees and beneficiaries currently receiving benefits	7,548
Active members	10,849
Inactive members	<u>1,847</u>
Total	<u>20,244</u>

#### Funding Policy

The employers and members contribute to ACERA based on rates recommended by an independent actuary and adopted by the Board of Retirement. Covered employees are required by statute to contribute toward their pensions. Member contribution rates are formulated on the basis of their date of entry and the actuarially calculated benefits, and are between 6.36 percent and 20.95 percent of their annual covered salary. Member contributions are refundable upon termination from the retirement system.

Alameda County and special districts are required by statute to contribute the amounts necessary to finance the estimated benefits accruing to their employees. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. The Authority's contribution for the fiscal year ended June 30, 2011 was \$925,645.

#### **NOTE 7: CONTINGENT LIABILITIES**

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.

#### **NOTE 8: 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 \$3 million and property insurance for claims up to \$2 million and also business auto, fidelity bonds and errors and omission coverages.

Condensed audited financial information for the year ended December 31, 2010 is as follows:

Total assets	\$ 32,181,747
Total liabilities	5,331,702
Minority interest	10,017
Member's equity	26,840,028
Total liabilities and equity	\$ 32,181,747
Total revenues	\$ 5,997,225
Total expenses	5,048,083
Revenues in excess of expenses	949,142
Minority interest in income of subsidiary	(1,243)
Member's equity at beginning of year	25,892,129
Member's equity at end of year	\$ 26,840,028

**NOTE 9: DEFERRED REVENUE**

The changes in the Authority's deferred revenue account for the year ended June 30, 2011, were as follows:

Balance at the beginning of year	\$ 1,994,573
Decreases	(1,312,313)
Balance at the end of the year	\$ 682,260

**NOTE 10: OPERATING TRANSFERS IN/(OUT)**

Operating transfers in/(out) for the year ended June 30, 2011 consisted of the following:

	Low Rent Public Housing	Capital Fund Program	Total Transfers
Low Rent Public Housing	\$ 560,829	\$ -0-	\$ 560,829
Capital Fund Program	-0-	(560,829)	(560,829)
Total transfers	\$ 560,829	\$ (560,829)	\$ -0-

The transfer between the Capital Fund Program and Low Rent Public Housing Program resulted from the closeout of capital projects.

**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 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. The Authority also reports the proceeds from disposition of DHA property that has not been issued for notes receivable (Note 17) as restricted cash. All of these monies are restricted because they can not be used for the day-to-day operations of the Authority.

**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, 2010, there were thirty-one 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, 2010, is as follows:

Total assets	\$ 24,335,634
Total liabilities	11,246,706
Net assets	13,088,928
Total liabilities and net assets	\$ 24,335,634
Operating revenues and non-operating revenues	\$ 5,080,007
Operating expenses	5,545,185
Net decrease in net assets	(465,178)
Net assets, beginning of year	13,554,106
Net assets, end of year	\$ 13,088,928

**NOTE 13: RELATED PARTY**

On March 23, 2011, the Authority formed Preserving Alameda County Housing, Inc. (PACH), a non-profit public benefit support corporation and a component unit as defined by GASB 14. PACH was formed for the purpose of acquiring, owning, leasing, rehabilitating and operating low-income housing units and to serve as a support corporation for the Authority. At June 30, 2011, the Authority has a receivable from PACH in the amount of \$16,597, which was included in the balance of other accounts receivable.



**NOTE 14: EQUITY TRANSFER**

The equity transfer of \$1,779 in the Union City Managed Fund is for the excess between the amounts of rent collected, and expenses at the property. This amount is a payable by the Authority to the City of Union City. This arrangement is based upon a property management agreement between the Authority and the City of Union City.

**NOTE 15: RESTATEMENT OF BEGINNING NET ASSETS**

	<u>The Authority</u>	<u>DHA</u>	<u>Combined Total</u>
Net Assets – beginning of year	\$ <u>27,087,308</u>	\$ <u>3,143,525</u>	\$ 30,230,833
Net adjustment per note below			<u>453,668</u>
Opening net assets as restated			\$ <u>30,684,501</u>

Beginning consolidated net assets for the following funds have been restated as of July 1, 2010. Relocation expenses incurred in the prior year were \$146,332, which were not recognized in DHA's prior year LRP fund. In addition, there was \$600,000 of unrecorded relocation revenues in the prior year Dublin Reserve Fund. The restatement caused changes in beginning consolidated net assets as follows:

	<u>Low Rent Public Housing</u>	<u>Housing Development Fund</u>	<u>Total</u>
Consolidated Net Assets – Beginning	\$ 8,439,659	\$ 11,509,389	\$ 19,949,048
Prior Year Relocation Expenses – DHA	<u>(146,332)</u>	<u>600,000</u>	<u>453,668</u>
	\$ <u>8,293,327</u>	\$ <u>12,109,389</u>	\$ <u>20,402,716</u>

**NOTE 16: GRANT RECEIVABLE – THE CITY OF DUBLIN**

On March 10, 2011, the City of Dublin (the City) and the Authority entered into a grant agreement, which provided that the City will, in recognition of the Authority's contribution to the Arroyo Vista Redevelopment Project, contribute a grant to the Authority of \$3,000,000 in two equal installments. At June 30, 2011, the Authority had a grant receivable from the City in the amount of \$1,500,000.

