



HOUSING COMMISSION AGENDA

Regular Meeting: April 13, 2011

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 Housing Commission Secretary of the Housing Authority of the County of Alameda has, on Thursday, April 7, 2011, duly distributed this Agenda to the Clerk of the Board of Supervisors for posting in the office of the Alameda County Administration Building and has posted it on the bulletin board of the Housing Authority of the County of Alameda.

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

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MINUTES

March 9, 2011

**HOUSING COMMISSION MINUTES
REGULAR MEETING: MARCH 9, 2011 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 8:03 a.m.

Roll Call

Present: Cmr. Atkin, Biddle, Gerry, Haddock, Medina, Natarajan, Peixoto, and Steiner

Entered after Roll Call: Cmr. Gacoscas, Iosefa, and Reed

Absent: Cmr. Cashmere

Chairperson Steiner welcomed newly appointed commissioners Don Biddle from the City of Dublin and Pat Gacoscas from the City of Union City.

2. APPROVAL OF MINUTES OF THE FEBRUARY 9, 2011 MEETING

Recommendation: Approve the minutes of the February 9, 2011 meeting as presented.

Motion/Second: Natarajan/Atkin.

7 Ayes; 1 Abstain: Cmr. Biddle. 3 not present for vote: Cmr. Gacoscas, Iosefa, and Reed.
Motion Passed.

APPROVED AS RECOMMENDED.

3. PUBLIC COMMENT – On matters not on the agenda
None.

4. NEW BUSINESS

4-1. INFORMATION: ANNUAL PLAN FOR FISCAL YEAR 2011 (PUBLIC HEARING REQUIRED)

Ron Dion, Deputy Director for Programs, presented the staff report and recommended that the Commission receive the draft Annual Plan (Plan) and conduct a public hearing to accept comments on the Plan.

Report received. Chairperson Steiner opened the public hearing at 8:08 a.m. There were no comments from the public. Chairperson Steiner closed the public hearing at 8:09 a.m.

Commissioner Discussion: Cmr. Peixoto asked about the format of the Plan. Mr. Dion explained that the language is part of a template that HUD requires housing authorities to use.

4-2. ACTION: GRANT AGREEMENT WITH THE CITY OF DUBLIN

Christine Gouig, Executive Director presented the staff report.

Recommendation: Approve Grant Agreement and authorize Executive Director to execute it on behalf of HACA.

Motion/Second: Natarajan/Gerry.

Commission Discussion: Cmr. Gerry asked if the funds have been transferred. Ms. Gouig explained that, since the closing has occurred, the funds can be transferred after the agreement is executed.

Ayes: All Motion passed.

APPROVED AS RECOMMENDED.

4-3. RESOLUTION NO. 08-11: APPROVING ASSIGNMENT AND ASSUMPTION OF DISPOSITION AND DEVELOPMENT AGREEMENT, AND SETTLEMENT AGREEMENT

Ms. Gouig presented the staff report.

Recommendation: Adopt Resolution No. 08-11 approving assignment and assumption of disposition and development agreement, and settlement agreement.

Motion/Second: Natarajan/Gerry.

Commission Discussion: Cmr. Atkin asked if developer KB Homes was selected through a competitive bid process. Ms. Gouig indicated that no competitive process was required, as Citation Homes owns the property and isn't bound by public bidding procedures.

Ayes: All Motion passed.

ADOPTED AS RECOMMENDED.

4-4. ACTION: SCHOLARSHIP COMMITTEE APPOINTMENTS

Sharon DeCray, Housing Assistance and Family Services Program Manager, presented the staff report.

Ms. DeCray reported that in 2010 the Scholarship Committee discussed the idea of adding a personal interview to the HACA Scholarship Program requirements and delegated the responsibility of implementing any changes to the program to the Committee for 2011. Ms. DeCray recommended that the Commission discuss any changes they want to implement for 2011 and appoint members to the 2011 Scholarship Committee.

Recommendation: Discuss changes to the HACA Scholarship Program and appoint members to the 2011 Scholarship Committee.

Commission Discussion: Cmr. Gerry stated that personal interviews would be time consuming and hard to coordinate. He indicated that he would like to continue using the current process for selecting applicants and gave a brief explanation of this process. Cmr. Atkin commented that setting the awards based on grade point average (GPA) may not be equitable and asked the Committee to consider developing a fairer method of setting award amounts. Cmr. Reed agreed with Cmr. Atkin and shared her experience as a member of the 2010 Scholarship Committee.

Cmr. Natarajan noted that she was on the Committee when the decision was made to base award amounts on GPA and explained that the intent of this change was to award and recognize applicants for excellence. Mr. Dion suggested that staff develop proposals for setting award amounts and present these proposals to the Committee. Cmr. Natarajan asked the Committee to report back on what they decide.

Chairperson Steiner called for volunteers to serve on the 2011 Scholarship Committee. Cmr. Biddle, Gerry, and Reed volunteered.

Motion/Second: Reed/Gerry.

Ayes: All Motion passed.

APPROVED AS RECOMMENDED.

4-5. ACTION: FLOORING SERVICES CONTRACT AWARD

Ms. Gouig presented the staff report. She introduced Beverly Brewer, Procurement Analyst. Ms. Brewer reported on the bids that were received and recommended that the Commission award the contract to East Bay Floorcovering.

Recommendation: Award contract to East Bay Floorcovering, Inc.

Motion/Second: Natarajan/Gerry.

Commission Discussion: None.

Ayes: All Motion passed.

APPROVED AS RECOMMENDED.

4-6. INFORMATION: PAINTING SERVICES CONTRACT

Report received.

4-7. INFORMATION: BUDGET STATUS REPORTS

Report received.

4-8. INFORMATION: PROGRAM ACTIVITY REPORT

Report received.

5. COMMITTEE REPORTS

None.

6. COMMISSIONER REPORTS

Cmr. Gerry reported on his meeting with staff on unit turnover. George Smith, Maintenance and Modernization Manager, stated that the suggestions and ideas provided by Cmr. Gerry have been very helpful in shortening unit turnover time and reducing rehabilitation costs.

Cmr. Atkin thanked Ms. Gouig for speaking with the city attorney from the City of Emeryville about recent events involving redevelopment agencies (RDAs). Cmr. Peixoto and Natarajan also reported on some information they received concerning RDAs. Ms. Gouig talked about the work being done by housing advocates to preserve affordable housing in light of the recent events that are impacting RDAs. Cmr. Gerry commented on the current state of the real estate market.

7. COMMUNICATIONS

Mr. Smith and Ms. Brewer reported on a recent job fair in which they participated that was hosted by the City of Hayward to promote local businesses. Melissa Taesali, Executive Assistant distributed a photograph from the event.

Chairperson Steiner reported that she will be presenting the *Whom Do We House? How do we House Them?* Powerpoint to the City of Pleasanton. She also announced that the Commission on Aging will be holding its' annual health fair at Chabot College in August.

8. ADJOURNMENT

There being no further business, Chairperson Steiner adjourned the meeting at 8:53 a.m.

Respectfully submitted,

Melissa Taesali
Executive Assistant

Christine Gouig
Executive Director/Secretary

Approved:

Christine Steiner
Commission Chairperson

NEW BUSINESS

April 13, 2011

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 13, 2011

Subject: Employee of the Quarter

Exhibits Attached: None

Recommendation: Recognize Michael Hodges as the Employee of the Quarter

BACKGROUND

In 2006 the Housing Authority created a Communications Committee composed of staff from all departments. One of the first goals of the Committee was to acknowledge exceptional individual contributions of HACA employees. To accomplish this, the Committee created an "Employee of the Quarter" program.

DISCUSSION AND ANALYSIS

The Committee has selected Michael Hodges as the Employee of the Quarter for the quarter April through June 2011. Michael's selection was announced at an All-staff meeting held on March 30, 2011.

Michael is a Housing Specialist in the Housing Assistance and Family Services department. Those who nominated him recognized him for his outstanding work on the CHOICES program. The CHOICES program is HACA's collaboration with Alameda County Behavioral Health Care Services and Bonita House. Michael was praised for working diligently to expedite documents and inspections, facilitating system processing through close coordination with Bonita House, and actively participating in meetings where he suggested processes that have contributed to the program's success. Those who nominated him said that he...

"... helped to promote the expansion of housing opportunities to those who are not on our waitlist through collaboration with Alameda County Behavioral Health Care Services and Bonita House. During start-up, Michael worked diligently, making sure that everything needed was done and accomplished in a timely fashion. He participated in many meetings, asked questions, and made suggestions with regards to processes... CHOICES is a new and different program, yet Michael did not lose his patience; and remained focused on the goals for its success."

As the Employee of the Quarter, Michael has the use of a designated parking space for the quarter, one day off, a free car wash, news coverage on HACA's intranet, and his name and picture posted on the awardees' plaque that is displayed in the Housing Authority's lobby.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 13, 2011

Subject:	Audit for the Fiscal Year Ending June 30, 2010 (HACA)
Exhibits Attached:	Attachment A: Audit Reports and Certificate of Actual Modernization Cost
Recommendation:	Accept Reports
Financial Statement:	None

BACKGROUND

The Housing Authority's (HACA) audit for the fiscal year ending June 30, 2010 was completed by the auditors, Patel & Associates, on March 16, 2011. 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. Staff recommends that your Commission accept the audit reports.

DISCUSSION and ANALYSIS

Independent Auditor's Report (pages 1-2)

In the independent auditor's report addressed to the Board of Commissioners, Patel & Associates opined that HACA's financial statements at the fiscal year ending June 30, 2010 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.

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

The MD&A is an overview of HACA's financial activity and 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.

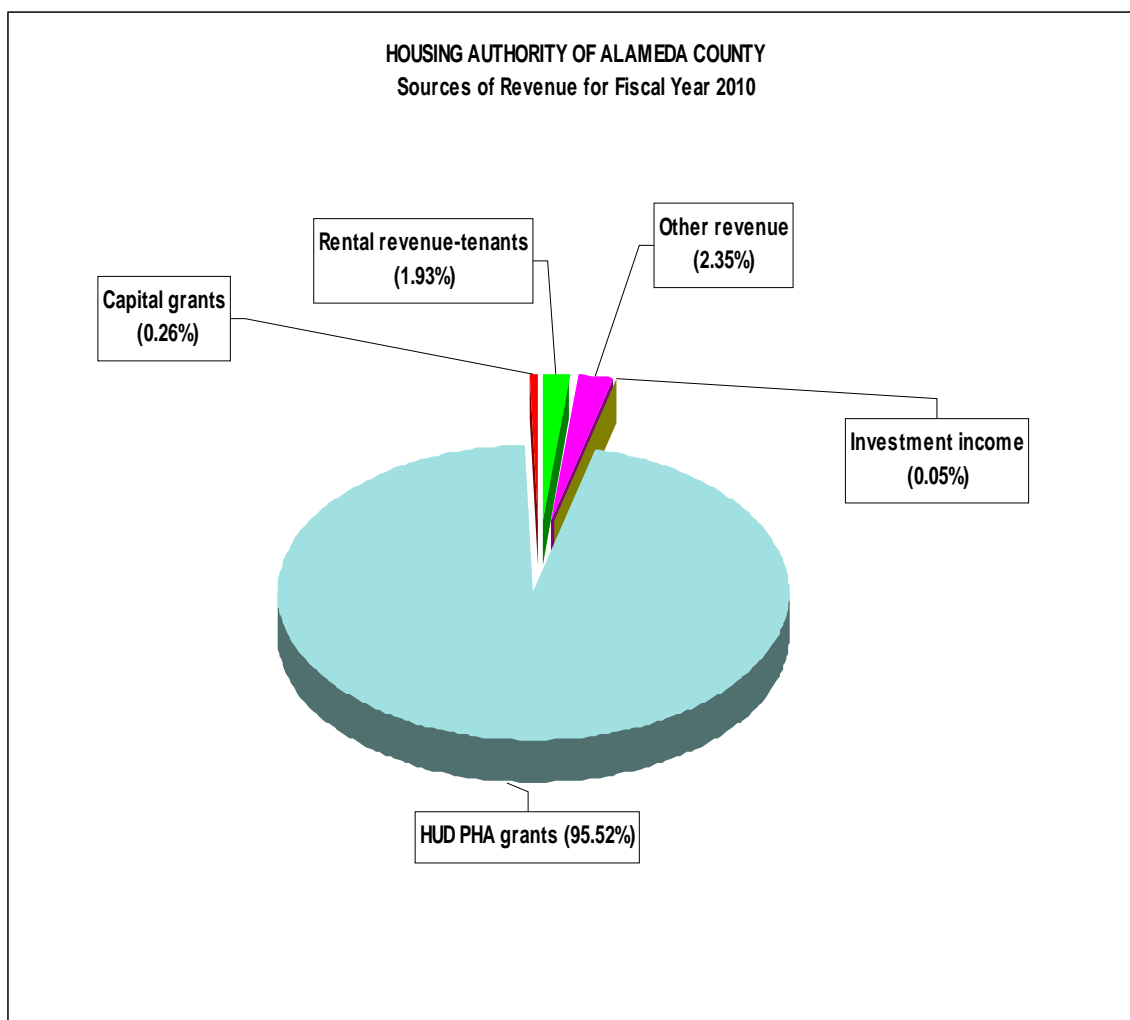
The Statement of Net Assets presents information about HACA's financial and capital resources (assets) and its obligations to creditors (liabilities), and is similar to a balance sheet. The Authority-Wide Statement of Net Assets is shown on Table 1, page 6.

- △ Total assets were \$30.4 million.
- △ Total liabilities were \$3.3 million.
- △ HACA's assets exceeded its liabilities by \$27.1 million (net assets).

Page 4 provides the definition of each of the three categories of net assets. Nine million dollars are invested in capital assets; \$4.4 million are net restricted assets (NRA) and include approximately \$4.3 million of excess Housing Choice Voucher (HCV) program monies solely for payment of housing assistance payments to landlords; and the unrestricted net assets balance is \$13.7 million.

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 3 on page 8 shows total revenue of \$84.3 million compared to \$76.8 million in 2009, an increase of \$7.5 million (10%).

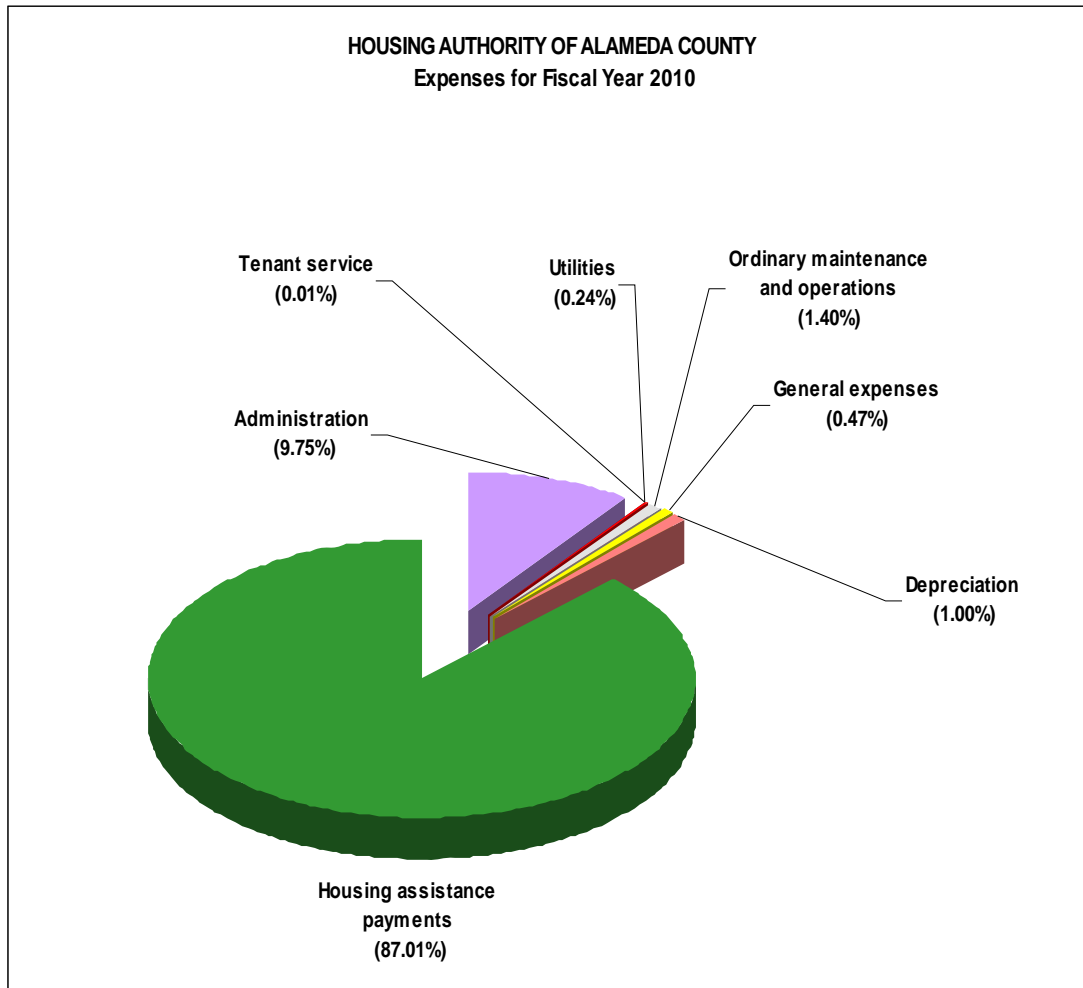


HUD provided 96% of HACA's total revenue. Changes in HUD funding directly impact operating results.