**NOTE 17: NOTES RECEIVABLE**

On March 4, 2011, pursuant to the disposition and development agreement dated June 25, 2007 and with HUD disposition approval, DHA disposed of all of its public housing units to Eden Housing, Inc. and Citation Homes. Realized gain from the disposition was \$8,561,398. The HUD disposition approval also imposed restrictions on the use of the net proceeds from the disposition. Net proceeds of \$11 million were to be loaned to Eden Dougherty, LLP, the developer of the former Arroyo Vista site, to use for the development of new low-income family and elderly housing units on the former Arroyo Vista 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. 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 on each June 1 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%. At June 30, 2011, the Authority had notes receivable from the Borrower in the amount of \$3,479,011.

**NOTE 18: CONSOLIDATION WITH DUBLIN HOUSING AUTHORITY (DHA)**

The Authority managed the DHA which owned 150 public housing units formerly known as Arroyo Vista. DHA applied for and received approval from HUD's Special Applications Center (SAC) for the disposition of all of its public housing units. The HUD approval included the consolidation of the Authority and DHA, wherein the Authority will assume all the rights and liabilities of DHA. On March 4, 2011, the Authority disposed of all the public housing units owned by DHA and DHA ceased to exist. The consolidation occurred on March 1, 2011. The basis of consolidation was for the Authority to take over the assets and liabilities at book value. A memorandum from HUD required that the Authority submit a combined financial submission that includes DHA's financial data as part of its June 30, 2011 fiscal year end submission.

**NOTE 19: SUBSEQUENT EVENTS**

**Disposition of LRPB Units**

In October 2009, the Authority submitted to HUD an application for the disposition of 58 of its public housing units with the plan to convert them to Section 8 Project-Based Vouchers. The disposition application was approved on December 13, 2010. Replacement vouchers were provided in two increments: 40 vouchers in April 2011 and 18 vouchers in July 2011.

On July 26, 2011, HUD approved Preserving Alameda County Housing, Inc. (PACH) as the acquiring entity for the disposing LRPB units. On September 1, 2011, twenty four (24) LRPB units and on January 16, 2012, another twenty four (24) LRPB units were sold to PACH. The disposition is expected to be completed by July 2012.

On December 30, 2010, the Authority submitted to HUD an application for the disposition of an additional 26 dwelling buildings containing 100 of its public housing units with the plan to convert them to Section 8 Project-Based Vouchers. The disposition application was approved on February 14, 2012. An application for replacement vouchers was submitted on March 14, 2012.

#### Note Receivable Fund Issuance

As of March 21, 2012, the date this report was issued, the Authority had disbursed all remaining funds in the amount of \$7,520,989 out of the \$11,000,000 net proceeds received from the DHA disposition to the Borrower, Eden Dougherty, LLP for the redevelopment project.



## **SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**JUNE 30, 2011**

	Shelter Plus Care	Mod Rehab-1	Mod Rehab-4	Ocean Avenue	Union City Property	Park Terrace	Union City Managed	Choices	Other Federal Program	Total
<b>Assets</b>										
<b>Current assets:</b>										
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 18,857	\$ 0	\$ 25,793	\$ 0	\$ 0	\$ 0	\$ 44,650
Investments	0	0	0	655,472	0	894,489	0	0	0	1,549,961
Accounts receivable - HUD	0	89,679	323,675	0	0	0	0	0	0	413,354
Accounts receivable - other	469,188	0	0	2,304	0	1,143	6,016	0	0	478,651
Due from other funds	0	0	0	101	0	5,165	0	137,436	1,005,734	1,148,436
<b>Total current assets</b>	<b>469,188</b>	<b>89,679</b>	<b>323,675</b>	<b>676,734</b>	<b>0</b>	<b>926,590</b>	<b>6,016</b>	<b>137,436</b>	<b>1,005,734</b>	<b>3,635,052</b>
<b>Restricted assets:</b>										
Investments	0	0	0	4,391	0	5,324	0	0	0	9,715
<b>Total restricted assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,391</b>	<b>0</b>	<b>5,324</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,715</b>
<b>Capital assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,302,385</b>	<b>170,000</b>	<b>849,262</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,321,647</b>
Less accumulated depreciation	0	0	0	(547,508)	0	(387,027)	0	0	0	(934,535)
<b>Capital assets, net</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>754,877</b>	<b>170,000</b>	<b>462,235</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,387,112</b>
<b>Total assets</b>	<b>469,188</b>	<b>89,679</b>	<b>323,675</b>	<b>1,436,002</b>	<b>170,000</b>	<b>1,394,149</b>	<b>6,016</b>	<b>137,436</b>	<b>1,005,734</b>	<b>5,031,879</b>
<b>Liabilities</b>										
<b>Current liabilities:</b>										
Accounts payable	12,284	744	395	101	0	5,165	1,779	600	757	21,825
Accounts payable - HUD	0	0	0	0	0	0	0	0	1,275	1,275
Deferred revenue	0	0	0	0	0	0	700	136,836	0	137,536
Tenants security deposits	0	0	0	4,391	0	5,324	2,700	0	0	12,415
Accrued liabilities	0	0	0	0	0	1,157	327	0	0	1,484
Due to other funds	456,904	88,935	323,280	1,854	0	2,781	510	0	0	874,264
<b>Total current liabilities</b>	<b>469,188</b>	<b>89,679</b>	<b>323,675</b>	<b>6,346</b>	<b>0</b>	<b>14,427</b>	<b>6,016</b>	<b>137,436</b>	<b>2,032</b>	<b>1,048,799</b>
<b>Net assets:</b>										
Investment in capital assets	0	0	0	754,877	170,000	462,235	0	0	0	1,387,112
Restricted	0	0	0	4,391	0	5,324	0	0	1,003,702	1,013,417
Unrestricted	0	0	0	670,388	0	912,163	0	0	0	1,582,551
<b>Total net assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,429,656</b>	<b>\$ 170,000</b>	<b>\$ 1,379,722</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,003,702</b>	<b>\$ 3,983,080</b>

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Shelter Plus Care	Mod Rehab-1	Mod Rehab-4	Ocean Avenue	Union City Property	Park Terrace	Union City Managed	Choices	Other Federal Program	Total
<b>Operating revenues</b>										
Rental revenue - tenants	\$ 0	\$ 0	\$ 0	\$ 61,275	\$ 0	\$ 112,108	\$ 21,000	\$ 0	\$ 0	\$ 194,383
Total operating revenues	0	0	0	61,275	0	112,108	21,000	0	0	194,383
<b>Operating expenses</b>										
Administration	67,338	16,458	105,078	25,339	0	33,570	8,737	0	9,295	265,815
Utilities	0	0	0	5,888	0	99	1,580	0	0	7,567
Ordinary maintenance and operations	0	0	0	26,685	0	46,773	8,904	0	0	82,362
General expenses	0	0	0	767	0	852	0	88,164	343	90,126
Depreciation	0	0	0	35,323	0	27,168	0	0	0	62,491
Housing assistance payments	1,310,617	103,562	883,156	0	0	0	0	0	150,416	2,447,751
Total operating expenses	1,377,955	120,020	988,234	94,002	0	108,462	19,221	88,164	160,054	2,956,112
Operating income/(loss)	(1,377,955)	(120,020)	(988,234)	(32,727)	0	3,646	1,779	(88,164)	(160,054)	(2,761,729)
<b>Non-operating revenues</b>										
HUD PHA grants	1,377,955	120,020	988,234	0	0	0	0	0	1,163,756	3,649,965
Investment income	0	0	0	1,886	0	2,539	0	0	0	4,425
Other revenue	0	0	0	0	0	0	0	88,164	0	88,164
Total non-operating revenues	1,377,955	120,020	988,234	1,886	0	2,539	0	88,164	1,163,756	3,742,554
Income/(loss) before transfers	0	0	0	(30,841)	0	6,185	1,779	0	1,003,702	980,825
Equity transfer	0	0	0	0	0	0	(1,779)	0	0	(1,779)
Changes in net assets	0	0	0	(30,841)	0	6,185	0	0	1,003,702	979,046
Net assets at the beginning of year	0	0	0	1,460,497	170,000	1,373,537	0	0	0	3,004,034
Ending net assets	\$ 0	\$ 0	\$ 0	\$ 1,429,656	\$ 170,000	\$ 1,379,722	\$ 0	\$ 0	\$ 1,003,702	\$ 3,983,080

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<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>
U.S. Department of Housing and Urban Development :			
Low Rent Public Housing	14.850a		\$ 953,940
Public Housing Capital Fund Program	14.872		745,539
Veteran Affairs Supportive Housing	14.871		1,163,756
Section 8 - Moderate Rehabilitation	14.856		1,108,254
Housing Choice Vouchers	14.871		<u>80,722,306</u>
Subtotal Direct Programs			84,693,795
Pass-Through Program From:			
Alameda County Housing and Community Development - Shelter Plus Care	14.238	N/A	<u>1,377,955</u>
Total U.S. Department of Housing and Urban Development			<u>86,071,750</u>
Total Expenditures of Federal Awards			<u>\$ 86,071,750</u>

N/A: Not Available

**Note: Basis of Presentation**

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**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 the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the County of Alameda as of and for the year ended June 30, 2011, which collectively comprise the Housing Authority of the County of Alameda's basic financial statements and have issued our report thereon dated March 21, 2012. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority of the County of Alameda's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the County of Alameda's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the County of Alameda's internal control over financial reporting.

*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 a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the County of Alameda's financial statements are free of 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*.

This report is intended solely for the information and use of the management, Board of Commissioners, others within the Housing Authority of the County of Alameda, the U.S. Department of Housing and Urban Development, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Patel & Associates  
Oakland, California  
March 21, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the Housing Authority of the County of Alameda's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Housing Authority of the County of Alameda's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the County of Alameda's management. Our responsibility is to express an opinion on the Housing Authority of the County of Alameda's compliance based on our audit.

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 OMB Circular A-133. Those standards and OMB Circular A-133 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 Housing Authority of the County of Alameda'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. Our audit does not provide a legal determination of the Housing Authority of the County of Alameda's compliance with those requirements.

In our opinion, the Housing Authority of the County of Alameda complied, in all material respects, with the 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, 2011.