HACA's total revenues increased by 10%, due primarily to the increase in the HCV Program revenue. The HCV program 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 due to the award of requested renewal funding set-aside funds.

- △ Total expenses were \$86.1 million compared to \$79.6 million in 2009, an increase of \$6.5 million (8%).



Most expenses changed slightly with the exception of housing assistance payments (HAP), which increased by 9%. This was due to the economic recession resulting in lower rent contributions from tenants and, therefore, greater contributions from HACA.

There is a net decrease of \$1.75 million -- approximately \$1.62 million is attributable to HAP payments made to landlords in excess of funding received from HUD that was offset by using HACA's NRA.

Audited Financial Statements (pages 11-15)

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 – Propriety Funds individually and in aggregate.

Excluding investment in capital assets, the Low Rent Public Housing program has a net asset balance of \$213,618.

The Housing Choice Voucher program has NRA of \$4.29 million and unrestricted net assets of \$2.92 million.

The Housing Development Fund has a balance of \$9.08 million.

Park Terrace has a balance of \$884,134 and Ocean Avenue has \$670,297.

Page 14 shows the Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds. As the Commission will note, this Statement, under the line item Income (Loss) before transfers, shows 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.

The Low Rent Public Housing program had a net loss of \$62,970.

The HCV program had a net loss of \$1,384,944 (which is a combination of a \$1,618,525 loss due to the use of NRA for HAP payments and \$233,581 in income [minus \$23,858 that the Commission authorized for the purchase of a pool car]).

The Housing Development Fund had a net loss of \$4,584.

Park Terrace had a net income of \$19,059 and Ocean Avenue a net income of \$21,454.

Schedule of Findings and Questioned Costs (pages 30-39)

Section 1 – Summary of Auditor's Results on page 34 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.

There were no financial statement findings nor were there any material findings regarding compliance with program or internal control requirements (pages 30-31, 35).

There were no matters reported on non-compliance with the requirements applicable to the programs administered by HACA under "Section III-Federal Award Findings and Questioned Costs" (page 35). There were no findings reported in the prior year (page 36).

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), in a form prescribed by HUD, for review and approval for audit. After audit verification, HUD approves the AMCC.

The AMCC for the Capital Fund program is attached. It was prepared by Patel & Associates as part of the audit of our fiscal year June 30, 2010 and covers the Capital Fund grant awarded in 2008.

The auditor determined that the total cost was \$354,615; 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.

AARA. In compliance with the American Recovery and Reinvestment Act of 2009 (ARRA), HUD provided \$2.985 billion in ARRA Capital Fund (CFRG) amounts to public housing agencies to carry out capital and management activities. While the reporting requirements for the CFRG were more extensive than the annual Capital Fund Grant, the audit verification and submission requirements are the same.

The AMCC for HACA's 2009 CFRG is attached. The funds were used for the exterior siding project at the 36-unit Mission View property in Union City. The auditor determined that the total cost was \$448,872; that all costs have been paid and liabilities discharged; that HACA did not incur any budget overruns and that the work funded under this contract was completed within the fiscal year. The AMCC now closes the grant.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 13, 2011

Subject:	Audit for the Fiscal Year Ending June 30, 2010 (Dublin)
Exhibits Attached:	Attachment B: Audit Reports and Certificates of Actual Modernization Cost
Recommendation:	Accept Reports
Financial Statement:	None

BACKGROUND

As the Dublin Housing Authority (DHA) no longer exists and its operations consolidated with Housing Authority of the County of Alameda (HACA) as of last month, your Commission is presented with its final audit reports.

DHA's audit for the fiscal year ending June 30, 2010 was completed by the auditors, Patel & Associates, on March 16, 2011. 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. Staff recommends that your Commission accept the audit reports.

DISCUSSION and ANALYSIS

Audit Report

In the independent auditor's report addressed to the Board of Commissioners, Patel & Associates indicated that DHA's financial statements at the fiscal year ending June 30, 2010 were stated fairly in all material respects. The auditors did not identify any deficiencies in internal control over financial reporting or any non-compliance with certain provisions of laws, regulations, contracts or grant agreements that they considered to be material weaknesses.

Management's Discussion and Analysis (MD&A) (pages 3-9)

The MD&A is an overview of DHA's financial activity, and highlights changes in its financial position as well as significant financial and individual fund issues.

Table 1 on page 6

- Assets exceeded liabilities at the close of the fiscal year by \$3.14 million (net assets). Of this amount, \$781,000 may be used to meet DHA's ongoing obligations to clients and creditors and \$2.35 million is invested in capital assets (e.g., buildings and improvements, vehicles, furniture and equipment). DHA uses these capital assets to provide services to tenants; they are not available for future spending.

Table 2 on page 7

- Operating revenue and other non-operating revenues increased from \$0.41 million in 2009 to \$0.82 million in 2010. The increase was due mainly to the receipt of a \$0.52 million advance from the City of Dublin for the relocation of the Arroyo Vista tenants. This was offset by the decrease in investment income and the decline in rental revenue as most of the Arroyo Vista residents have relocated pending the disposition of the public housing units.
- Operating expenses increased by \$0.23 million (13%). Most expenses changed slightly with the exception of administrative expenses, which increased by 62%, primarily due to cost of relocating existing residents.
- Net assets decreased by \$0.14 million (4%).

Audited Statements

Page 11 shows the Statement of Activities (revenue sources and expenditures) for each program and in total. There was a decrease in net assets of \$139,421.

Page 12 shows the Statement of Net Assets – Proprietary Funds (Balance Sheet) for each of the programs as well as in total.

Page 13 shows the Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds. This statement shows a decrease in net assets of \$217,433 for the Low Rent Public Housing Program and an increase of \$78,012 in the Dublin Reserve. The balance for the Low Rent Public Housing Program, however, includes depreciation expense. While depreciation is an expense and 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 balance is an income of \$268,670.

Schedule of Findings and Questioned Costs (pages 29-31)

Section 1 – Summary of Auditor’s Results on page 29 shows that the audit was an unqualified audit. DHA is qualified as a low-risk auditee.

There were no financial statement findings nor were there any material findings regarding compliance with program or internal control requirements. There were no matters reported on non-compliance with the requirements applicable to the programs administered by DHA under "Section III-Federal Award Findings and Questioned Costs" (page 30).

Actual Modernization Cost Certificate

Every year, HUD provides Capital Funds to housing authorities for the development, financing, and modernization of public housing projects 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), in a form prescribed by HUD, for review and approval for audit. After audit verification, HUD approves the AMCC.

The AMCC for the Capital Fund program is enclosed. It was prepared by Patel & Associates as part of the audit of fiscal year June 30, 2010 and covers the Capital Fund grants awarded in 2007 and 2008. The auditor determined that the total costs were \$278,032 and \$282,894 for 2007 and 2008, respectively, that all costs have been paid and liabilities discharged, and that DHA did not incur any budget overruns. The work funded under each contract was completed within the fiscal year and each AMCC now closes its respective grant.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 13, 2011

Subject: Obligation and Commitment of Unrestricted Net Assets

Exhibits Attached: Resolution No. 09-11

Recommendation: Adopt Resolution No. 09-11

Financial Statement: \$1,341,436 of Unrestricted Net Assets transferred from the Dublin Housing Authority to the Housing Authority of Alameda County

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) approved the Dublin Housing Authority's (DHA) Arroyo Vista disposition application in May 2009. The approval stipulated the consolidation of the DHA and the Housing Authority of the County of Alameda (HACA) and required that the consolidation occur prior to the sale of DHA's Arroyo Vista public housing project. At your February 9, 2011 meeting, you adopted Resolution 01-11 approving the documents necessary to implement the consolidation of the two Housing Authorities as of March 1, 2011.

DISCUSSION AND ANALYSIS

The consolidation transferred to HACA all of DHA's assets in the form of accounts, reserves, contract rights, insurance proceeds, warranties and personal property as well as the responsibility for all of its obligations, including the responsibility to comply with HUD program requirements.

DHA's unrestricted net assets (operating reserves) account balance will be transferred and combined with HACA's Low Income Public Housing program operating reserves balance. The funds can only be used for the operation and maintenance of public housing units. At fiscal year ending June 30, 2010, DHA's unrestricted net assets (operating reserves) account balance was \$780,607. In the current fiscal year, which will end June 30, 2011, the 2009 capital fund grant of \$280,087 and the 2010 capital fund grant of \$280,742 will be added to this account balance.

As your Commission is aware, some of HACA's public housing units are 30 years old and are in dire need of improvements and renovations. The annual capital fund program grant that HACA receives from HUD is woefully insufficient to address and pay for these improvements. Some immediate needs include: 1) the exterior siding replacement for the 10 units on 7th, 8th and Decoto in Union City, 2) renovations at the Nidus and Dyer elderly

complexes to meet the special needs of the elderly and/or handicapped per the HUD Fair Housing compliance agreement that we signed in 2007, and 3) turnover of units to be issued project based vouchers where tenants are required to move due to having wrong sized units.

Staff recommends that your Commission commit and obligate the unrestricted net assets (operating reserves) transferred from DHA to HACA for the purposes stated above and for other needed capital improvements to HACA's public housing units.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

RESOLUTION NO. 09-11

**RESOLUTION APPROVING THE OBLIGATION AND COMMITMENT
OF UNRESTRICTED NET ASSETS**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) approved the Dublin Housing Authority's Arroyo Vista disposition application in May 2009; and

WHEREAS, the approval stipulated the consolidation of the Dublin Housing Authority (DHA) and the Housing Authority of the County of Alameda (HACA) to occur prior to the sale of the Arroyo Vista public housing project; and

WHEREAS, the two Housing Authorities consolidated as of March 1, 2011; and

WHEREAS, the consolidation transferred to HACA all of DHA's assets as well as the responsibility for all of its obligations including compliance with HUD program requirements; and

WHEREAS, DHA's unrestricted net assets (operating reserves) balance will be transferred and combined with HACA's Low Income Public Housing program operating reserves balance to be used for public housing improvements; and

WHEREAS, the unrestricted net assets account balance at fiscal year ending June 30, 2010 and an additional \$560,829 from the 2009 and 2010 capital fund grants will be added to this account balance; and

WHEREAS, HACA's public housing units are 30 years old and in dire need of improvements and renovations; and

WHEREAS, the annual capital fund program grant HACA receives is insufficient to address and pay for these improvements; and

WHEREAS, immediate needs include: (1) the exterior siding replacement for the 10 units on 7th, 8th and Decoto in Union City, (2) renovations at the Nidus and Dyer elderly complexes to meet the special needs of the elderly and/or handicapped per the HUD Fair Housing compliance agreement signed in 2007, and (3) turnover of units to be issued project based vouchers;

NOW THEREFORE BE IT RESOLVED, that the Housing Commission does hereby approve the proposed commitment and obligation of the unrestricted net assets transferred from DHA to HACA for the purposes stated and to address other needed capital improvements to HACA's public housing units.

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

AYES:

NAYS:

ABSTAIN:

EXCUSED:

ABSENT:

Christine Steiner
Commission Chairperson

Attest:

Christine Gouig
Executive Director/Commission Secretary

Adopted: _____

HOUSING AUTHORITY OF ALAMEDA COUNTY

AGENDA STATEMENT

Meeting: April 13, 2011

Subject: Annual Plan for Fiscal Year 2011

Exhibits Attached:

- Resident Advisory Board Meeting Minutes of March 22, 2011
- Resolution 07-11 – PHA Certifications of Compliance
- Civil Rights Certification
- Attachment C: HACA's Annual Plan for Fiscal Year 2011

Recommendation: Authorize staff to submit the Plan to HUD

Financial Statement: None

BACKGROUND

The HACA Annual Plan is a guide to HACA's policies, programs, operations, and strategies for meeting the local housing needs and goals set forth in HACA's 5-Year Plan for Fiscal Years 2010-2014. HUD regulations require that housing authorities update their Annual Plan each year. Staff brought the draft Annual Plan to you in March for your review prior to the due date and to provide for a public hearing. No members of the public asked to be heard.

Staff met with the Resident Advisory Board (RAB) on March 22, 2011. Minutes of the meeting along with staff responses are attached. No changes to the draft Plan are proposed in response to RAB input.

DISCUSSION and ANALYSIS

This iteration of the Annual Plan is identical to that presented to your Commission at your March meeting. There are no significant substantive changes proposed in the current Annual Plan in comparison to last year's. Changes have been made to Section 7 to reflect activity that has taken place since last year's Annual Plan regarding HACA's disposition of its public housing units and the merger of HACA and the Dublin Housing Authority.

As in recent years, total Capital Funds are now shown as a transfer to operations rather than being separately budgeted for each project. This is allowed for housing authorities with fewer than 250 public housing units and that, like HACA, are, at a minimum, standard performers under the PHAS reporting system. Capital Fund allocations are determined by HUD formula.

Staff has prepared the Annual Plan, using the template required by HUD. The Plan is due at HUD by April 15. HUD has 75 days to approve it. It will then post the approved Annual Plan on the HUD website.

Staff recommends that your Commission authorize staff to submit the Plan to HUD.

**Housing Authority of the County of Alameda (HACA)
Resident Advisory Board (RAB) Meeting
March 22, 2010, 6:00 P.M.
Summary**

Resident Advisory Board Members -Present:	Staff Present:
Jill Alarcon	Ron Dion, Deputy Director for Programs
Goljan Zamani	
Absent:	
Sahara Baldwin	
Jasmine Brooks	
Geneva Farmer	
Annie Joseph	
Joanette Tavarez	

The RAB met by conference call at 6:00 PM, at which time Ron Dion (RD) described the Agency Plan (Plan) requirements to the participants and the process that HACA followed in developing the Plan, reviewing the drafts with the RAB, submitting them to the HACA Housing Commission for approval, and, finally, submitting them to HUD by the April 15, 2011 deadline. RAB members had been mailed the draft Plan prior to the meeting.

RD advised participants that there were no significant substantive changes proposed in the current draft Annual Plan in comparison to last year's. RD described the changes that have been made to Section 7 to reflect activity that has taken place since last year's Plan regarding HACA's disposition of its public housing units and the consolidation of HACA and the Dublin Housing Authority. Ms Zamani had no questions or comments about the proposed changes. Ms Alarcon inquired about remodeling of the units being disposed of and their management subsequent to the disposition. RD answered Ms Alarcon's questions to her satisfaction, describing HACA's remodeling plans and the continued management of the units by HACA staff.

Both Ms Alarcon and Ms Zamani were supportive of the Plan. Neither disagreed with any specific proposal of the Plan. Neither had comments that they wanted brought to the Housing Commission's attention.

RD thanked the RAB participants for their input, and advised them that the RAB would be reconvened if HACA sought to modify the Plan substantially. Otherwise, the RAB would be reconvened next year to provide input to the next Annual Plan. RD also invited the participants to attend the April 13 Housing Commission meeting at which time the Commission would act on the Plan.

No change to the HACA 2011-2012 Annual Plan is recommended in response to RAB input.

The meeting adjourned at 6:20 PM.

PHA Certifications of Compliance with PHA Plans and Related Regulations	U.S. Department of Housing and Urban Development Office of Public and Indian Housing OMB No. 2577-0226 Expires 4/30/2011
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**PHA Certifications of Compliance with the PHA Plans and Related Regulations:
 Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning July 1, 2011, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Housing Authority of the County of Alameda

CA 067

PHA Name

PHA Number/HA Code

5-Year PHA Plan for Fiscal Years 20__ - 20__

x Annual PHA Plan for Fiscal Years 20¹¹ - 20¹²

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Christine Steiner

Title

Housing Commission Chairperson

Signature

Date

Civil Rights Certification

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Civil Rights Certification

Annual Certification and Board Resolution

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioner, I approve the submission of the Plan for the PHA of which this document is a part and make the following certification and agreement with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

The PHA certifies that it will carry out the public housing program of the agency in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

Housing Authority of the County of Alameda

CA067

PHA Name

PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Christine Steiner

Title

Housing Commission Chairperson

Signature

Date

form HUD-50077-CR (1/2009)
OMB Approval No. 2577-0226

HOUSING AUTHORITY OF ALAMEDA COUNTY

AGENDA STATEMENT

Meeting: April 13, 2011

Subject: Office Remodeling Bidding Authorization

Exhibits Attached: None

Recommendation: Authorize the formal bidding of the Construction Work

Financial Statement: Architect's estimate of \$4,996,882

BACKGROUND

In January 2008 your Commission approved remodeling HACA's office building. In February 2011 staff presented an update to your Commission, including a presentation by HACA's architects, K2A Architects and Interiors, which provided a review of the design elements.