### **Internal Control Over Compliance**

Management of the Housing Authority of the County of Alameda is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the County of Alameda's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Housing Authority of the County of Alameda'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the management, Board of Commissioners, others within the Housing Authority of the County of Alameda, the U.S. Department of Housing and Urban Development, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Patel & Associates  
Oakland, California  
March 21, 2012



**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued:	<i>Unqualified</i>
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major programs:	<i>Unqualified</i>
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Housing Choice Voucher Program
14.871	Veteran Affairs Supportive Housing

Dollar threshold used to distinguish between type A and type B programs:	\$2,582,152
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, 2011**

**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 RECOMMENDATIONS  
JUNE 30, 2011**

There were no findings reported in the prior year.

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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**STATEMENT OF ACTUAL PROJECT COST AND FUNDING**  
**THE CAPITAL FUND PROJECT -**  
**PROJECT NO. CA39P06750109**

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 **Patel &  
Associates**  
Certified Public Accountant

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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**  
**STATEMENT OF ACTUAL PROJECT COST AND FUNDING**  
**THE CAPITAL FUND PROJECT -**  
**PROJECT NO. CA39P06750109**

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 **Patel &  
Associates**  
Certified Public Accountant

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**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF ACTUAL PROJECT COST AND FUNDING	2
NOTES TO STATEMENT OF ACTUAL PROJCT COST AND FUNDING	3

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the Housing Authority of the County of Alameda's (the Authority) Statement of Actual Project Cost and Funding (the Statement), through June 30, 2011, pertaining to the Development of the Authority, Project No. CA39P06750109. The Statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Authority's Statement was prepared in conformity with the basis of accounting and reporting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which is a comprehensive basis of accounting other than generally accepted accounting principles. Further, the Statement represents the financial statements of the project.

In our opinion, the Statement referred to above, presents fairly, in all material respects, the actual cost of the above project of the Authority, through June 30, 2011, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the board of directors and management of the Authority and HUD and is not intended to be and should not be used by anyone else other than these specified parties.

*Ramona Associates*  
Oakland, California  
March 21, 2012

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
HAYWARD, CALIFORNIA  
STATEMENT OF ACTUAL PROJECT COST AND FUNDING  
THE CAPITAL FUND PROJECT -  
PROJECT NO. CA39P06750109**

Project funding	
HUD grant	\$ <u>357,860</u>
Project cost	
Operations	\$ 244,495
Site improvement	73,493
Dwelling structure	<u>39,872</u>
Total cost	\$ <u>357,860</u>

Notes:

- (1) The distribution of cost by major cost accounts as shown on the Statement of Actual Project Cost and Funding is in agreement with the Authority's records.
- (2) All development work in connection with the Project has been completed.
- (3) All development costs have been paid and all related liabilities have been discharged through payment.
- (4) The Authority did not incur any budget overruns.



**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA  
HAYWARD, CALIFORNIA  
NOTES TO STATEMENT OF ACTUAL PROJECT COST AND FUNDING**

**NOTE 1:      ORGANIZATION**

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 two 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 Authority does not have any component units as defined under generally accepted accounting principles.

**NOTE 2:      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Statement of Actual Project Cost and Funding has been prepared in conformity with the accounting and reporting standards prescribed by HUD in the Audit Guide for Auditing Development Costs of HUD Projects. These standards differ in some respects from U.S. generally accepted accounting principles mainly due to the following additional HUD accounting and reporting principles:

- (a) Costs are to be exclusive of kickbacks, rebates or trade discounts. For this project, there were no kickbacks, rebates or trade discounts.
- (b) Financing charges are limited to the lesser of amounts actually paid, or amounts approved by HUD. For this project, there were no financing charges paid.

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**HOUSING AUTHORITY OF THE CITY OF DUBLIN**  
**STATEMENT OF ACTUAL PROJECT COST AND FUNDING**  
**THE CAPITAL FUND PROJECT -**  
**PROJECT NO. CA39P14250109**

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 **Patel &**  
**Associates**  
Certified Public Accountant

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**HOUSING AUTHORITY OF THE CITY OF DUBLIN**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF ACTUAL PROJECT COST AND FUNDING	2
NOTES TO STATEMENT OF ACTUAL PROJCT COST AND FUNDING	3

**INDEPENDENT AUDITOR'S REPORT**

The Board of Commissioners  
Housing Authority of the City of Dublin  
Dublin, California

We have audited the Housing Authority of the City of Dublin's (the Authority) Statement of Actual Project Cost and Funding (the Statement), through March 31, 2011, pertaining to the Development of the Authority, Project No. CA39P14250109. The Statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Authority's Statement was prepared in conformity with the basis of accounting and reporting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which is a comprehensive basis of accounting other than generally accepted accounting principles. Further, the Statement represents the financial statements of the project.

In our opinion, the Statement referred to above, presents fairly, in all material respects, the actual cost of the above project of the Authority, through March 31, 2011, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the board of directors and management of the Authority and HUD and is not intended to be and should not be used by anyone else other than these specified parties.

*Patel & Associates*  
Oakland, California  
March 21, 2012

**HOUSING AUTHORITY OF THE CITY OF DUBLIN  
DUBLIN, CALIFORNIA  
STATEMENT OF ACTUAL PROJECT COST AND FUNDING  
THE CAPITAL FUND PROJECT -  
PROJECT NO. CA39P14250109**

Project funding	
HUD grant	\$ <u>282,742</u>
 Project cost	
Operations	\$ <u>282,742</u>
 Total cost	\$ <u>282,742</u>

Notes:

- (1) The distribution of cost by major cost accounts as shown on the Statement of Actual Project Cost and Funding is in agreement with the Authority's records.
- (2) All development work in connection with the Project has been completed.
- (3) All development costs have been paid and all related liabilities have been discharged through payment.
- (4) The Authority did not incur any budget overruns.

**HOUSING AUTHORITY OF THE CITY OF DUBLIN  
DUBLIN, CALIFORNIA  
NOTES TO STATEMENT OF ACTUAL PROJECT COST AND FUNDING**

**NOTE 1:      ORGANIZATION**

The Housing Authority of the City of Dublin (the Authority) was established by resolution of the City Council in September 1985. It is funded by the Department of Housing and Urban Development (HUD) by means of an 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 Authority consolidated its activities, transferred all of its rights, interests and obligations to the Housing Authority of the County of Alameda (HACA) on March 1, 2011. On March 4, 2011, HACA disposed of all the public housing units (Arroyo Vista) to Eden Housing, Inc. and SCS Development Company dba Citation Homes.

**NOTE 2:      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Statement of Actual Project Cost and Funding has been prepared in conformity with the accounting and reporting standards prescribed by HUD in the Audit Guide for Auditing Development Costs of HUD Projects. These standards differ in some respects from U.S. generally accepted accounting principles mainly due to the following additional HUD accounting and reporting principles:

- (a) Costs are to be exclusive of kickbacks, rebates or trade discounts. For this project, there were no kickbacks, rebates or trade discounts.
- (b) Financing charges are limited to the lesser of amounts actually paid, or amounts approved by HUD. For this project, there were no financing charges paid.

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**HOUSING AUTHORITY OF THE CITY OF DUBLIN**  
**STATEMENT OF ACTUAL PROJECT COST AND FUNDING**  
**THE CAPITAL FUND PROJECT -**  
**PROJECT NO. CA39P14250110**

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 **Patel &**  
**Associates**  
Certified Public Accountant

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**HOUSING AUTHORITY OF THE CITY OF DUBLIN**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF ACTUAL PROJECT COST AND FUNDING	2
NOTES TO STATEMENT OF ACTUAL PROJCT COST AND FUNDING	3



**INDEPENDENT AUDITOR'S REPORT**

The Board of Commissioners  
Housing Authority of the City of Dublin  
Dublin, California

We have audited the Housing Authority of the City of Dublin's (the Authority) Statement of Actual Project Cost and Funding (the Statement), through March 31, 2011, pertaining to the Development of the Authority, Project No. CA39P14250110. The Statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Authority's Statement was prepared in conformity with the basis of accounting and reporting practices prescribed by the U.S. Department of Housing and Urban Development (HUD), which is a comprehensive basis of accounting other than generally accepted accounting principles. Further, the Statement represents the financial statements of the project.

In our opinion, the Statement referred to above, presents fairly, in all material respects, the actual cost of the above project of the Authority, through March 31, 2011, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2012 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the board of directors and management of the Authority and HUD and is not intended to be and should not be used by anyone else other than these specified parties.

*Patel & Associates*  
Oakland, California  
March 21, 2012

**HOUSING AUTHORITY OF THE CITY OF DUBLIN  
DUBLIN, CALIFORNIA  
STATEMENT OF ACTUAL PROJECT COST AND FUNDING  
THE CAPITAL FUND PROJECT -  
PROJECT NO. CA39P14250110**

Project funding	
HUD grant	\$ <u>282,087</u>
 Project cost	
Operations	\$ <u>282,087</u>
 Total cost	\$ <u><u>282,087</u></u>

Notes:

- (1) The distribution of cost by major cost accounts as shown on the Statement of Actual Project Cost and Funding is in agreement with the Authority's records.
- (2) All development work in connection with the Project has been completed.
- (3) All development costs have been paid and all related liabilities have been discharged through payment.
- (4) The Authority did not incur any budget overruns.

**HOUSING AUTHORITY OF THE CITY OF DUBLIN  
DUBLIN, CALIFORNIA  
NOTES TO STATEMENT OF ACTUAL PROJECT COST AND FUNDING**

**NOTE 1:      ORGANIZATION**

The Housing Authority of the City of Dublin (the Authority) was established by resolution of the City Council in September 1985. It is funded by the Department of Housing and Urban Development (HUD) by means of an 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 Authority consolidated its activities, transferred all of its rights, interests and obligations to the Housing Authority of the County of Alameda (HACA) on March 1, 2011. On March 4, 2011, HACA disposed of all the public housing units (Arroyo Vista) to Eden Housing, Inc. and SCS Development Company dba Citation Homes.

**NOTE 2:      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Statement of Actual Project Cost and Funding has been prepared in conformity with the accounting and reporting standards prescribed by HUD in the Audit Guide for Auditing Development Costs of HUD Projects. These standards differ in some respects from U.S. generally accepted accounting principles mainly due to the following additional HUD accounting and reporting principles:

- (a) Costs are to be exclusive of kickbacks, rebates or trade discounts. For this project, there were no kickbacks, rebates or trade discounts.
- (b) Financing charges are limited to the lesser of amounts actually paid, or amounts approved by HUD. For this project, there were no financing charges paid.