K2A has now received building permit approval of the project from the City of Hayward. K2A submitted the plans to its cost estimator, Leland Saylor Associates, who has estimated that the project's anticipated cost is \$4,996,882. The anticipated cost does not take into account the current competitive bidding environment because the exact number of bids which will be received is not known. The estimator indicates that, generally, the more bids an owner receives, the greater the discount to the anticipated cost. Staff expects to receive a substantial number of bids since current smaller construction jobs like ours are receiving great interest. The anticipated cost is calculated for the base design specification and does not include some design alternates, which may be selected depending on the competitiveness of the bids.

The cost of the project will be assisted in part by grants received from StopWaste.Org in the amount of \$40,000 and an additional grant from StopWaste's *Bay Friendly* program in the amount of \$20,000. Staff has also been approved for a grant from PG&E's *Savings By Design* program for about \$20,000. The balance of the construction costs will be funded by HACA's Local Fund, which has a current balance of \$12,083,923.

Staff recommends your Commission authorize it to solicit bids for the project. We anticipate going out to bid in late May and coming back to your Commission for award in August.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 13, 2011

Subject: Quarterly Investment Portfolio Report

Exhibits Attached: Investment Portfolio Report for Quarter ended March 31, 2011

Recommendation: Receive Report

Financial Statement: \$28,241,387.48 Invested at an Average Monthly Yield ranging from 0.15% to 0.53% (excluding FSS Escrow Participant Accounts)

BACKGROUND

Public Agencies are required to file an annual 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, 2011 for each program that HACA administers.

The Housing Choice Voucher program has a total investment of \$5,000,000 which is 18% of the total investment portfolio.

The Housing Development Fund has a total investment of \$8,776,525 which is 31% of the total investment portfolio. Approximately 53% of its portfolio is in the State of California Local Agency Investment Fund (LAIF).

The Public Housing program, Ocean Avenue and Park Terrace investments are 3%, 2% and 3% of the total investment respectively.

The former Dublin Housing Authority Arroyo Vista project has a total investment of \$12,202,957 which is 43% of the total investment portfolio. The Local Fund has \$2,879 invested.

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, 2011**

PROGRAM NAME	TYPE OF ACCOUNT	AMOUNT	INTEREST RATE	MATURITY DATE
Section 8	UNION BANK CERTIFICATE OF DEPOSITS	\$ 4,500,000.00	0.270%	4/19/11
	UNION BANK CERTIFICATE OF DEPOSITS	\$ 500,000.00	0.150%	4/18/11
Ocean Avenue	INTESA FUNDING LLC COMML PAPER	\$ 659,587.50	0.254%	4/18/11
Park Terrace	INTESA FUNDING LLC COMML PAPER	\$ 899,437.50	0.254%	4/18/11
Housing Dev Fund	ABBAY NATL N AMERICA LLC COMM PAPER	\$ 3,990,000.00	0.50125%	4/19/11
	INTESA FUNDING LLC COMML PAPER	\$ 149,906.25	0.254%	4/18/11
	State of CA - Local Agency Investment Fund	\$ 4,636,619.51	0.530%	Avg yield as of 03/22/11
Public Housing	UNION BANK CERTIFICATE OF DEPOSITS	\$ 600,000.00	0.270%	4/19/11
	UNION BANK CERTIFICATE OF DEPOSITS	\$ 100,000.00	0.150%	4/18/11
Arroyo Vista	UNION BANK CERTIFICATE OF DEPOSIT	\$ 700,000.00	0.270%	4/19/11
	UNION BANK CERTIFICATE OF DEPOSIT	\$ 11,000,000.00	0.092%	4/1/2011
	State of California	\$ 502,957.44	0.530%	Avg yield as of 03/22/11
Local Fund (Dublin)	Local Agency Investment Fund	\$ 2,879.28	0.530%	Avg yield as of 03/22/11
TOTAL		\$ 28,241,387.48		

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


 Christine Guig
 Executive Director

4-4-11
 Date

BUDGET STATUS

REPORT

Housing Authority of Alameda County
HOUSING CHOICE VOUCHER
Budget Status Report FYE 2010-2011
February 2011

FY 2011 OPERATING BUDGET	Budgeted @ 2/28/2011	Actual @ 2/28/2011	OVER (UNDER)	PROJECTED TO 6/30/11	SCH. NO.	2010 BUDGET	2011 BUDGET	DIFFERENCE
INCOME								
Investment Income	2,400	2,984	584	4,477	A1	34,000	3,600	(30,400)
Misc. Income	238,800	218,314	(20,486)	327,470	A1	348,000	358,200	10,200
(Fees)	5,373,942	5,023,718	(350,224)	7,535,576	A	7,508,129	8,060,912	552,783
TOTAL INCOME	5,615,142	5,245,016	(370,126)	7,867,523		7,890,129	8,422,712	532,583
EXPENSES								
Administration								
Salaries	3,166,125	2,872,286	(293,839)	4,326,429	B-1& 2	4,400,371	4,749,188	348,817
Other Admin.	732,799	737,687	4,888	1,122,631	C-1&2	1,105,936	1,099,199	(6,737)
Total	3,898,924	3,609,973	(288,951)	5,449,060		5,506,306	5,848,386	342,079
General								
Insurance	129,698	118,367	(11,331)	177,550	E	170,807	194,547	23,740
Employee Benefits	1,583,063	1,431,918	(151,145)	2,208,244		2,200,185	2,374,594	174,409
Miscellaneous	0	0	0	0		0	0	0
Total	1,712,761	1,550,285	(162,476)	2,385,795		2,370,992	2,569,141	198,149
Total Routine Expenses	5,611,685	5,160,258	(451,427)	7,834,855		7,877,298	8,417,527	540,229
Capital Expenditures	0	0	0	0	D2	0	0	0
TOTAL EXPENSES	5,611,685	5,160,258	(451,427)	7,834,855		7,877,298	8,417,527	540,229
NET INCOME (DEFICIT)	3,457	84,758	81,301	32,668		12,831	5,185	(7,646)

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

\$ 2,918,420
5,185
\$ 2,923,606

Housing Authority of Alameda County
PUBLIC HOUSING
Budget Status Report FYE 2010-2011
February 2011

FY 2011 OPERATING BUDGET	YTD BUDGET 2/28/2011	YTD ACTUALS 2/28/11	OVER/ (UNDER) BUDGET	Projected to 6/30/11	SCH. NO.	2010 BUDGET	2011 BUDGET	Difference
INCOME								
Dwelling Rentals	686,840	667,416	(19,424)	1,001,125		1,111,920	1,030,260	(81,660)
Investment Income	600	1,034	434	1,551	A	9,375	900	(8,475)
Misc. Income	105,837	60,558	(45,279)	90,837		171,663	158,756	(12,907)
Operating Subsidy (HUD form 52723)	265,479	267,340	1,860	401,010	**	410,989	398,218	(12,771)
Capital Grant (salaries/benefits)	77,059	0	(77,059)	0		151,272	115,589	(35,683)
TOTAL INCOME	1,135,815	996,348	(139,468)	1,494,523		1,855,218	1,703,723	(151,496)
EXPENSES								
Administration					B-1 & 2	384,945	312,533	(72,412)
Salaries	208,355	180,708	(27,647)	271,062	C-1	59,446	64,902	5,456
Other Admin.	43,268	37,581	(5,687)	56,371		444,391	377,435	(66,956)
Total	251,623	218,289	(33,335)	327,433				
Tenant Services								
Resident Managers	3,667	1,775	(1,892)	2,663		5,500	5,500	0
Recreation	5,000	2,132	(2,868)	7,500		7,500	7,500	0
Total	8,667	3,907	(4,760)	10,163		13,000	13,000	0
Utilities								
Water	49,333	50,564	1,231	75,846		90,045	74,000	(16,045)
Electricity	12,667	18,033	5,366	27,049		19,860	19,000	(860)
Gas	1,733	1,735	3	2,603		5,693	2,600	(3,093)
Sewage	31,733	33,100	1,367	49,650		45,000	47,600	2,600
Total	95,466	103,432	7,968	155,148		160,598	143,199	(17,399)
Maintenance					B-2	122,424	189,144	66,720
Salaries	126,096	84,013	(42,083)	126,019	D	125,461	80,600	(44,861)
Materials	53,733	34,802	(18,932)	52,203		(106,385)	(115,589)	(9,204)
Capital Fund Grants	(77,059)	(77,059)	0	(115,589)	D	765,562	586,151	(179,411)
Contract Costs	390,767	369,068	(21,699)	553,602		907,062	740,306	(166,756)
Total	493,538	410,824	(82,714)	616,235				
General					E	64,891	87,800	22,909
Insurance	58,533	54,244	(4,288)	81,367		95,132	88,706	(6,426)
Tax-In Lieu Of	59,137	59,137	(0)	88,706		253,685	250,839	(2,846)
Employee Benefits	167,226	132,926	(34,299)	199,389		1,000	1,000	0
Collection Loss	667	0	(667)	1,000		1,000	1,000	0
Miscellaneous	667	0	(667)	1,000		415,708	429,344	13,636
Total	286,229	246,308	(39,920)	371,462				
Total Routine Expenses	1,135,523	982,760	(152,762)	1,480,441		1,940,759	1,703,285	(237,474)
Capital Expenditure						0	0	0
TOTAL EXPENSES	1,135,523	982,760	(152,762)	1,480,441		1,940,759	1,703,285	(237,474)
NET INCOME (DEFICIT)	292	13,589	13,294	14,081		(85,541)	438	85,978

Projected Unrestricted Net Assets @ 6/30/10
Budgeted Income/(Deficit) @ 6/30/11
Budgeted Unrestricted Net Assets @ 6/30/11

\$ 117,061
438
117,499

PROGRAM ACTIVITY

REPORT

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

AGENDA STATEMENT

Meeting: April 13, 2011

Subject: Programs Activity Report

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

Recommendation: Receive Report

Financial Statement: None

SECTION 8 HOUSING CHOICE VOUCHERS

- **Lease-Up:** As of April 1, 2011 the Section 8 Housing Choice Voucher program had 5,474 units under contract. The fiscal year-to-date lease-up average is 97.31% units. The budget authority use average through February 2011 is 99%. The mismatch between these two percentages demonstrates that the funding HUD provides is insufficient to lease up all our vouchers.
- **Program Utilization:** As of April 1, 2011 the average HAP subsidy is \$1,082 and the average tenant-paid rent portion is \$358 for an average Contract Rent of \$1,440.
 - ❖ As of April 1, 2011 HACA had 39 outgoing billed portability contracts (i.e., HACA voucher holders who are housed in another housing authority's jurisdiction).
 - ❖ As of April 1, 2011 HACA billed other housing authorities, primarily the Oakland Housing Authority, for 1,658 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 \$6,363.96 in fraud and debt recovery payments for the month of March 2011. A total of \$32,214.62 was retained over the last six months.

HACA retained \$453.00 in Housing Assistance Payment (HAP) overpayments for the month of March 2011. A total of \$4,761.00 was retained over the last six months.

- **Landlord Rental Listings:** As of April 5, 2011 there were 1,551 landlords with properties in HACA's jurisdiction utilizing the *GoSection8* rental listing service. There were 4 new landlords to the Section 8 program this month. There were 117 active properties listed.

FAMILY SELF SUFFICIENCY (FSS)

HUD announced the funding awards for the calendar year 2011 FSS Program on March 24, 2011. HACA was awarded renewal funding for our three existing coordinators and new funding for a fourth coordinator. Staff has already begun discussing how the program will expand with the addition of another coordinator. We anticipate that we could enroll another 75-100 participants.

HUD also released a report evaluating the effectiveness of the FSS Program nationally. In summary, HUD's research has proven that FSS participants fare substantially better financially than those who did not enroll in the Program. HACA's FSS Program has demonstrated these same outcomes.

PUBLIC HOUSING

- **Occupancy:** As of April 1, 2011 the Public Housing program had 226 of 230 units leased and has a 98.83% fiscal year-to-date lease up rate.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

SECTION 8 CONTRACT AND HOUSING ASSISTANCE PAYMENT REPORT

MONTH: MARCH 2011

	Certificates		Vouchers		MARCH 2011 TOTAL			
City	Number	HAP*	Number	HAP**	Number	HAP	March 2010	March 2009
Albany	-	\$ -	45	\$ 48,825		\$ 48,825	43	43
Castro Valley	14	\$ 12,334	239	\$ 259,315	253	\$ 271,649	252	250
Dublin	2	\$ 1,762	283	\$ 307,055	285	\$ 308,817	239	204
Emeryville	5	\$ 4,405	90	\$ 97,650	95	\$ 102,055	96	99
Fremont	31	\$ 27,311	1,392	\$ 1,510,320	1,423	\$ 1,537,631	1,441	1,366
Hayward	109	\$ 96,029	2,352	\$ 2,551,920	2,461	\$ 2,647,949	2,389	2,411
Newark	2	\$ 1,762	292	\$ 316,820	294	\$ 318,582	296	294
Pleasanton	4	\$ 3,524	161	\$ 174,685	165	\$ 178,209	150	146
San Leandro	17	\$ 14,977	1,343	\$ 1,457,155	1,360	\$ 1,472,132	1,332	1,284
San Lorenzo	1	\$ 881	199	\$ 215,915	200	\$ 216,796	195	181
Union City	3	\$ 2,643	709	\$ 769,265	712	\$ 771,908	706	694
TOTALS	188	\$165,628.00	7,105	\$7,708,925.00	7,248	\$7,874,553.00	7,139	6,972

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

***based on an average March Housing Assistance Payment (HAP) of \$1084 per voucher contract*

10-11

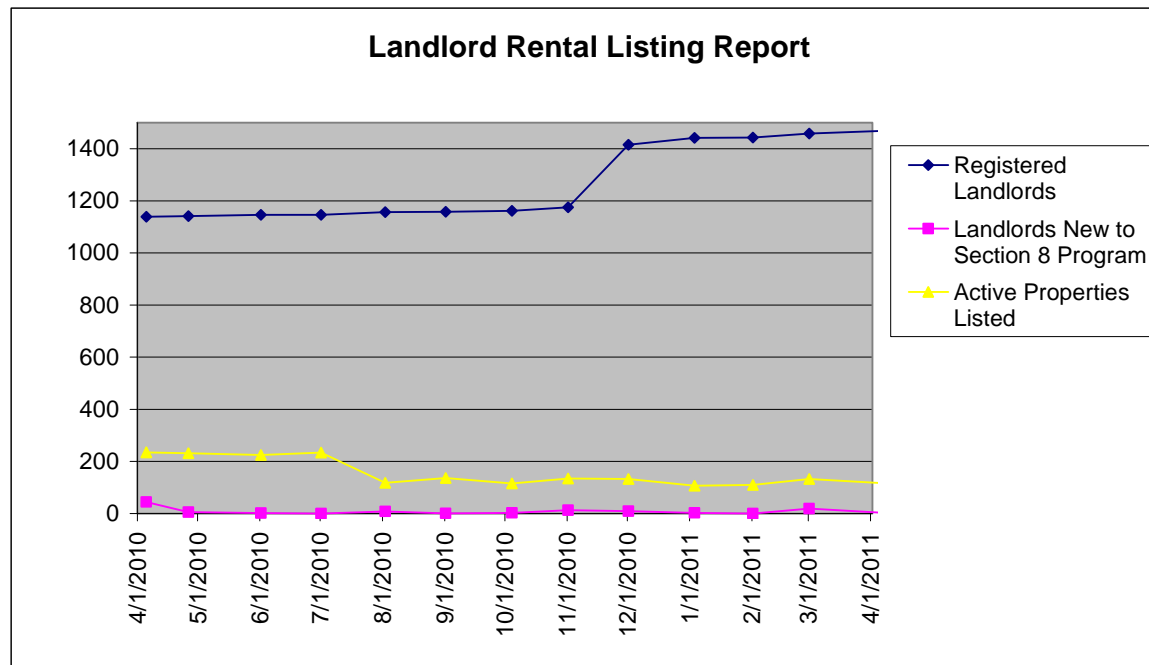
DEBT COLLECTIONS
FYE 06/30/11

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	GRAND
													TOTALS
<i>DAMAGE CLAIMS</i>	\$85.64	\$0.00	\$0.00	\$1,280.00	\$0.00	\$49.84	\$0.00	\$0.00	\$0.00				\$1,415.48
<i>FRAUD REPAYMENTS</i>	\$8,469.51	\$5,201.58	\$7,358.33	\$3,688.29	\$5,537.88	\$4,617.49	\$7,252.44	\$4,754.56	\$6,363.96				\$53,244.04
<i>HAP OVERPAYMENTS</i>	\$339.50	\$383.00	\$1,155.00	\$665.00	\$768.00	\$1,264.00	\$884.00	\$727.00	\$453.00				\$6,638.50
TOTALS	\$8,894.65	\$5,584.58	\$8,513.33	\$5,633.29	\$6,305.88	\$5,931.33	\$8,136.44	\$5,481.56	\$6,816.96	\$0.00	\$0.00	\$0.00	\$61,298.02

Landlord Rental Listing Report

Monthly

	4/5/2010	4/26/2010	6/1/2010	7/1/2010	8/2/2010	9/1/2010	10/4/2010	11/1/2010	12/1/2010	1/3/2011	2/1/2011	3/1/2011	4/5/2011
Registered Landlords	1139	1142	1146	1146	1157	1158	1162	1175	1416	1442	1443	1458	1468
Landlords New to Section 8 Program	44	5	2	0	8	1	3	13	9	3	0	19	4
Active Properties Listed	235	231	225	234	118	136	115	134	132	107	110	132	117





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 4, 2011

Program Summary	March 2011
Total Clients Under Contract:	194
Graduates:	0
Escrow Disbursed:	\$0
Ports In:	0
Ports Out:	0
Terminations:	12
New Contracts:	6

FSS PROGRAM NEWS:

Funding

In March HUD announced funding for FSS Coordinators for calendar year 2011. HACA was awarded renewal funding for our current three Coordinators and *new* funding for an additional FSS Coordinator. We will proceed with the recruitment and hiring in the coming months. FSS will be able to serve up to 75-100 additional people over the next 12 months due to this additional funding.

Workshops

On Saturday, March 12, 2011 Consumer Credit Counselors held a credit repair workshop here at HACA called *Credit Repair & Credit Score*. Thirty (30) enrolled and 25 attended. Topics included:

- How to get a free copy of your credit report
- Monitoring your credit report for "free"
- How to solve identity theft issues
- Your rights when dealing with collection agencies
- Disputing items on a credit report

On March 22, 2011 Life Coach, Gloria Brown, held a round table session and discussed, "Creating Successful Strategies for Taking Charge of your Personal Growth." The group shared their stories about how they are staying focused on achieving their goals while dealing with every day distractions.

Our Saturday, March 26, 2011 Homeward Path-Homeownership Readiness workshop presented by Consumer Credit Counselors was cancelled due to the facilitator becoming ill and hospitalized. We will reschedule another date for the near future.

Participant Feedback

We often receive comments and feedback from our participants about our FSS program and staff. Here is a quote from a participant discussing her experience with her FSS Coordinator, " *I would really like for you to know that you were a great help and encouraged me every time we met, even now that I have graduated you still give me advice and are concerned with my success outside of the program. You are greatly appreciated and I wish there were more people like you to help the community become a better place encouraging others to be gainfully employed and homeowners to pass that self fulfillment on to our children. Thank you for all you do and I look forward to speaking with you again*".

Upcoming Events

Scholarship Workshop April 5, 2011, 6:00 – 7:30 p.m. Staff will advise FSS Participants and Public Housing Residents who are interested in applying for the HACA Scholarship how to complete the application and submit a complete package.

Interview for Success Workshop April 6, 2011, 10:00 a.m. - Noon. FSS participants and their household members 18 and over will get an opportunity to:

- Polish their resume
- Get an interview wardrobe
- Network with employers

This event is presented by FSS, Securitas Security, and the Hayward One Stop Center.

Referrals=51 Case Management

2 mass mailings:

- College of Alameda-Warehouse Operations & Forklift Training Program
- EastBay Works Job Recruitment-Inventory Clerk

ATTACHMENT A

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 and each major fund, and the remaining fund information of the Housing Authority of the County of Alameda (the Authority) as of and for the year ended June 30, 2010, which collectively comprise the Authority's basic financial statements. 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 May 17, 2010. 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 as described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2010. The Authority will adopt Governmental Standards Accounting Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The Authority believes that the adoption of GASB 54 effective July 1, 2010 will not materially affect its financial statements. We noted no transactions entered into by the Authority 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 affecting the financial statements were:

- The useful lives of capital assets have been estimated based on the intended use and are within generally accepted accounting principles guidelines.
- Investments which have been reported at fair value in accordance with GASB 31.

Disclosures: The disclosures in the financial statements are neutral, consistent, and clear. 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 consolidation with Dublin Housing Authority and the disposition of LRPH Units in Note 15 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 16, 2011.

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 Authority'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 Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

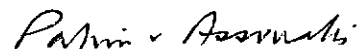
This information is intended solely for the use of the Board of Commissioners and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Pamela Asensio
Oakland, California
March 16, 2011

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") as of and for the year ended June 30, 2010, and have issued our report thereon dated March 16, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's basic financial statements.

The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development 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.


Oakland, California
March 16, 2011

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

JUNE 30, 2010

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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, 2010, 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, 2010, 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 16, 2011 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.

Patricia A. Asensio
Oakland, California
March 16, 2011

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 expects to consolidate with the Dublin Housing Authority (DHA) in March 2011 when DHA sells Arroyo Vista, its only public housing project, and exits the public housing program. DHA began planning the redevelopment of Arroyo Vista in 2003 and received HUD approval for disposition and redevelopment in May 2009. HUD's approval included provisions for the consolidation of the Authority and DHA prior to DHA's sale of the property as, once the Arroyo Vista project is sold and redeveloped, DHA will no longer own any public housing units and would have no reason to exist. The Authority will assume all the rights and responsibilities of DHA in connection with the disposition of Arroyo Vista.

At the request of DHA, the Authority provided Housing Choice Vouchers (HCVs) to residents of Arroyo Vista so residents could relocate and continue to pay affordable rent. As of June 2009, the Authority has provided approximately 70 HCVs to Arroyo Vista movers. When HUD approved DHA's disposition application in May 2009, application to HUD for replacement vouchers became permissible. As the Authority operates the HCV program in Dublin, the Authority applied for the replacement vouchers in June 2009. The vouchers were awarded and funded in two increments: 83 in August 2010 and 65 in October 2010.

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. An application for replacement vouchers was submitted at the end of December 2010 and is still pending approval.

FINANCIAL HIGHLIGHTS

Total assets of the Authority were \$30.4 million and total liabilities were \$3.3 million.

The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$27.1 million (net assets). Of this amount, \$13.7 million (unrestricted net assets) may be used to meet the Authority's ongoing obligations to clients and creditors. The Authority's fiscal year (FY) 2010 total net assets decreased by \$1.8 million (6%) compared to the FY 2009 balance of \$28.8 million.

Total revenues increased by approximately \$7.5 million (10%) during 2010, and were \$84.3 million and \$76.8 million for 2010 and 2009, respectively.

Total expenses increased by approximately \$6.5 million (8%). Total expenses were \$86.1 million and \$79.6 million for 2010 and 2009, 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 *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.
- 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. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

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.

THE AUTHORITY'S FUNDS

Business Type Funds

Low Rent Public Housing Program – 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 the housing at a rent that is based upon 30% of a household's adjusted gross income. The LRPH Program also includes the Capital Fund Program (CFP), which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program (HCV), the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (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.

Other 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 of less than 10% of the Authority's combined enterprise funds.

Shelter Plus Care Program – This program is funded through the Alameda County Housing and Community Development Agency, for which the Authority provides the housing subsidy administration.

Moderate Rehabilitation Program – This program is 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 100 units under this program.

Capital Fund Program – This program is the primary funding source for physical and management improvements to the Authority's LRPH properties.

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, 4 houses owned by the City of Union City and these homes are also rented to low-income families.

AUTHORITY-WIDE STATEMENT

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to the prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1

NET ASSETS (in millions)

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 21.38	\$ 21.28
Capital assets	<u>9.02</u>	<u>9.03</u>
Total assets	<u>30.40</u>	<u>30.31</u>
Current liabilities	3.26	1.44
Noncurrent liabilities	<u>0.05</u>	<u>0.03</u>
Total liabilities	<u>3.31</u>	<u>1.47</u>
Net assets:		
Invested in capital assets	9.02	9.03
Restricted	4.40	5.75
Unrestricted	<u>13.67</u>	<u>14.06</u>
Total net assets	\$ <u><u>27.09</u></u>	\$ <u><u>28.84</u></u>

For more detailed information, see Statement of Net Assets.

Major Factors Affecting the Statement of Net Assets

Current and other assets increased by approximately \$0.10 million due to higher amounts of cash and cash equivalents and investments and lower amounts of accounts receivable balances.

Total liabilities increased by approximately \$1.84 million primarily due to increases in deferred revenue, accounts payable – other and other liabilities.

The Authority's net assets invested in capital assets decreased by approximately \$10,000 and were \$9.02 million and \$9.03 million in 2010 and 2009, respectively. The decrease was due to depreciation charge of approximately \$0.83 million, offset by the increase in capital expenditures of approximately \$0.82 million.

The Authority's Restricted Net Assets balance decreased by \$1.35 million to \$4.40 million as of June 30, 2010 and includes \$4.29 million of excess HCV monies restricted for payments of HAP and cannot be used for operations.

The Unrestricted Net Assets decreased by \$0.39 million to \$13.67 million as of June 30, 2010.

Table 2 below presents details on the change in Unrestricted and Restricted Net Assets

TABLE 2
CHANGE IN UNRESTRICTED AND RESTRICTED NET ASSETS
(in millions)

Unrestricted and restricted net assets 6/30/09	\$ <u>19.81</u>
Results of operations	(1.75)
Adjustments:	
Depreciation (See Note 1 below)	<u>0.83</u>
Adjusted results from operations	<u>(.92)</u>
Capital expenditures, net	<u>(0.82)</u>
Unrestricted and restricted net assets 6/30/10	\$ <u><u>18.07</u></u>

Note 1: Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted and Restricted Net Assets.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted and Restricted Net Assets provides a clearer change in financial well being.

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Enterprise Fund-Type Activities.

TABLE 3

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

	2010	2009
Revenues		
Rental revenue – tenant	\$ 1.38	\$ 1.48
Operating subsidies and grants	81.04	73.27
Investment income	0.05	0.25
Other revenue	1.86	1.80
Total revenues	84.33	76.80
Expenses		
Administrative	8.32	7.77
Utilities	0.20	0.20
Maintenance	0.90	1.11
General	0.40	0.47
Housing assistance payments	75.43	69.29
Depreciation	0.83	0.80
Total expenses	86.08	79.64
Net decrease	\$ (1.75)	\$ (2.84)

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Assets

HUD provided 96% of the Authority's total revenue in 2010 and 2009. 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. Total revenues increased by 10% mainly due to the increase in the Housing Choice Voucher (HCV) Program revenue. 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 calendar year 2009 budget authority proration factor adjustment funds.

Most expenses changed slightly with the exception of the housing assistance payments (HAP), which increased by 9% and administrative expenses, which increased by 7%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year ended June 30, 2010, the Authority had \$9.02 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (addition, deductions (disposed or donated) and depreciation) of approximately \$10,000 or 1% from the end of last year.

TABLE 4

CAPITAL ASSETS AND DEBT ADMINISTRATION (in millions)

	2010	2009
	<hr/>	<hr/>
Land and land rights	\$ 3.59	\$ 3.59
Buildings and improvements	17.08	16.27
Furniture and equipment	1.37	1.97
Accumulated depreciation	(13.02)	(12.94)
Construction in progress	<hr/> -	<hr/> 0.14
Total	\$ <u>9.02</u>	\$ <u>9.03</u>

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

TABLE 5

CHANGE IN CAPITAL ASSETS (in millions)

Beginning balance, July 1, 2009	\$ 9.03
Additions, net	0.13
Deductions, net	<hr/> (0.14)
Ending balance, June 30, 2010	\$ <u>9.02</u>

Debt Outstanding

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

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, HUD has reduced funding 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. 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, 2010

	Primary Government Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 50,454
Investments (Note 2)	15,847,752
Accounts receivable - HUD	137,708
Accounts receivable - other	911,391
Prepaid and other assets	33,930
Total current assets	16,981,235
Restricted assets:	
Cash and cash equivalents (Note 2)	4,398,431
Total restricted assets	4,398,431
Capital assets (Note 4)	22,047,071
Less accumulated depreciation (Note 4)	(13,023,163)
Capital assets, net	9,023,908
Total assets	30,403,574
Liabilities	
Current liabilities:	
Accounts payable	354,656
Accounts payable - HUD	9,200
Accounts payable - other	156,374
Accrued compensated absences - current portion (Note 1)	189,670
Deferred revenue (Note 9)	1,713,831
Tenants security deposits	108,123
Other liabilities	516,293
Accrued liabilities	214,666
Total current liabilities	3,262,813
Noncurrent liabilities:	
Accrued compensated absences - noncurrent portion (Note 1)	53,453
Total noncurrent liabilities	53,453
Total liabilities	3,316,266
Net assets:	
Investment in capital assets	9,023,908
Restricted	4,398,431
Unrestricted	13,664,969
Total net assets	\$ 27,087,308

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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants	Capital Grants	Revenue and Changes in Net Assets
					Total
Primary government					
Business-type activities:					
Low Rent Public Housing Program	\$ 2,130,804	\$ 1,067,242	\$ 401,744	\$ -	\$ (661,818)
Housing Choice Voucher Program	80,623,169	-	77,521,186	-	(3,101,983)
Housing Development Fund	474,295	125,004	-	-	(349,291)
Public Housing Capital Fund Program	193,999	-	193,999	45,230	45,230
Shelter Plus Care	1,320,271	-	1,320,271	-	-
Other Federal Program	2,742	-	2,742	446,354	446,354
Moderate Rehabilitation 1	123,418	-	123,418	-	-
Moderate Rehabilitation 4	985,356	-	985,356	-	-
Ocean Avenue	75,932	59,613	-	-	(16,319)
Park Terrace	119,295	107,889	-	-	(11,406)
Union City Managed	14,281	21,030	-	-	6,749
Total Business-type activities	<u>\$ 86,063,562</u>	<u>\$ 1,380,778</u>	<u>\$ 80,548,716</u>	<u>\$ 491,584</u>	<u>(3,642,484)</u>
General revenues:					
Other revenue					1,863,601
Investment income					<u>45,283</u>
Total general revenues					<u>1,908,884</u>
Change in net assets					(1,733,600)
Equity transfer					(17,405)
Net assets - beginning					<u>28,838,313</u>
Net assets - ending					<u>\$ 27,087,308</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, 2010

	Major Enterprise Funds			Other Enterprise Funds Non-Major	Total
	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund		
Assets					
Current assets:					
Cash and cash equivalents (Note 2)	\$ 1,713	\$ 8,799	\$ 207	\$ 39,735	\$ 50,454
Investments (Note 2)	603,639	4,501,275	9,220,228	1,522,610	15,847,752
Accounts receivable - HUD	-	137,708	-	-	137,708
Accounts receivable - other	550	27,576	-	883,265	911,391
Prepaid and other assets	5,622	28,308	-	-	33,930
Due from other funds (Note 3)	59,314	1,021,315	61,424	268,672	1,410,725
Total current assets	670,838	5,724,981	9,281,859	2,714,282	18,391,960
Restricted assets:					
Cash and cash equivalents (Note 2)	96,557	4,293,008	-	8,866	4,398,431
Total restricted assets	96,557	4,293,008	-	8,866	4,398,431
Capital assets (Note 4)	15,279,323	139,456	4,303,495	2,324,797	22,047,071
Less accumulated depreciation (Note 4)	(10,192,838)	(73,133)	(1,885,148)	(872,044)	(13,023,163)
Capital assets, net	5,086,485	66,323	2,418,347	1,452,753	9,023,908
Total assets	5,853,880	10,084,312	11,700,206	4,175,901	31,814,299
Liabilities					
Current liabilities:					
Accounts payable	8,233	301,184	24,866	20,373	354,656
Accounts payable - HUD	-	7,925	-	1,275	9,200
Accounts payable - other	86,594	69,780	-	-	156,374
Accrued compensated absences - current portion (Note 1)	14,782	174,888	-	-	189,670
Deferred revenue (Note 9)	-	1,442,912	3,855	267,064	1,713,831
Tenants security deposits	96,557	-	-	11,566	108,123
Other liabilities	-	440,875	75,418	-	516,293
Accrued liabilities	34,425	180,055	-	186	214,666
Due to other funds (Note 3)	307,881	140,794	93,797	868,253	1,410,725
Total current liabilities	548,472	2,758,413	197,936	1,168,717	4,673,538
Noncurrent liabilities:					
Accrued compensated absences - noncurrent portion (Note 1)	5,305	48,148	-	-	53,453
Total noncurrent liabilities	5,305	48,148	-	-	53,453
Total liabilities	553,777	2,806,561	197,936	1,168,717	4,726,991
Net assets:					
Investment in capital assets	5,086,485	66,323	2,418,347	1,452,753	9,023,908
Restricted	96,557	4,293,008	-	8,866	4,398,431
Unrestricted	117,061	2,918,420	9,083,923	1,545,565	13,664,969
Total net assets	\$ 5,300,103	\$ 7,277,751	\$ 11,502,270	\$ 3,007,184	\$ 27,087,308