# **ATTACHMENT B**

### 3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

#### Evidence [24 CFR 982.553(c)]

##### HACA Policy

HACA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

#### Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes PHAs to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).

##### HACA Policy

HACA will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

As evidence of the likelihood of favorable conduct in the future, HACA will consider all of the following: Evidence of employment, education, successful completion of the CHOICES or FACT programs sponsored by Alameda County Behavioral Health Care Services, participation in a work training program, participation in a counseling program, involvement in a community group, a certificate of rehabilitation from the state, and letters of support from parole or probation, case workers, clergy, or community leaders.

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

HACA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised

drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

#### 4-IL.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

##### Closing the Waiting List

A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

##### HACA Policy

The waiting list is open to the extent necessary to assist an otherwise eligible category of applicants that is eligible as set forth by a HUD award of funding to HACA, and/or a HUD designation of assistance, for a targeted category of Section 8 eligible families.

Except as set forth in the following paragraphs, HACA may close the waiting list at its discretion if it has enough eligible applicants to use the housing assistance resources it has been allotted.

The waiting list is always open to an otherwise eligible applicant that:

- is a *Displaced family, or Displaced family—HACA-owned or HACA-managed housing* as set forth in the *Glossary*;
- qualifies for the *Public Housing Mishoused Preference* as set forth in the *Glossary*;
- is eligible as set forth by a HUD award of funding to HACA for a targeted category of Section 8 eligible families (see Section 4-III.B. Targeted Funding);
- is an emancipated youth currently receiving housing assistance from HACA pursuant to HUD's Family Unification Program (FUP) regulations effective 2009 or later who, as determined by the Alameda County Social Services Agency, has successfully graduated from FUP and has been referred to HACA by Alameda County Social Services;
- is a participant of the CHOICES or FACT programs sponsored by Alameda County Behavioral Health Care Services (BHCS) who, as determined by BHCS, is in good standing; is nearing the end of his or her participation; and will soon graduate from the program;
- is a *PBV In-Place Family* living in a Project-Based Voucher contract unit approved by HACA after May 1, 2009 as set forth in Section 17-VI.B;
- is a disabled family that is in need of services offered at a particular Project-Based Voucher project approved by HACA after May 1, 2009 if the units are limited to families (including individuals):
  - With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;
  - Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and

- For whom such services cannot be provided in a non-segregated setting as set forth in Chapter 17-VI.D.;
- is referred by an owner of a particular Project-Based Voucher development in instances when HACA has failed to provide sufficient eligible families from its waiting list to fill a vacancy in the development within 30 days of the owner's notification to HACA of the vacancy; or
- is referred by an owner of a particular Moderate Rehabilitation development in instances when HACA has failed to provide sufficient eligible families from its waiting list to fill a vacancy in the development within 30 days of the owner's notification to HACA of the vacancy.



#### 4-III.C. SELECTION METHOD

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

##### Local Preferences [24 CFR 982.207; HCV p. 4-16]

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

##### HACA Policy

##### **Section 8 Housing Choice Voucher Program (HCV)**

HACA applies the following preferences and priority:

- FUP Graduates: Emancipated youth currently receiving housing assistance from HACA pursuant to HUD's Family Unification Program (FUP) regulations effective 2009 or later, who as determined by the Alameda County Social Services Agency, are in good standing, and are nearing the end of their participation in FUP and will graduate from the program and has been referred to HACA by the Alameda County Social Services.
- CHOICES or FACT Graduates: Participants of the CHOICES or FACT programs sponsored by Alameda County Behavioral Health Care Services (BHCS), who, as determined by BHCS, are in good standing; are nearing the end of their participation; will soon graduate from the program; and, have been referred to HACA by BHCS.
- Displaced-HACA: *Displaced family—HACA-owned or HACA-managed housing* as set forth in the *Glossary*.
- Displaced-Other: *Displaced family* as set forth in the *Glossary*.
- PH Mishoused: *Public Housing Mishoused* as set forth in the *Glossary* who are Public Housing tenants currently residing in HACA's jurisdiction whose unit size HACA has determined to have been inappropriate for the size and composition of the family, or designated as restricted to elderly or disabled families where the family is neither elderly nor disabled, for at least 90 days and who has not been offered a transfer to another unit due to unit unavailability.
- Resident: Families that, at the time of selection from the waiting list, reside anywhere in HACA's jurisdiction, or include a member who works, or has been hired to work in the jurisdiction. Use of this preference will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.
- Sole Persons Elderly/Disabled: Sole persons:

- 62 years of age or older; or
  - *persons with disabilities* as set forth in the *Glossary*
- Veteran: Priority will be given to veterans or servicepersons as set forth in the *Glossary* within each preference category.

### *Equity in Real Property or Other Capital Investments*

Equity (net cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by it and reasonable costs (such as broker fees) that would be incurred in selling it [HCV GB, p. 5-25].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property outright or subject to a mortgage or deed of trust and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

#### HACA Policy

HACA determines the net cash value of real property as set forth in Exhibit 6-3(b). In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless HACA determines that the family receives no income from the asset and is unable to sell or otherwise convert it to cash.