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, 2010

	Major Enterprise Funds			Other Enterprise Funds	
	Low Rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Non-Major	Totals
<u>Operating revenues</u>					
Rental revenue - tenants	\$ 1,067,242	\$ -	\$ 125,004	\$ 188,532	\$ 1,380,778
Total operating revenues	<u>1,067,242</u>	<u>-</u>	<u>125,004</u>	<u>188,532</u>	<u>1,380,778</u>
<u>Operating expenses</u>					
Administration	621,974	7,193,148	60,918	440,914	8,316,954
Tenant service	9,743	-	-	-	9,743
Utilities	146,416	-	49,628	6,901	202,945
Ordinary maintenance and operations	726,324	-	96,500	73,939	896,763
General expenses	140,546	236,825	-	1,655	379,026
Depreciation	485,801	15,063	267,249	62,491	830,604
Housing assistance payments	-	73,178,133	-	2,249,394	75,427,527
Total operating expenses	<u>2,130,804</u>	<u>80,623,169</u>	<u>474,295</u>	<u>2,835,294</u>	<u>86,063,562</u>
Operating loss	<u>(1,063,562)</u>	<u>(80,623,169)</u>	<u>(349,291)</u>	<u>(2,646,762)</u>	<u>(84,682,784)</u>
<u>Non-operating revenues</u>					
HUD PHA grants	401,744	77,521,186	-	2,625,786	80,548,716
Capital grants	-	-	-	491,584	491,584
Other revenue	112,193	1,707,574	43,834	-	1,863,601
Investment income	854	5,058	33,624	5,747	45,283
Total non-operating revenues	<u>514,791</u>	<u>79,233,818</u>	<u>77,458</u>	<u>3,123,117</u>	<u>82,949,184</u>
Income/(loss) before transfers	(548,771)	(1,389,351)	(271,833)	476,355	(1,733,600)
Transfers in/(out) (Note 10)	635,124	-	-	(635,124)	-
Equity transfer (Note 14)	-	(10,656)	-	(6,749)	(17,405)
Change in net assets	86,353	(1,400,007)	(271,833)	(165,518)	(1,751,005)
Net assets at the beginning of year	<u>5,213,750</u>	<u>8,677,758</u>	<u>11,774,103</u>	<u>3,172,702</u>	<u>28,838,313</u>
Ending net assets	<u>\$ 5,300,103</u>	<u>\$ 7,277,751</u>	<u>\$ 11,502,270</u>	<u>\$ 3,007,184</u>	<u>\$ 27,087,308</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, 2010

	Low-rent Public Housing	Housing Choice Vouchers	Housing Development Fund	Enterprise Funds Non-Major	Totals
Cash flows from operating activities:					
Cash collected from:					
Dwelling rental	\$ 1,074,408	\$ -	\$ 108,989	\$ 182,061	\$ 1,365,458
Cash paid for:					
Housing assistance payments	-	(73,113,613)	-	(2,324,717)	(75,438,330)
Employee expenses	(537,572)	(5,778,254)	-	(11,912)	(6,327,738)
Administrative expenses	(77,739)	448,841	(60,918)	(429,002)	(118,818)
General expenses	(305,337)	(236,825)	(49,628)	(8,556)	(600,346)
Maintenance expenses	(534,880)	-	(73,529)	7,414	(600,995)
Net cash used in operating activities	(381,120)	(78,679,851)	(75,086)	(2,584,712)	(81,720,769)
Cash flows from non capital financing activities:					
Other revenue received	112,193	1,707,574	43,835	-	1,863,602
Grant revenue received	401,744	77,521,186	-	3,117,370	81,040,300
Net cash provided by non capital financing activities	513,937	79,228,760	43,835	3,117,370	82,903,902
Cash flows from capital and related financing activities:					
Acquisition of capital assets, net	(7,265)	(23,858)	(297,940)	(491,584)	(820,647)
Net cash used by capital and related financing activities	(7,265)	(23,858)	(297,940)	(491,584)	(820,647)
Cash flows from investing activities					
Proceeds from investment maturities	-	-	287,272	-	287,272
Purchase of investments	(28,617)	(3,501,200)	-	(43,963)	(3,573,780)
Interest received from investments	854	5,058	33,624	5,747	45,283
Net cash provided by/(used in) investing activities	(27,763)	(3,496,142)	320,896	(38,216)	(3,241,225)
Net increase/(decrease) in cash and cash equivalents	97,789	(2,971,091)	(8,295)	2,858	(2,878,739)
Cash and cash equivalents at the beginning of the year	481	7,272,898	8,502	45,743	7,327,624
Cash and cash equivalents at the end of the year	\$ 98,270	\$ 4,301,807	\$ 207	\$ 48,601	\$ 4,448,885
Reconciliation of operating loss to net cash used in operating activities:					
Operating loss	\$ (1,063,562)	\$ (80,623,169)	\$ (349,291)	\$ (2,646,762)	\$ (84,682,784)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Equity transfer in/out	-	(10,656)	-	(6,749)	(17,405)
Depreciation expense	485,801	15,063	267,249	62,491	830,604
(Increase)/Decrease in accounts receivable - HUD	-	75,176	-	(10,324)	64,852
(Increase)/Decrease in accounts receivable - other	19,958	1,840	-	(424)	21,374
(Increase)/Decrease in accounts receivable - other government	-	74,112	-	(8,400)	65,712
(Increase)/Decrease in accounts receivable - tenants	(1,372)	-	-	182	(1,190)
(Increase)/Decrease in prepaid expenses	(322)	4,470	-	-	4,148
(Increase)/Decrease in interfund receivable	16,921	21,496	(51,195)	(102,136)	(114,914)
Increase/(Decrease) in accounts payable	(15,035)	3,246	(726)	(3,561)	(16,076)
Increase/(Decrease) in wages/payroll taxes payable	3,522	41,564	-	-	45,086
Increase/(Decrease) in accounts payable - HUD	-	-	-	1,275	1,275
Increase/(Decrease) in interfund payable	175,634	125,037	11,392	35,862	347,925
Increase/(Decrease) in accounts payable - other government	(8,310)	1,517,807	(8,015)	(10,166)	1,491,316
Increase/(Decrease) in accrued compensated absences	3,141	30,656	-	-	33,797
Increase/(Decrease) in deferred revenue	-	-	(7,122)	118,631	111,509
Increase/(Decrease) in other current liabilities	-	56,848	-	-	56,848
Increase/(Decrease) in accrued liabilities	(6,034)	(13,341)	70,622	(14,727)	36,520
Increase/(Decrease) in tenant security deposit	8,538	-	(8,000)	96	634
Net cash used in operating activities	\$ (381,120)	\$ (78,679,851)	\$ (75,086)	\$ (2,584,712)	\$ (81,720,769)

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, 2010

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.

(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.

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 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 100 units under this program.

Capital Fund Program - The primary funding source for physical and management improvements to the Authority’s LRPH properties.

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, 4 houses owned by the City of Union City and these homes are also rented to low-income families.

(c) **Fund 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.

The Authority applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

The accounting records of the Authority are organized on the basis of funds classified for reporting purposes as follows:

Enterprise Funds

All of the funds of the Authority are considered Enterprise Funds. Enterprise Funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

(d) **Measurement Focus and Basis of Accounting**

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 \$243,123 based on year-end hourly rates. Of this total amount, \$189,670 is the current portion, and \$53,453 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 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) **New Accounting Pronouncement**

In February 2009, the Governmental Standards Accounting Board (GASB) issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The objective of this Statement is 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. This 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. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Early implementation is encouraged. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. The Authority believes that the adoption of this Statement effective July 1, 2010 will not materially affect its financial statements.

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30, 2010 are classified on the Statement of Net Assets as follows:

Cash, cash equivalents and investments:	
Deposits with financial institution	\$ 50,454
Investments	15,847,752

Restricted cash, cash equivalents and investments for tenant security deposits, family self-sufficiency escrow, and capital fund program:

Deposits with financial institution	4,398,431
Total cash, cash equivalents and investments	\$ <u>20,296,637</u>

The Authority had the following cash, cash equivalents and investments at June 30, 2010:

Cash and cash equivalents:	
Deposits with financial institution	\$ 4,448,885
Investments:	
Certificates of deposit	<u>15,847,752</u>
Total cash, cash equivalents and investments	\$ <u>20,296,637</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. All time and savings deposits (which include NOW accounts, 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. The Authority's deposits exceeded the FDIC's insurance limit by \$20,046,637 as of June 30, 2010. The uninsured amount was exposed to custodial credit risk and was collateralized with securities held by pledging financial institutions' trust departments, but not in the Authority's name. As required by California Government Code Section 53652, the market value of the pledged securities must equal at least 110 percent of the Authority's deposits, except that for mortgage-backed securities, which must equal at least 150 percent.

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 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, 2010, between the various funds of the Authority are as follows:

	<u>Housing Choice Vouchers</u>	<u>Low Rent Public Housing</u>	<u>Capital Fund Program</u>	<u>Housing Development Fund</u>	<u>VASH</u>	<u>DHAP</u>	<u>Total Interfund Payable</u>
<u>Due From</u>							
Housing Choice Vouchers	\$ -	\$ 550	\$ -	\$ 56,282	\$ 82,354	\$ 1,608	\$ 140,794
Low Rent Public Housing	123,171	-	184,710	-	-	-	307,881
Shelter Plus Care	437,853	-	-	-	-	-	437,853
Moderate Rehab 1	95,706	-	-	-	-	-	95,706
Moderate Rehab 4	321,292	-	-	-	-	-	321,292
Union City Managed	-	680	-	5,142	-	-	5,822
Ocean Avenue Development	-	3,512	-	-	-	-	3,512
Park Terrace	-	4,068	-	-	-	-	4,068
Housing Development Fund	<u>43,293</u>	<u>50,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,797</u>
Total Interfund Receivable	\$ <u>1,021,315</u>	\$ <u>59,314</u>	\$ <u>184,710</u>	\$ <u>61,424</u>	\$ <u>82,354</u>	\$ <u>1,608</u>	\$ <u>1,410,725</u>

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

<u>Items</u>	<u>Balance at July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2010</u>
Capital assets not being depreciated:				
Land and land rights	\$ 3,588,497	\$ -	\$ -	\$ 3,588,497
Construction in progress	146,690	3,150	(146,690)	3,150
Total capital assets not being depreciated	3,735,187	3,150	(146,690)	3,591,647
Capital assets being depreciated:				
Buildings and improvements	16,271,058	813,779	-	17,084,837
Furniture and equipment	1,969,687	150,407	(749,507)	1,370,587
Total capital assets being depreciated	18,240,745	964,186	(749,507)	18,455,424
Less accumulated depreciation for:				
Buildings and improvements	(11,725,930)	(701,903)	43,869	(12,383,964)
Furniture and equipment	(1,216,136)	(128,701)	705,638	(639,199)
Total accumulated depreciation	(12,942,066)	(830,604)	749,507	(13,023,163)
Total capital assets being depreciated, net	5,298,679	133,582	-	5,432,261
Total capital assets, net	\$ 9,033,866	\$ 136,732	\$ (146,690)	\$ 9,023,908

Depreciation expense for the year ended June 30, 2010 was \$830,604.

A summary of enterprise funds capital assets at June 30, 2010 is shown below:

Capital Assets

Land and land rights	\$ 3,588,497
Buildings and improvements	17,084,837
Furniture and equipment	1,370,587
Construction in progress	3,150
Total capital assets	22,047,071
Less: Accumulated depreciation	(13,023,163)
Net capital assets	\$ 9,023,908

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, 2010, accounts payable to others included \$86,180 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, 2009 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th 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, 2009, is as follows:

Retirees and beneficiaries currently receiving benefits	7,319
Active members	10,952
Inactive members	<u>1,850</u>
Total	<u><u>20,121</u></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 6.30 percent and 20.17 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, 2010 was \$807,116.

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, 2009 is as follows:

Total assets	\$ <u>32,055,481</u>
Total liabilities	6,154,578
Minority interest	8,774
Member's equity	<u>25,892,129</u>
Total liabilities and equity	\$ <u>32,055,481</u>
Total revenues	\$ 6,014,051
Total expenses	<u>5,341,631</u>
Revenues in excess of expenses	672,420
Minority interest in income of subsidiary	4,899
Member's equity at beginning of year	<u>25,214,810</u>
Member's equity at end of year	\$ <u>25,892,129</u>

NOTE 9: DEFERRED REVENUE

The changes in the Authority's deferred revenue account for the year ended June 30, 2010, were as follows:

Balance at the beginning of year	\$ 77,056
Increases	<u>1,636,775</u>
Balance at the end of the year	\$ <u>1,713,831</u>

NOTE 10: TRANSFERS IN/ (OUT)

Transfers in/ (out) for the year ended June 30, 2010 consisted of the following:

	Low Rent Public <u>Housing</u>	Capital Fund <u>Program</u>	Total <u>Transfers</u>
Low Rent Public Housing	\$ 635,124	\$ -	\$ 635,124
Capital Fund Program	<u>-</u>	<u>(635,124)</u>	<u>(635,124)</u>
Total transfers	\$ <u>635,124</u>	\$ <u>(635,124)</u>	\$ <u>-</u>

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. 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, 2009, 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, 2009, is as follows:

Total assets	\$ <u>24,661,159</u>
Total liabilities	11,107,053
Net assets	<u>13,554,106</u>
Total liabilities and net assets	\$ <u>24,661,159</u>
Operating revenues and non-operating revenues	\$ <u>5,027,589</u>
Operating expenses	<u>3,080,978</u>
Net increase in net assets	1,946,611
Net assets, beginning of year	<u>11,607,495</u>
Net assets, end of year	\$ <u>13,554,106</u>

NOTE 13: RELATED PARTY

The Authority has established a non-profit entity which did not have any activity during the fiscal year ended June 30, 2010. This entity has been dormant for the entire fiscal year under audit.

NOTE 14: EQUITY TRANSFER

The equity transfer of \$6,749 in the Union City Managed Fund is for the excess between the amounts of rent collected, and expenses at the property. This amount is 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.

The equity transfer of \$10,656 represents excess HAP budget for the DHAP program returned to HUD in September 2010.

NOTE 15: SUBSEQUENT EVENTS

Consolidation with Dublin Housing Authority

The Authority expects to consolidate with the Dublin Housing Authority (DHA) in March 2011 when DHA sells Arroyo Vista, its only public housing project, and exits the public housing program. DHA began planning the redevelopment of Arroyo Vista in 2003 and received HUD approval for disposition and redevelopment in May 2009. HUD's approval included provisions for the consolidation of the Authority and DHA prior to DHA's sale of the property as, once the Arroyo Vista project is sold and redeveloped, DHA will no longer own any public housing units and would have no reason to exist. The Authority will assume all the rights and responsibilities of DHA in connection with the disposition of Arroyo Vista.

At the request of DHA, the Authority provided HCVs to residents of Arroyo Vista so residents could relocate and continue to pay affordable rent. As of June 2009, the Authority has provided approximately 70 HCVs to Arroyo Vista movers. When HUD approved DHA's disposition application in May 2009, application to HUD for replacement vouchers became permissible. As the Authority operates the HCV program in Dublin, the Authority applied for the replacement vouchers in June 2009. The vouchers were awarded and funded in two increments: 83 in August 2010 and 65 in October 2010.

Disposition of LRPH 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. An application for replacement vouchers was submitted at the end of December 2010 and is still pending approval.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2010

	Capital Fund	Other Federal Program	Shelter Plus Care	Mod Rehab-1	Mod Rehab-4	Ocean Avenue	Union City Property	Park Terrace	Union City Managed	Total
Assets										
Current assets:										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,993	\$ -	\$ 12,742	\$ -	\$ 39,735
Investments	-	-	-	-	-	647,085	-	875,525	-	1,522,610
Accounts receivable - other	-	-	448,629	95,706	323,632	-	-	-	15,298	883,265
Due from other funds	184,710	83,962	-	-	-	-	-	-	-	268,672
Total current assets	184,710	83,962	448,629	95,706	323,632	674,078	-	888,267	15,298	2,714,282
Restricted assets:										
Cash and cash equivalents	-	-	-	-	-	3,542	-	5,324	-	8,866
Total restricted assets	-	-	-	-	-	3,542	-	5,324	-	8,866
Capital assets - net	3,150	-	-	-	-	790,200	170,000	489,403	-	1,452,753
Total assets	187,860	83,962	448,629	95,706	323,632	1,467,820	170,000	1,382,994	15,298	4,175,901
Liabilities										
Current liabilities:										
Accounts payable	-	333	10,776	-	2,340	110	-	65	6,749	20,373
Accounts payable - HUD	-	1,275	-	-	-	-	-	-	-	1,275
Deferred revenue	184,710	82,354	-	-	-	-	-	-	-	267,064
Tenants security deposits	-	-	-	-	-	3,542	-	5,324	2,700	11,566
Accrued liabilities	-	-	-	-	-	159	-	-	27	186
Due to other funds	-	-	437,853	95,706	321,292	3,512	-	4,068	5,822	868,253
Total current liabilities	184,710	83,962	448,629	95,706	323,632	7,323	-	9,457	15,298	1,168,717
Net assets:										
Investment in capital assets	3,150	-	-	-	-	790,200	170,000	489,403	-	1,452,753
Restricted	-	-	-	-	-	3,542	-	5,324	-	8,866
Unrestricted	-	-	-	-	-	666,755	-	878,810	-	1,545,565
Total net assets	\$ 3,150	\$ -	\$ -	\$ -	\$ -	\$ 1,460,497	\$ 170,000	\$ 1,373,537	\$ -	\$ 3,007,184

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, 2010

	Capital Fund	Other Federal Program	Shelter Plus Care	Mod Rehab-1	Mod Rehab-4	Ocean Avenue	Union City Property	Park Terrace	Union City Managed	Total
<u>Operating revenues</u>										
Rental revenue - tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,613	\$ -	\$ 107,889	\$ 21,030	\$ 188,532
Total operating revenues	-	-	-	-	-	59,613	-	107,889	21,030	188,532
<u>Operating expenses</u>										
Administration	193,999	(1,651)	66,004	16,081	101,959	21,101	-	32,032	11,389	440,914
Utilities	-	-	-	-	-	5,540	-	144	1,217	6,901
Ordinary maintenance and operations	-	-	-	-	-	13,281	-	58,983	1,675	73,939
General expenses	-	-	-	-	-	687	-	968	-	1,655
Depreciation	-	-	-	-	-	35,323	-	27,168	-	62,491
Housing assistance payments	-	4,393	1,254,267	107,337	883,397	-	-	-	-	2,249,394
Total operating expenses	193,999	2,742	1,320,271	123,418	985,356	75,932	-	119,295	14,281	2,835,294
Operating income/(loss)	(193,999)	(2,742)	(1,320,271)	(123,418)	(985,356)	(16,319)	-	(11,406)	6,749	(2,646,762)
<u>Non-operating revenues</u>										
HUD PHA grants	193,999	2,742	1,320,271	123,418	985,356	-	-	-	-	2,625,786
Capital grants	45,230	446,354	-	-	-	-	-	-	-	491,584
Investment income	-	-	-	-	-	2,450	-	3,297	-	5,747
Total non-operating revenues	239,229	449,096	1,320,271	123,418	985,356	2,450	-	3,297	-	3,123,117
Income/(loss) before transfers	45,230	446,354	-	-	-	(13,869)	-	(8,109)	6,749	476,355
Transfers in/(out)	(188,770)	(446,354)	-	-	-	-	-	-	-	(635,124)
Equity transfer	-	-	-	-	-	-	-	-	(6,749)	(6,749)
Changes in net assets	(143,540)	-	-	-	-	(13,869)	-	(8,109)	-	(165,518)
Net assets at the beginning of year	146,690	-	-	-	-	1,474,366	170,000	1,381,646	-	3,172,702
Ending net assets	\$ 3,150	\$ -	\$ -	\$ -	\$ -	\$ 1,460,497	\$ 170,000	\$ 1,373,537	\$ -	\$ 3,007,184

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<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		\$ 401,744
Public Housing Capital Fund Program	14.872		239,229
Formula Capital Fund Stimulus Grant - ARRA	14.885		448,872
Section 8 - Moderate Rehabilitation	14.856		1,108,774
Housing Choice Vouchers	14.871		<u>77,521,186</u>
Subtotal Direct Programs			79,719,805
Pass-Through Program From:			
Alameda County Housing and Community Development - Shelter Plus Care	14.238	N/A	<u>1,320,271</u>
Total U.S. Department of Housing and Urban Development			<u>81,040,076</u>
Federal Emergency Management Agency			
Pass-Through Program From:			
Department of Housing and Urban Development Disaster Housing Assistance Program	97.109	N/A	<u>224</u>
Total Federal Emergency Management Agency			<u>224</u>
Total Expenditures of Federal Awards			<u>\$ 81,040,300</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, 2010, which collectively comprise the Housing Authority of the County of Alameda's basic financial statements and have issued our report thereon dated March 16, 2011. 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.

Pamela A. Acosta

Oakland, California

March 16, 2011

**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, 2010. 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, 2010.

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.

Pamela A. Aarons

Oakland, California
March 16, 2011

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

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
14.885	Formula Capital Fund Stimulus Grant – ARRA

Dollar threshold used to distinguish between type A and type B programs:	\$2,431,209
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, 2010**

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, 2010**

There were no findings reported in the prior year.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39P06750108

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

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INDEPENDENT AUDITOR'S REPORT

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

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, 2010, pertaining to the Development of the Authority, Project No. CA39P06750108. The Statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Statement based on our audit.

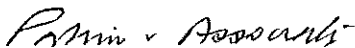
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2010, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2011 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.


Oakland, California
March 22, 2011

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
HAYWARD, CALIFORNIA
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39P06750108**

Project funding	
HUD grant	\$ <u>354,615</u>
Project cost	
Operations	\$ 94,922
Administration	70,923
Site improvement	16,895
Dwelling structure	<u>171,875</u>
Total cost	\$ <u>354,615</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.

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39S06750109

HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA

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INDEPENDENT AUDITOR'S REPORT

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

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, 2010, pertaining to the Development of the Authority, Project No. CA39S06750109. 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, 2010, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2011 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 22, 2011

**HOUSING AUTHORITY OF THE COUNTY OF ALAMEDA
HAYWARD, CALIFORNIA
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39S06750109**

Project funding	
HUD grant	\$ <u>448,872</u>
Project cost	
Administration	2,518
Dwelling structure	<u>446,354</u>
Total cost	\$ <u><u>448,872</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 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.

ATTACHMENT B

The Board of Commissioners
Dublin Housing Authority
Hayward, California

We have audited the accompanying financial statements of the business-type activities and each major fund of Dublin Housing Authority (the Authority) as of and for the year ended June 30, 2010, which collectively comprise the Authority's basic financial statements. 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 May 17, 2010. 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 as described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2010. The Authority will adopt Governmental Standards Accounting Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The Authority believes that the adoption of GASB 54 effective July 1, 2010 will not materially affect its financial statements. We noted no transactions entered into by the Authority 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 affecting the financial statements were:

- The useful lives of capital assets have been estimated based on the intended use and are within generally accepted accounting principles guidelines.
- Investments which have been reported at fair value in accordance with GASB 31.

Disclosures: The disclosures in the financial statements are neutral, consistent, and clear. 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 consolidation with the Housing Authority of the County of Alameda and the disposition of Arroyo Vista Project in Note 10 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 16, 2011.

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 Authority'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 Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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.

Palm & Associates

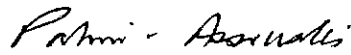
Oakland, California

March 16, 2011

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

We have audited the financial statements of the business-type activities and each major fund of the Housing Authority of the City Of Dublin (the "Authority") as of and for the year ended June 30, 2010, and have issued our report thereon dated March 16, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's basic financial statements.

The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development 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.


Oakland, California
March 16, 2011

HOUSING AUTHORITY OF THE CITY OF DUBLIN
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

 **Patel &
Associates**
Certified Public Accountant

HOUSING AUTHORITY OF THE CITY OF DUBLIN
JUNE 30, 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business-type activities and each major fund of Housing Authority of the City of Dublin (the Authority) as of and for the year ended June 30, 2010, 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 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 and each major fund of the Authority as of June 30, 2010, 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 16, 2011 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.

The management's discussion and analysis on pages 3 through 9 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 of measurement and presentation of the required 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.

Palm Associates
Oakland, California
March 16, 2011

HOUSING AUTHORITY OF THE CITY OF DUBLIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

The Housing Authority of the City of Dublin's (the Authority) 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 Management's Discussion and Analysis (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 Authority's financial statements.

The Authority is primarily dependent upon the Department of Housing and Urban Development (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, HUD has reduced funding to administer federal housing programs. To remove its dependency on federal public housing funds and to continue to provide affordable housing in the City of Dublin, the Authority began the exploration of redeveloping its 150 unit Arroyo Vista public housing project in 2003. In 2006, the Authority solicited proposals for this redevelopment and selected the development team of Eden Housing and SCS Development Company (dba Citation Homes). The plan included the relocation of existing residents and the sale of the project to Eden Housing and Citation Homes, who will demolish the units and redevelop the site with 130 affordable family rental units, 50 affordable senior rental units and 198 for-sale homes. HUD approved this plan in May 2009 as part of its approval of the Authority's disposition application. HUD also included provisions in its approval for the consolidation of the Authority and the Housing Authority of the County of Alameda (HACA) prior to the sale of the property to Eden Housing and Citation Homes. Once the Arroyo Vista project is sold and redeveloped, the Authority will no longer own any public housing units and would have no reason to exist. The consolidation and sale of the property are expected to occur in March 2011.

Throughout the redevelopment decision process, the Authority had told Arroyo Vista residents that it would seek Section 8 Housing Choice Vouchers (HCV) to assist residents with their moves. When the Authority and the City of Dublin approved the Disposition and Development Agreement for the Arroyo Vista redevelopment project in July 2007 several residents expressed a desire to move from Arroyo Vista as soon as possible. HUD regulations do not permit a housing authority to apply for replacement HCVs until a disposition application is approved. Therefore, the Authority asked HACA to provide HCVs in the interim until an application for replacement vouchers could be made and funded. As of June 2010, HACA has provided approximately 70 HCVs to Arroyo Vista movers. When HUD approved the Authority's disposition application in May 2009, application for replacement vouchers became permissible. As HACA operates the HCV program in the City of Dublin, HACA applied for the replacement vouchers in June 2009. The vouchers were awarded and funded in two increments: 83 in August 2010 and 65 in October 2010.

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$3.14 million (net assets). Of this amount, \$0.78 million may be used to meet the Authority's ongoing obligations to clients and creditors and \$2.35 million is invested in capital assets (e.g. buildings and improvements, vehicles, furniture and equipment). The Authority uses these capital assets to provide services to tenants; they are not available for future spending.

Net assets decreased by \$0.14 million (4%) during 2010. Total net assets were \$3.14 million and \$3.28 million for 2010 and 2009, respectively.

Operating revenue decreased by \$0.13 million during 2010, and was \$0.26 million and \$0.39 million for 2010 and 2009, respectively.

Non-operating revenue increased by \$0.95 million during 2010, and was \$1.61 million and \$0.66 million for 2010 and 2009, respectively.

Operating expenses increased by \$0.23 million (13%) during 2010. Total expenses were \$2.01 million and \$1.78 million for 2010 and 2009, 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.

These statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets provides information about the nature and amounts of the Authority's investments in resources (assets) and its obligations to creditors (liabilities), with the difference between the two reported as net assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current". 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 Net Assets is also designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. 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, reduced by accumulated depreciation, outstanding balances of any bonds, mortgages, notes and/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 debt covenants), grantors, contributors, laws, regulations, etc.
- 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".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Fund Net Assets (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 the Statement of Revenues, Expenses and Changes in Fund Net Assets is the “Change in Net Assets”, which is similar to Net Income or Loss and is reflectively of the results of operations over the year.

Finally, a Statement of Cash Flows is included, which discloses cash receipts and payments provided by or used for operating activities, non-capital financing activities, and from capital and related financing activities. It provides answers to questions of where cash came from, what cash was used for and what caused changes in cash.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the fund 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 exclusively of Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

HUD requires many of the funds to be maintained by the Authority. Others are segregated to enhance accountability and control.

THE AUTHORITY’S FUNDS

Business Type Funds

Low Rent Public Housing – Under the Low Rent Public Housing (LRPH) Program, 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 and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of a household’s adjusted gross income.

Capital Fund Program – Under the Capital Fund (CF) Program, the Authority is provided with funds annually for the development, financing, modernization, and management improvements of its public housing developments. It is the primary funding source for physical and management improvements to the Authority’s properties.

Dublin Reserve Fund - The Authority maintains a Reserve Fund for low-income housing development.

The Authority does not have any non-major funds.

AUTHORITY-WIDE STATEMENT

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

TABLE 1

NET ASSETS
(in millions)

	2010	2009
Current and other assets	\$ 2.01	\$ 1.33
Capital assets	2.35	2.83
Total assets	4.36	4.16
Current liabilities	1.22	0.88
Total liabilities	1.22	0.88
Net assets:		
Invested in capital assets	2.35	2.83
Restricted	0.01	0.04
Unrestricted	0.78	0.41
Total net assets	\$ 3.14	\$ 3.28

For more detailed information, see Statement of Net Assets.

Major Factors Affecting the Statement of Net Assets

Current and other assets increased by \$0.68 million primarily due to higher balances of cash, cash equivalents and investments. Current liabilities increased by \$0.34 million primarily due to the receipts of the relocation cost advanced by the City of Dublin and partial purchase payment from Citation Homes.

Table 2 below presents details on the change in Restricted and Unrestricted Net Assets.

TABLE 2
CHANGE IN RESTRICTED AND UNRESTRICTED NET ASSETS
(in millions)

Restricted and unrestricted net assets 6/30/09	\$ <u>0.45</u>
Results of operations	(0.14)
Adjustments:	
Depreciation (See Note 1 below)	<u>0.48</u>
Adjusted results from operations	<u>0.34</u>
Restricted and unrestricted net assets 6/30/10	\$ <u>0.79</u>

Note 1: Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Restricted and Unrestricted Net Assets provides a clearer change in financial well being.

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Enterprise Fund-Type Activities.

TABLE 3
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(in millions)

	<u>2010</u>	<u>2009</u>
Revenues		
Revenue – rents and others	\$ 0.82	\$ 0.41
Operating subsidies and grants	<u>1.05</u>	<u>0.64</u>
Total revenues	<u>1.87</u>	<u>1.05</u>
Expenses		
Administrative	0.97	0.60
Utilities	0.08	0.09
Maintenance	0.42	0.52
General	0.06	0.07
Depreciation	<u>0.48</u>	<u>0.50</u>
Total expenses	<u>2.01</u>	<u>1.78</u>
Net decrease	\$ <u>(0.14)</u>	\$ <u>(0.73)</u>

Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Assets

Operating revenue and other non-operating revenues increased from \$0.41 million in 2009 to \$0.82 million in 2010. The increase was mainly due to the receipt of a \$0.52 million advance received by the Authority from the City of Dublin for the relocation of the Arroyo Vista tenants. This was offset by the decrease in investment income and the decline in rental revenue as most of the Arroyo Vista residents have relocated pending the disposition of the Authority's public housing units.

The Authority received a higher operating subsidy amount (asset repositioning fee) for its LRPH program.

Most expenses changed slightly with the exception of administrative expenses, which increased by 62%, primarily due to cost of relocating existing residents.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year ended June 30, 2010, the Authority had \$2.35 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (depreciation) of \$0.48 million or 17% from the end of last year.

TABLE 4

CAPITAL ASSETS AND DEBT ADMINISTRATION (in millions)

	<u>2010</u>	<u>2009</u>
Buildings	\$ 9.95	\$ 9.95
Furniture and equipment	-	0.03
Accumulated depreciation	<u>(7.60)</u>	<u>(7.15)</u>
Total	\$ <u>2.35</u>	\$ <u>2.83</u>

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

TABLE 5
CHANGE IN CAPITAL ASSETS
(in millions)

Beginning balance, July 1, 2009	\$ 2.83
Accumulated and current depreciation	<u>(0.48)</u>
Ending balance, June 30, 2010	<u><u>\$ 2.35</u></u>

Debt Outstanding

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

ECONOMIC FACTORS

The Authority is primarily dependent upon HUD for the funding of operations; therefore, it is affected more by the Federal budget than by state or local economic conditions. The amount of HUD subsidy has declined over the years. As mentioned earlier, to remove its dependency on these funds the Authority will be disposing of its project to the redevelopment team of Eden Housing and Citation Homes.

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 requests may be submitted to Housing Authority of the City of Dublin, 22941 Atherton Street, Hayward, California, 94541-6633.