### *Equity in Real Property or Other Capital Investments*

Equity (net cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by it and reasonable costs (such as broker fees) that would be incurred in selling it [HCV GB, p. 5-25].

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)]
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b)]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

A family may have real property as an asset in two ways: (1) owning the property outright or subject to a mortgage or deed of trust and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

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In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

#### HACA Policy

HACA determines the net cash value of real property as set forth in Exhibit 6-3(b). In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless HACA determines that the family receives no income from the asset and is unable to sell or otherwise convert it to cash.



## **EXHIBIT 6-3(b): CALCULATING NET FAMILY ASSETS FROM EQUITY IN REAL PROPERTY**

The method for calculating income from assets applies to income from all net family assets, which for families in the eleventh year of their participation in the homeownership option, will include income from equity from the home they purchased with homeownership assistance.

### **Equity in Real Property**

Equity in real property, other than the types of assets excepted in 6-I.G Assets – *Equity in Real Property of Other Capital Investments*, must be included in the total assets of a family. Real Property includes land and real estate owned by the applicant or participant household, and land and real estate on which it holds a mortgage or deed of trust. It excludes personal property owned by an individual, including equipment, furniture and fixtures. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

HACA will calculate equity in real property as follows:

Market Value - Loan (Mortgage) and reasonable costs that would be incurred in selling the asset = Equity

### **Determining Market Value**

Market value is the price a buyer would pay to a seller for a property in its present condition. A number of factors may affect a residential property's market value, some examples of factors include, home condition, lot size, size and number of rooms, construction quality, how quickly homes in the area are selling, and location. On a case-by-case basis, HACA will use either the following two methods—sales comparison or assessed valuation—to determine market value on a case-by-case basis.

**Sales Comparison:** The comparison approach involves examining recent sales of at least three properties in the surrounding (or similar) neighborhood that possess comparable factors that affect market value. HACA will use Web sites such as trulia.com and redfin.com to do the comparison.

**Assessed Valuation:** As an alternative, HACA will use the most recent tax assessor's determination of market value obtained by reviewing the local assessment roll or the owner's most recent property tax liability bill.

### **Loan (Mortgage) Balance**

The monthly mortgage statement of the participant will usually contain information relative to the loan balance remaining on the mortgage. The statement may also include a payoff amount for the loan, which refers to the amount of money, including any prepayment penalty, which it will take to pay a loan off in full. The payoff amount will differ from the loan balance because the payoff amount often changes on a daily basis, depending on how the interest is compounded. HACA will first try to use the payoff amount for the loan, if that information is available. However, if HACA only has loan balance information, HACA may deduct that amount from the market value.

### **Cash Value of the Asset**

HACA will also deduct from the equity the reasonable costs for converting the asset to cash.

HACA will calculate the net cash value of real property as follows:

Equity - Expenses to Convert to Cash = Net Cash Value

or, incorporating the Equity formula from above:

Market Value – Loan (Mortgage) - Expenses to Convert to Cash = Net Cash Value

If the Net Cash Value is a negative number, HACA will not make an adjustment to net family assets for this asset.

*Expense to convert to cash*

Expenses to convert to cash may include costs such as sales commissions, settlement costs, and transfer taxes. Realtor expenses traditionally range approximately 4 to 6 percent of the sales price. Taxes, both transfer taxes and property taxes, and any legal fees associated with the closing and finalizing of homes sale range between approximately 2 to 4 percent of the sales price. Some mortgages may also contain a prepayment penalty, which could be deducted from the proceeds of the sale of the home. Obtaining actual costs is not possible since there is not an actual transaction taking place. Therefore, for purposes of calculating expenses to convert to cash for real property, HACA will utilize the HUD safe harbor of up to 10 percent of the market value of the home.

## 12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

### Insufficient Funding [24 CFR 982.454]

HACA may terminate HAP contracts if HACA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

#### HACA Policy

HACA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If HACA determines there is a shortage of funding, prior to terminating any HAP contracts, HACA will determine if other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, HACA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, HACA will inform the local HUD field office. HACA will terminate the minimum number needed in order to reduce HAP costs to a level within HACA's annual budget authority.

If HACA must recall vouchers or terminate HAP contracts due to insufficient funding, HACA will do so as described in steps 1 through 8 below. The Project-Based Voucher Program, and the Moderate Rehabilitation Program are excluded from participation in these voucher reductions.

#### Order of Voucher Terminations due to Insufficient Funds:

1. HACA will recall those vouchers issued to applicants from the Section 8 Housing Choice Voucher waiting list who received a voucher but have not yet utilized it, provided that:
  - a. the applicant is not a HUD-VASH, NED, or FUP family;
  - b. the applicant does not qualify for the HACA "Displaced Families—HACA-owned or HACA-managed housing" selection preference; or
  - c. the applicant's voucher is not a "Preservation" or "Enhanced" voucher as set forth in the United States Housing Act of 1937(as amended).
2. In the event that HACA determines that funding remains insufficient after HACA has recalled the vouchers described immediately above, HACA will conduct a lottery to terminate the assistance of non-elderly, non-disabled single member families provided that:
  - a. the family is not a HUD-VASH, NED, or FUP family;
  - b. the family was not selected for assistance as a result of receiving the HACA "Displaced Families—HACA-owned or HACA-managed housing" selection preference; or
  - c. the applicant's voucher is not a "Preservation" or "Enhanced" voucher as set forth in the United States Housing Act of 1937(as amended).