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 1,419,143
Accounts receivable - dwelling rents	24,314
Accounts receivable - other	546,931
Total current assets	1,990,388
Restricted assets:	
Investments	2,868
Cash and cash equivalents	14,331
Total restricted assets	17,199
Capital assets (Note 2)	9,947,402
Less accumulated depreciation (Note 2)	(7,598,799)
Capital assets, net	2,348,603
Total assets	4,356,190
Liabilities	
Current liabilities:	
Accounts payable	20,909
Accounts payable - other government	560,167
Accrued compensated absences - current portion	14,890
Tenants security deposits	14,315
Deferred revenue	280,742
Other current liabilities (Note 10)	250,000
Accrued liabilities	64,771
Total current liabilities	1,205,794
Noncurrent liabilities:	
Accrued compensated absences - noncurrent portion	6,871
Total noncurrent liabilities	6,871
Total liabilities	1,212,665
Net assets:	
Invested in capital assets	2,348,603
Restricted	14,315
Unrestricted	780,607
Total net assets	\$ 3,143,525

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	Revenue and Changes in Net Assets
Primary government					<u>Total</u>
Business-type activities:					
Low Rent Public Housing	\$ 982,838	\$ 260,018	\$ 486,827	\$ -	\$ (235,993)
Public Housing Capital Fund Program	560,926	-	-	560,926	-
Dublin Reserve	<u>468,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(468,357)</u>
Total Business-type activities	<u>\$ 2,012,121</u>	<u>\$ 260,018</u>	<u>\$ 486,827</u>	<u>\$ 560,926</u>	<u>(704,350)</u>
General revenues:					
Other revenue					562,666
Investment income					<u>2,263</u>
Total general revenues					<u>564,929</u>
Change in net assets					(139,421)
Net assets - beginning					<u>3,282,946</u>
Net assets - ending					<u>\$ 3,143,525</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2010

	Major Enterprise Funds			
	Low Rent Public Housing	Capital Fund Program	Dublin Reserve	Total
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 1,419,143	\$ -	\$ -	\$ 1,419,143
Accounts receivable - dwelling rents	24,314	-	-	24,314
Accounts receivable - other	609	-	546,322	546,931
Due from other funds (Note 8)	-	280,742	607	281,349
Total current assets	<u>1,444,066</u>	<u>280,742</u>	<u>546,929</u>	<u>2,271,737</u>
Restricted assets:				
Investments	-	-	2,868	2,868
Cash and cash equivalents	<u>14,315</u>	<u>-</u>	<u>16</u>	<u>14,331</u>
Total restricted assets	<u>14,315</u>	<u>-</u>	<u>2,884</u>	<u>17,199</u>
Capital assets (Note 2)	9,947,402	-	-	9,947,402
Less accumulated depreciation (Note 2)	<u>(7,598,799)</u>	<u>-</u>	<u>-</u>	<u>(7,598,799)</u>
Capital assets, net	<u>2,348,603</u>	<u>-</u>	<u>-</u>	<u>2,348,603</u>
Total assets	<u>3,806,984</u>	<u>280,742</u>	<u>549,813</u>	<u>4,637,539</u>
Liabilities				
Current liabilities:				
Accounts payable	215	-	20,694	20,909
Accounts payable- other government	38,167	-	522,000	560,167
Accrued compensated absences - current portion	14,890	-	-	14,890
Tenants security deposits	14,315	-	-	14,315
Deferred revenue	-	280,742	-	280,742
Other current liabilities	250,000	-	-	250,000
Accrued liabilities	64,771	-	-	64,771
Due to other funds (Note 8)	<u>281,349</u>	<u>-</u>	<u>-</u>	<u>281,349</u>
Total current liabilities	<u>663,707</u>	<u>280,742</u>	<u>542,694</u>	<u>1,487,143</u>
Noncurrent liabilities:				
Accrued compensated absences - noncurrent portion	<u>6,871</u>	<u>-</u>	<u>-</u>	<u>6,871</u>
Total noncurrent liabilities	<u>6,871</u>	<u>-</u>	<u>-</u>	<u>6,871</u>
Total liabilities	<u>670,578</u>	<u>280,742</u>	<u>542,694</u>	<u>1,494,014</u>
Net assets:				
Invested in capital assets	2,348,603	-	-	2,348,603
Restricted	14,315	-	-	14,315
Unrestricted	<u>773,488</u>	<u>-</u>	<u>7,119</u>	<u>780,607</u>
Total net assets	<u>\$ 3,136,406</u>	<u>\$ -</u>	<u>\$ 7,119</u>	<u>\$ 3,143,525</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Major Enterprise Funds			
	Low Rent Public Housing	Capital Fund Program	Dublin Reserve	Total
<u>Operating revenues</u>				
Rental revenue - tenant	\$ 260,018	\$ -	\$ -	\$ 260,018
Other revenue	111	-	-	111
Total operating revenues	260,129	-	-	260,129
<u>Operating expenses</u>				
Administration	333,074	169,602	468,357	971,033
Utilities	74,667	-	-	74,667
Ordinary maintenance and operations	32,475	391,324	-	423,799
General expenses	56,519	-	-	56,519
Depreciation	486,103	-	-	486,103
Total operating expenses	982,838	560,926	468,357	2,012,121
Operating loss	(722,709)	(560,926)	(468,357)	(1,751,992)
<u>Non-operating revenues</u>				
HUD PHA grants	486,827	-	-	486,827
Capital grants	-	560,926	-	560,926
Other revenue	16,233	-	546,322	562,555
Investment income	2,216	-	47	2,263
Total non-operating revenues	505,276	560,926	546,369	1,612,571
Changes in net assets	(217,433)	-	78,012	(139,421)
Net assets beginning of the year	3,353,839	-	(70,893)	3,282,946
Ending net assets	\$ 3,136,406	\$ -	\$ 7,119	\$ 3,143,525

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

	Major Enterprise Funds			
	Low Rent Public Housing	Capital Fund Program	Dublin Reserve	Total
Cash flows from operating activities:				
Cash collected from:				
Dwelling rental	\$ 216,450	\$ -	\$ -	\$ 216,450
Other miscellaneous	111	-	-	111
Cash paid for:				
Administrative expenses	(326,075)	(169,602)	(17,560)	(513,237)
Utilities	(74,667)	-	-	(74,667)
Maintenance expenses	(380,909)	(391,324)	-	(772,233)
General expenses	(57,147)	-	-	(57,147)
Net cash used in operating activities	(622,237)	(560,926)	(17,560)	(1,200,723)
Cash flows from non capital financing activities:				
Grant revenue received	486,827	560,926	-	1,047,753
Performance deposit	250,000	-	-	250,000
Other non-operating revenue	16,233	-	-	16,233
Net cash provided by non capital financing activities	753,060	560,926	-	1,313,986
Cash flows from investing activities:				
Purchase of investments	-	-	(3)	(3)
Interest received from investments	2,020	-	47	2,067
Net cash provided by investing activities	2,020	-	44	2,064
Net decrease in cash and cash equivalents	132,843	-	(17,516)	115,327
Cash and cash equivalents at the beginning of the year	1,300,615	-	17,532	1,318,147
Cash and cash equivalents at the end of the year	\$ 1,433,458	\$ -	\$ 16	\$ 1,433,474
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (722,709)	\$ (560,926)	\$ (468,357)	\$ (1,751,992)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation expense	486,103	-	-	486,103
(Increase)/Decrease in accounts receivable - dwelling rents	(18,391)	-	-	(18,391)
(Increase)/Decrease in accounts receivable - other	3,618	-	285	3,903
(Increase)/Decrease in interfund receivable	2,124	280,184	(607)	281,701
Increase/(Decrease) in deferred revenue	-	(280,184)	-	(280,184)
Increase/(Decrease) in interfund payable	(279,577)	-	(2,124)	(281,701)
Increase/(Decrease) in accounts payable	(6,928)	-	19,243	12,315
Increase/(Decrease) in accounts payable - other government	(37,481)	-	434,000	396,519
Increase/(Decrease) in accrued compensated absences	629	-	-	629
Increase/(Decrease) in accrued liabilities	(24,448)	-	-	(24,448)
Increase/(Decrease) in tenant security deposits	(25,177)	-	-	(25,177)
Net cash used in operating activities	\$ (622,237)	\$ (560,926)	\$ (17,560)	\$ (1,200,723)

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF DUBLIN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

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.

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

Capital Fund Program - The primary funding source for physical and management improvements to the Authority's property.

Dublin Reserve - Includes all other funds of the Authority which are not subsidized by HUD.

Non-major Funds - The Authority does not have any non-major funds.

c. Fund 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.

The Authority applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

The accounting records of the Authority are organized on the basis of funds classified for reporting purposes as follows:

Enterprise Funds

All of the funds of the Authority are considered Enterprise Funds. Enterprise Funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

d. Measurement Focus and Basis of Accounting

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 nonoperating 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 nonoperating 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 has a capitalization policy, which requires all acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets be 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 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 \$21,761 based on year-end hourly rates. Of this total amount, \$14,890 is the current portion and \$6,871 is the noncurrent 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.

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 housing.

l. Deferred Revenues

Deferred revenues represent funds for the Capital Fund Program which have been received but not yet earned. As the funds are earned, the liability is reduced.

m. New Accounting Pronouncement

In February 2009, the Governmental Standards Accounting Board (GASB) issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The objective of this Statement is 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. This 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. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The

requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. Early implementation is encouraged. Fund balance reclassifications made to conform to the provisions of this Statement should be applied retroactively by restating fund balance for all prior periods presented. The Authority believes that the adoption of this Statement effective July 1, 2010 will not materially affect its financial statements.

NOTE 2: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance at June 30, 2009	Increase	Decrease	Balance at June 30, 2010
Capital assets being depreciated:				
Buildings and improvements	9,947,402	-	-	9,947,402
Furniture and equipment	36,276	-	(36,276)	-
Total capital assets	9,983,678	-	(36,276)	9,947,402
Less: accumulated depreciation for:				
Buildings and improvements	7,112,696	486,103	-	7,598,799
Furniture and equipment	36,276	-	(36,276)	-
Total accumulated depreciation	7,148,972	486,103	(36,276)	7,598,799
Total capital assets, net	\$ 2,834,706	\$ (486,103)	\$ -	\$ 2,348,603

Depreciation expense for the year ended June 30, 2010 was \$486,103.

A summary of enterprise funds, capital assets at June 30, 2010 is shown below:

Buildings and improvements	\$ 9,947,402
Total capital assets	9,947,402
Less: Accumulated depreciation	(7,598,799)
Net capital assets	\$ 2,348,603

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments as of June 30, 2010 are classified on the Statement of Net Assets as follows:

Deposits with financial institutions	\$ 1,433,474
Investments	2,868
Total cash, cash equivalents and investments	\$ 1,436,342

The Authority had the following cash, cash equivalents and investments at June 30, 2010:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 1,433,474
Total cash and cash equivalents	<u>1,433,474</u>
Investments:	
Certificate of deposit	<u>2,868</u>
Total investments	<u>2,868</u>
Total cash, cash equivalents and investments	\$ <u><u>1,436,342</u></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. All time and savings deposits (which include NOW accounts, 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. The Authority's deposits exceeded the FDIC's insurance limit by \$1,186,342. The uninsured amount was exposed to custodial credit risk and was collateralized with securities held by pledging financial institutions' trust departments, but not in the Authority's name. As required by California Government Code Section 53652, the market value of the pledged securities must equal at least 110 percent of the Authority's deposits, except that for mortgage-backed securities, which must equal at least 150 percent.

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 Local Agency Investment Fund (LAIF)
- Insured and/or collateralized certificates of deposit

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

NOTE 4: PAYMENT IN LIEU OF TAXES

In connection with Arroyo Vista, 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 of utilities expense. At June 30, 2010, accounts payable to other governments included \$17,650 for payment in lieu of taxes.

NOTE 5: CONTINGENCIES

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

NOTE 6: RETIREMENT PLAN

Plan Description:

The Authority provides retirement benefits for all its full-time employees through 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, 2009 financial statements may be obtained by writing to Alameda County Employees' Retirement Association, 475 14th 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, 2009, is as follows:

Retirees and beneficiaries currently receiving benefits	7,319
Active members	10,952
Inactive members	<u>1,850</u>
Total	<u><u>20,121</u></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 age at date of entry and the actuarially calculated benefits and are between 6.29 percent and 10.22 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 2010 was \$24,962.

All employees of the Authority are covered through the retirement plan of the Housing Authority of the County of Alameda (HACA) since all employees of the Authority are employees of HACA through a management agreement.

NOTE 7: 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, 2009 is as follows:

Total assets	\$ <u>32,055,481</u>
Total liabilities	6,154,578
Minority interest	8,774
Member's equity	<u>25,892,129</u>
Total liabilities and equity	\$ <u>32,055,481</u>
Total revenues	\$ 6,014,051
Total expenses	<u>5,341,631</u>
Revenues in excess of expenses	672,420
Minority interest in income of subsidiary	4,899
Member's equity at beginning of year	<u>25,214,810</u>
Member's equity at end of year	\$ <u>25,892,129</u>

NOTE 8: 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, 2010, between the various funds of the Authority are as follows:

<u>Due From</u>	<u>Dublin Reserve</u>	<u>Capital Fund</u>	<u>Total Interfund Payable</u>
Low Rent Public Housing	\$ <u>607</u>	\$ <u>280,742</u>	\$ <u>281,349</u>
Total interfund receivable	\$ <u>607</u>	\$ <u>280,742</u>	\$ <u>281,349</u>

NOTE 9: 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, 2009, 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, 2009, is as follows:

Total assets	\$ <u>24,661,159</u>
Total liabilities	11,107,053
Net assets	<u>13,554,106</u>
Total liabilities and net assets	\$ <u>24,661,159</u>
Operating revenues and non-operating revenues	\$ <u>5,027,589</u>
Operating expenses	<u>3,080,978</u>
Net increase in net assets	1,946,611
Net assets, beginning of year	<u>11,607,495</u>
Net assets, end of year	\$ <u>13,554,106</u>

NOTE 10: CONSOLIDATION WITH HACA/DISPOSITION OF ARROYO VISTA PROJECT

The Dublin Housing Authority Commissioners at their November 2006 meeting authorized the filing of a disposition application with HUD to dispose of the Arroyo Vista project. The disposition application was filed on August 15, 2007. The Authority received final HUD approval for the disposition of its public housing units on May 22, 2009, as amended on May 29, 2009. HUD also included provisions in its approval for the consolidation of the Authority and HACA prior to the sale of the property to Eden Housing and Citation Homes. Once the Arroyo Vista project is sold and redeveloped, the Authority will no longer own any public

housing units and would have no reason to exist. The consolidation and sale of the property are expected to occur in March 2011.

DISPOSITION AND DEVELOPMENT AGREEMENT

On July 25, 2007, the Housing Authority of the County of Alameda (HACA), the Authority, the City of Dublin, Eden Housing and Citation Homes (the “Parties”) all entered into a Disposition and Development Agreement (DDA) for the redevelopment of the Arroyo Vista public housing site in the City of Dublin. In October 2007, the Parties were sued by four Arroyo Vista tenants to set aside the DDA. On May 22, 2009, HUD approved the Authority’s disposition application and the plaintiffs’ counsel proposed negotiations to settle the lawsuit. Negotiations were conducted over several months and approved by HACA, the Authority and the City of Dublin City Council, as well as Eden Housing and Citation Homes, and ultimately, HUD. On December 17, 2009 the settlement was approved by the court and the case was dismissed.

As the DDA was, at that point, over two years old, the settlement agreement called for it to be amended to incorporate certain HUD approval conditions, including affordability provisions and the use of sales proceeds as follows:

HUD Affordability Conditions

The Authority proposed, and HUD accepted the proposal and conditioned its approval on, HACA providing Section 8 project based vouchers to the new project (49 vouchers for seniors and 32 for families).

The HUD approval requires Eden Housing to market and rent the project based units to Section 8-eligible households for at least 20 years. A reverter clause will be recorded against the property stipulating that the property shall revert to the Authority, or its successors and assigns, and be placed under a Declaration of Trust in favor of HUD if Eden Housing fails to develop, operate and maintain the property in accordance with HUD’s conditions. In addition, HUD imposed various conditions related to relocation of the Arroyo Vista residents.

Payment and Use of Sales Proceeds

Citation Homes will pay \$12 million for its portion of the property and Eden Housing will purchase its portion for \$1 as reflected in the original DDA. This money will be used to develop the affordable rental housing. HUD’s conditions, as proposed by the Authority in its disposition application, include an allocation of these proceeds as follows:

- \$1 million for relocation of existing residents
- Up to \$10 million for the family rental housing
- Remainder for the senior rental housing

Finally, the amendment provides for a \$1.5 million construction loan from the City of Dublin to Eden Housing.

On January 26, 2010, the Parties approved the amendment to the DDA. On January 28, 2010, the Authority received the amount of \$250,000 representing a purchase price deposit from Citation Homes pursuant to the DDA. The amount has been presented as Other Current Liabilities in the Statement of Net Assets.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF DUBLIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<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		\$ 486,827
Public Housing Capital Fund Program	14.872		<u>560,296</u>
Total Expenditures of Federal Awards			\$ <u><u>1,047,123</u></u>

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 City of Dublin
Dublin, California

We have audited the financial statements of the business-type activities and each major fund of the Housing Authority of the City of Dublin as of and for the year ended June 30, 2010, which collectively comprise Housing Authority of the City of Dublin's basic financial statements and have issued our report thereon dated March 16, 2011. 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 City of Dublin'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 City of Dublin's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Dublin'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 City of Dublin'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 City of Dublin, 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.

Patrin v. Associates
Oakland, California
March 16, 2011

**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 City of Dublin
Dublin, California

Compliance

We have audited the Housing Authority of the City of Dublin'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, 2010. The Housing Authority of the City of Dublin'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 City of Dublin's management. Our responsibility is to express an opinion on the Housing Authority of the City of Dublin'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 City of Dublin'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 City of Dublin's compliance with those requirements.

In our opinion, the Housing Authority of the City of Dublin 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, 2010.

Internal Control Over Compliance

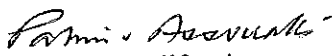
Management of the Housing Authority of the City of Dublin is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of Dublin'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 City of Dublin'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 City of Dublin, 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.