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3. In the event that HACA determines that funding remains insufficient after HACA has ~~terminated~~ the vouchers described immediately above, HACA will conduct a lottery to terminate the assistance of non-elderly, non-disabled families with no children under the age of 18 provided that:
- a. the family is not a HUD-VASH, NED, or FUP family;
  - b. the family was not selected for assistance as a result of receiving the HACA "Displaced Families—HACA-owned or HACA-managed housing" selection preference; or
  - c. the applicant's voucher is not a "Preservation" or "Enhanced" voucher as set forth in the United States Housing Act of 1937(as amended).
4. In the event that HACA determines that funding remains insufficient after HACA has ~~terminated~~ the vouchers described immediately above, HACA will conduct a lottery to terminate the assistance of non-elderly, non-disabled families with children under the age of 18 provided that:
- a. the family is not a HUD-VASH, NED, or FUP family;
  - b. the family was not selected for assistance as a result of receiving the HACA "Displaced Families—HACA-owned or HACA-managed housing" selection preference; or
  - c. the applicant's voucher is not a "Preservation" or "Enhanced" voucher as set forth in the United States Housing Act of 1937(as amended).
5. In the event that HACA determines that funding remains insufficient after HACA has ~~terminated the vouchers described immediately above,~~ HACA will conduct a lottery to terminate the assistance of elderly and disabled families provided that:
- a. the family is not a HUD-VASH, NED, or FUP family;
  - b. the family was not selected for assistance as a result of receiving the HACA "Displaced Families—HACA-owned or HACA-managed housing" selection preference; or
  - c. the applicant's voucher is not a "Preservation" or "Enhanced" voucher as set forth in the United States Housing Act of 1937(as amended).
6. In the event that HACA determines that funding remains insufficient after HACA has ~~terminated the vouchers described immediately above,~~ HACA will conduct a lottery to terminate the assistance of families with "Preservation" or "Enhanced" vouchers as set forth in the United States Housing Act of 1937 (as amended).
7. In the event that HACA determines that funding remains insufficient after HACA has ~~terminated the vouchers described immediately above,~~ HACA will conduct a lottery to terminate the assistance of families who were selected for assistance as a result of receiving the HACA "Displaced Families—HACA-owned or HACA-managed housing" selection preference.

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8. In the event that HACA determines that funding remains insufficient after HACA has terminated the vouchers described immediately above, HACA will conduct a lottery to terminate the assistance of HUD-VASH, NED, and FUP families.

Families who have had their HAP contract terminated, or voucher recalled, will be placed at the top of the waiting list to await the next available voucher, in the reverse order that their voucher has been recalled or terminated.

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## 17-V.F. ADDITIONAL HAP REQUIREMENTS

### Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with HACA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

HACA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the AHAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

#### HACA Policy

HACA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. HACA will specify any special design standards or additional requirements in the invitation for PBV proposals, the AHAP, and the HAP contract.

### Vacancy Payments [24 CFR 983.352(b)]

At the discretion of HACA, the HAP contract may provide for vacancy payments to the owner for HACA's-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by HACA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

#### HACA Policy

HACA will provide vacancy payments to the owner equal to the contract rent in effect at the time of the vacancy for a period not to exceed one month. The HAP contract with the owner will contain the terms under which vacancy payments will be made.

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## 17-VILC. MOVES

### Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

If HACA determines that a family is occupying a wrong size unit, based on HACA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, HACA must promptly notify the family and the owner of this determination, and HACA must offer the family the opportunity to receive continued housing assistance in another unit.

#### HACA Policy

HACA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of HACA's determination. HACA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

If HACA offers the family a tenant-based voucher, HACA must terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by HACA).

If HACA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by HACA, or both, HACA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by HACA.

#### HACA Policy

When HACA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 60 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 60-day time frame, HACA will terminate the housing assistance payments at the expiration of this 60-day period.

HACA may make exceptions to this 60-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

### Family Right to Move [24 CFR 983.260]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to HACA. If the family wishes to move with continued tenant-based assistance, the family must contact HACA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, HACA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, HACA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

#### HACA Policy

Prior to assisting currently housed Project-Based Voucher holders who have priority to receive the next available opportunity for continued tenant-based assistance, HACA will set aside PBVs committed for new projects coming on-line (if applicable) and assist applicants for 1.) Targeted Funding and 2.) FUP Graduates and CHOICES ~~or FACT~~ Programs Graduates as described in section 4-III.C.-Local Preferences-Section 8 Housing Choice Voucher Program (HCV) as these forms of tenant-based assistance have previously been committed and are not available.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

## B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

**Disabled family.** A family whose head (including co-head), spouse, or sole member is a person with a disability; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

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**Elderly family.** A family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Family.** A person or group of persons, as determined by HACA consistent with 24 CFR 5.403, approved to reside in a unit with assistance under the program. Family includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

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- A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or

- A group of persons residing together, and such group includes, but is not limited to:

- A family with or without children (a child who is temporarily away from the home due to placement in foster care is considered a member of the family);

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- An elderly family;

- A near-elderly family;

- A disabled family;

- A displaced family; and

- The remaining member of a tenant family.

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**Near-elderly family.** A family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.