Oakland, California
March 16, 2011

**HOUSING AUTHORITY OF THE CITY OF DUBLIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

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>
14.850a	Low Rent Public Housing
14.872	Public Housing Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**HOUSING AUTHORITY OF THE CITY OF DUBLIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

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 CITY OF DUBLIN
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2010

There were no findings reported in the prior year.

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39P14250107

HOUSING AUTHORITY OF THE CITY OF DUBLIN

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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 June 30, 2010, pertaining to the Development of the Authority, Project No. CA39P14250107. The Statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Statement based on our audit.

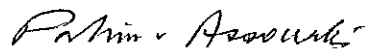
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2010, on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2011 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.


Oakland, California
March 22, 2011

**HOUSING AUTHORITY OF THE CITY OF DUBLIN
DUBLIN, CALIFORNIA
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39P14250107**

Project funding	
HUD grant	\$ <u>278,032</u>
 Project cost	
Operations	\$ <u>278,032</u>
 Total cost	\$ <u><u>278,032</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.

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.

HOUSING AUTHORITY OF THE CITY OF DUBLIN
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39P14250108

HOUSING AUTHORITY OF THE CITY OF DUBLIN

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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 June 30, 2010, pertaining to the Development of the Authority, Project No. CA39P14250108. 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.

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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.

R. Patel & Associates
Oakland, California
March 22, 2011

**HOUSING AUTHORITY OF THE CITY OF DUBLIN
DUBLIN, CALIFORNIA
STATEMENT OF ACTUAL PROJECT COST AND FUNDING
THE CAPITAL FUND PROJECT -
PROJECT NO. CA39P14250108**

Project funding	
HUD grant	\$ <u>282,894</u>
Project cost	
Operations	\$ <u>282,894</u>
Total cost	\$ <u>282,894</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.

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- (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 C

PHA 5-Year and Annual Plan	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 4/30/2011
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1.0	PHA Information PHA Name: Housing Authority of the County of Alameda PHA Code: CA067 PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing (Section 8 HCV) <input checked="" type="checkbox"/> Standard (Public Housing) <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): 07/2011					
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: 232 Number of HCV units: 5655					
3.0	Submission Type <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only					
4.0	PHA Consortia <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)					
	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program	
	PHA 1:				PH	HCV
	PHA 2:					
	PHA 3:					
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.					
5.1	Mission. State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:					
5.2	Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.					
6.0	PHA Plan Update (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission. (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. See Annual Plan Attachment.					
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. Include statements related to these programs as applicable. See Annual Plan Attachment.					
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable. See Annual Plan Attachment.					
8.1	Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> , form HUD-50075.1, for each current and open CFP grant and CFFP financing. See Annual Plan Attachment.					
8.2	Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i> , form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan. See Annual Plan Attachment.					
8.3	Capital Fund Financing Program (CFFP). <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.					
9.0	Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. See Annual Plan Attachment.					
9.1	Strategy for Addressing Housing Needs. Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan. See Annual Plan Attachment.					

10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan. See Annual Plan Attachment.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification." None</p>
11.0	<p>Required Submission for HUD Field Office Review. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. Note: Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

HUD-50075 PHA 5-Year and Annual Plan – Attachment Fiscal Year Beginning: 07/2011

6.0 The following PHA Plan elements have been revised since HACA's last Annual Plan submission:

- 6.1.1 Element #1: Eligibility, Selection and Admission Policies, including Deconcentration and Wait List Procedures;
- 6.1.2 Element #2: Financial Resources;
- 6.1.3 Element #3: Rent Determination;
- 6.1.4 Element #4: Operation and Management; and
- 6.1.5 Element #11: Fiscal Year Audit.

This completed form HUD-50075 with attachments is available at the PHA's Business Office, 22941 Atherton St., Hayward, CA 94541. It's also available on the HACA website at

http://www.haca.net/index.php?option=com_remository&Itemid=86&func=select&id=4.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers.

7.1 Hope VI, Mixed Finance Modernization or Development.

- 7.1.1 Effective March 1, 2011, HACA will have consolidated with the Dublin Housing Authority (DHA) as DHA has now disposed of Arroyo Vista, its sole public housing project. (DHA does not administer any Section 8 housing or any other federal, state, or local housing program.) Subsequent to the consolidation, HACA will have access to the modest HUD Replacement Housing Factor funds from Arroyo Vista as well as potential remaining development funds from DHA, which it plans to use to create additional public housing units in a mixed finance project. To do this, HACA will seek to partner with an experienced non-profit or for-profit developer to secure a percentage of units as public housing units in a project(s) developed by such developer.

7.2 Demolition and/or Disposition.

- 7.2.1 Because the combination of tenant rents and fees, HUD Operating Subsidy, and Capital Fund funding is inadequate to finance the long-term viability of HACA's Public Housing units, HACA has begun to dispose of all of its 232 Public Housing units in stages over the next five years. In 2009, HACA submitted an application to HUD to dispose of all 58 of its scattered-site Public Housing units. That application was approved by HUD December 13, 2010. HACA has applied for 58 project-based replacement vouchers and is awaiting HUD approval of that application before proceeding with the disposition.

In late December 2010, HACA submitted another disposition application to HUD, this time to dispose of all 100 of its Public Housing units designated for elderly or disabled tenants. As for its approved disposition application for 58 scattered-site Public Housing units, subsequent to HUD's approval of this disposition application, HACA will apply for replacement vouchers or other HUD project-based rental assistance. Upon receipt of the vouchers/assistance, HACA will transfer the units to a HACA-controlled non-profit instrumentality in order to achieve a one-to-one replacement of the Public Housing units with Section 8 Project-Based Voucher units.

7.2.2 Disposition Timetable (estimated):

Disposition Stage 2: CAL 67-8, All 100 1-Br Elderly and Disabled units, of which 11 units are wheelchair accessible

Consult with impacted Residents, RAB and City of Union City	July 2010
Submit Disposition Application	December 2010
HUD Approval of Disposition Application	March 2011
Submit application for replacement vouchers to be project based	March 2011
HUD approval of replacement vouchers	December 2011
Dispose of units to HACA-affiliated non-profit	June 2012

Disposition Stage 3: CAL 67-13, 36 units

Consult with impacted Residents, RAB and City of Union City	February-March 2012
Submit Disposition Application	August 2012
HUD Approval of Disposition Application	January 2013
Submit application for replacement vouchers to be project based	February 2013
HUD approval of replacement vouchers	September 2013
Dispose of units to HACA-affiliated non-profit	January 2014

Disposition Stage 4: Estimated # of units: 36

Consult with impacted Residents, RAB and City of Emeryville	February-March 2013
Submit Disposition Application	August 2013
HUD Approval of Disposition Application	January 2014
Submit application for replacement vouchers to be project based	February 2014
HUD approval of replacement vouchers	September 2014
Dispose of units to HACA-affiliated non-profit	January 2015

7.3 Conversion of Public Housing (to tenant-based assistance). N/A

7.4 Homeownership. N/A

7.5 Project-Based Vouchers.

- 7.5.1 HACA anticipates project-basing up to 400 units. The cities of Emeryville, Dublin, Fremont, San Leandro, and Union City are currently-identified

potential locations. Additional locations in Alameda County, such as (but not limited to) Pleasanton and Hayward are possible.

8.0 Capital Improvements

HACA will use 100 percent of funds from the Capital Fund program for activities that are eligible under the Operating Fund.

- 8.1** Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report* has been completed as required and is enclosed.
- 8.2** Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan* has been completed as required and is enclosed.
- 8.3** HACA does not propose to pledge any portion of its CPF/RHF funds to repay debt incurred to finance capital improvements.

9.0 Housing Needs

Housing Needs in HACA's jurisdiction are set forth in Part I of the Alameda County HOME Consortium's FY05-09 Consolidated Plan and Annual Action Plan at

<http://www.acgov.org/cda/hcd/documents/Con%20Plan%20Part%20I%20Housing%20Needs%20Assessment.pdf>.

The Consolidated Plan's profile of housing and homeless needs and conditions in the Alameda County HOME Consortium states:

In the past five years, the Consortium has seen little growth in the area's economy. This has been coupled with increasing costs of living in Alameda County. The economy and loss of jobs has had negative impacts as workers have had to search for housing in a tight housing market. Home prices have increased dramatically along with the costs of food, clothing and transportation. Rents had stabilized, however, now are starting to increase again. While Welfare to Work Programs moved people off of the welfare rolls, many have found only minimum wage jobs. This and loss of higher paying jobs have led to an increase in the numbers of working poor who need different federal assistance. Instead of welfare, these families need housing rental assistance programs and food programs. The homeless demographics are also changing. While many long term homeless are individuals with dual diagnoses of alcohol or drug addictions with a physical or mental disability, many more families are moving in and out of homelessness as their ability to pay for food and shelter varies from paycheck to paycheck.

While that statement was developed a number of years ago, much of it is still accurate. The housing market, however, has changed dramatically. The Great Recession and the sub-prime mortgage crisis have resulted in a decrease in home prices in HACA's jurisdiction. As of December 2010, unemployment in California continues to be over 12% and exceeds the national average. Notwithstanding, the softness in the rental market, the high rate of unemployment and the reduction in some public benefits has exacerbated housing affordability.

9.1 Strategy for Addressing Housing Needs

HACA will continue to apply for additional HUD funding and assisted housing contract authority as made available by Notices of Funding Availability (NOFAs), and as any other HUD funding opportunities present themselves, including use of Replacement Housing Factor (RHF) funds and HUD development funds. HACA will also continue to seek to partner with social services providers in order to use housing as a platform for improving quality of life, including as set forth in the FY 2011 and FY 2012 HUD budgets.

10.0 Additional Information

10.1 Progress in Meeting Mission and Goals

10.1.1 **Mission:** HACA's success in meeting its mission is reflected in its High Performing SEMAP designation and its PHAS Standard Performer designation.

10.1.2 **Goal:** Expand the supply of assisted housing

Objectives: Apply for additional rental vouchers; and, depending on available funding, utilize Section 8 HCV Project-Basing to increase housing opportunities for special needs populations.

Progress: In the current fiscal year, HACA has applied for additional funding as made available by Notices of Funding Availability (NOFAs). It has received 10 Rental Assistance for Non-Elderly vouchers and 75 VASH vouchers and applied for Family Unification Program vouchers. The total number of HACA Section 8 vouchers increased from 5,456 in 2005 to 5,655 today.

10.1.3 **Goal:** Improve the quality of assisted housing

Objectives: Maintain Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) scores of 90 or higher; transition to a computerized inspection system and inspections conducted by census tract; and modernize five public housing units.

Performance: In the past fiscal year, HACA remained a High Performer as measured by SEMAP. HACA is a Standard Performer under PHAS. HACA's transition to a computerized inspection system has been delayed to its 2011 – 2012 fiscal year as a result of delay in the conversion of HACA's current program management software to a new platform.

As of February 28, 2011, HACA has modernized 21 units in the current fiscal year.

10.1.4 **Goal:** Increase assisted housing choices

Objectives: Conduct outreach efforts to potential voucher landlords; monitor voucher success and utilization rates and assess adequacy of payment standards; and continue promoting homeownership activities and assisting participants to become homeowners.

Progress: In the current fiscal year, HACA has continued to promote the HCVP in publications of the Rental Housing Organization of Southern Alameda County (RHO). HACA assessed the adequacy of its payment standards relative to voucher success rates, gross rents, and budgeted funds and modified the standards accordingly. HACA also continued to implement its Family Self Sufficiency (FSS) homeownership program, although participants are rarely able to purchase homes due to tighter lending practices and valuations which remain out of reach, notwithstanding easing sales prices.

10.1.5 **Goal:** Provide an improved living environment

Objectives: Work proactively with local governments to foster understanding and support of HACA and its assisted housing programs.

Progress: In the current fiscal year, HACA staff, at various levels, has participated in a variety of local government forums as part of a continuous effort to provide information and support for HACA's assisted housing programs.

10.1.6 **Goal:** Promote self-sufficiency and asset development of assisted households

Objectives: Provide or attract supportive services to improve employability.

Progress: HACA's FSS program sponsored and provided supportive services to improve assistance recipients' employability.

10.1.7 **Goal:** Ensure equal opportunity and affirmatively further fair housing

Objectives: Undertake affirmative measures to ensure access to assisted housing, and a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, gender, family status, or disability.

Progress: HACA has continued to administer a Section 504 Grievance Procedure (discrimination on the basis of handicap) and to provide hard-copy weekly rental listings which include units designated for the disabled. (As a public service, HACA also lists privately owned subsidized developments in its jurisdiction, including those with accessibility features, regardless of whether the developments accept Housing Choice Vouchers.)

HACA monitored its weekly rental listing to insure that at least 35% of the listed units are located in non-impacted (minority/poverty) areas. (In fact, well over 90% of the units on the rental listing are typically located in areas outside of areas of minority or poverty concentration.)

HACA continued to administer a Language Assistance Plan for serving Limited English Proficiency (LEP) populations in its jurisdiction; a Public Housing Affirmative Fair Housing Marketing Plan; and a Transition Plan in order to reach compliance with Uniform Federal Accessibility Standards (UFAS) requirements.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary					
PHA Name: Housing Authority of Alameda County		Grant Type and Number Capital Fund Program Grant No: CA3906750111 Replacement Housing Factor Grant No: Date of CFFP: _____			FFY of Grant: 2011 FFY of Grant Approval: 2011 ESTIMATED
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$203,463		\$203,463	
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 – 19)	\$203,463		\$203,463	
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
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Part I: Summary					
PHA Name: Housing Authority of Alameda County		Grant Type and Number Capital Fund Program Grant No: CA3906750111 Replacement Housing Factor Grant No: Date of CFFP: _____			FFY of Grant: 2011 FFY of Grant Approval: 2011 ESTIMATED
Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report					
Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost ¹	
		Original	Revised ²	Obligated	Expended
Signature of Executive Director		Date		Signature of Public Housing Director	
				Date	

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

PHA Name: Housing Authority of Alameda County

Reasons for Revised Target Dates ¹

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

PHA Name:

Reasons for Revised Target Dates ¹

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary						
PHA Name/Number HACA CA067			Locality (City/County & State) Alameda County, California		<input checked="" type="checkbox"/> Original 5-Year Plan <input type="checkbox"/> Revision No:	
A.	Development Number and Name	Work Statement for Year 1 FFY 2011	Work Statement for Year 2 FFY 2012	Work Statement for Year 3 FFY 2013	Work Statement for Year 4 FFY 2014	Work Statement for Year 5 FFY 2015
B.	Physical Improvements Subtotal	Annual Statement				
C.	Management Improvements					
D.	PHA-Wide Non-dwelling Structures and Equipment					
E.	Administration					
F.	Other					
G.	Operations		\$193,290	\$183,625	\$174,444	\$165,722
H.	Demolition					
I.	Development					
J.	Capital Fund Financing – Debt Service					
K.	Total CFP Funds		\$193,290	\$183,625	\$174,444	\$165,722
L.	Total Non-CFP Funds					
M.	Grand Total		\$193,290	\$183,625	\$174,444	\$165,722

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

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Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2011	Work Statement for Year 2 _____ FFY 2012			Work Statement for Year: 3 _____ FFY 2013		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
See	PHA-wide			PHA-Wide		
Annual Statement	CAL 67-7/16-OPERATIONS		\$193,290	CAL 67-7/16 OPERATIONS		\$183,625
	Subtotal of Estimated Cost		\$ 193,290	Subtotal of Estimated Cost		\$ 183,625

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
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Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2011	Work Statement for Year 4 _____ FFY 2014			Work Statement for Year: 5 _____ FFY 2015		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
See	PHA Wide			PHA Wide		
Annual Statement	CAL 67-7/16 OPERATIONS		\$174,444	CAL 67-7/16 OPERATIONS		\$165,722
	Subtotal of Estimated Cost		\$ 174,444	Subtotal of Estimated Cost		\$ 165,722

Part III: Supporting Pages – Management Needs Work Statement(s)				
Work Statement for Year 1 FFY 2011	Work Statement for Year ² _____ FFY 2012		Work Statement for Year: ³ _____ FFY 2013	
	Development Number/Name General Description of Major Work Categories	Estimated Cost	Development Number/Name General Description of Major Work Categories	Estimated Cost
See	Operations	\$193,290	Operations	\$183,625
Annual Statement				
	Subtotal of Estimated Cost	\$ 193,290	Subtotal of Estimated Cost	\$ 183,625

Part III: Supporting Pages – Management Needs Work Statement(s)				
Work Statement for Year 1 FFY 2011	Work Statement for Year ⁴ _____ FFY 2014		Work Statement for Year: ⁵ _____ FFY 2015	
	Development Number/Name General Description of Major Work Categories	Estimated Cost	Development Number/Name General Description of Major Work Categories	Estimated Cost
See	Operations	\$174,444	Operations	\$165,722
Annual Statement				
	Subtotal of Estimated Cost	\$ 174,444	Subtotal of Estimated Cost	\$ 165,722