

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**

1.0	PHA Information PHA Name: Yolo County Housing PHA Type: <input type="checkbox"/> Small <input type="checkbox"/> High Performing <input checked="" type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): 07/2009 PHA Code: CA044					
2.0	Inventory (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: 431 Number of HCV units: 1,240					
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. Note: See Attachment ca044a01 for information regarding Section 5.0 through 10.0.					
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.					
7.0	Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. <i>Include statements related to these programs as applicable.</i>					
8.0	Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.					
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.					
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.					
8.3	Capital Fund Financing Program (CFFP). <input checked="" 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.					

9.1	<p>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.</p>
10.0	<p>Additional Information. Describe the following, as well as any additional information HUD has requested.</p> <ul style="list-style-type: none"> (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. (b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification”
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> <ul style="list-style-type: none"> (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) (b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only) (c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only) (d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only) (e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only) (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. (g) Challenged Elements (h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only) (i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information

Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory

Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type

Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia

Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan

Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan.

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

- (a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.
- (b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.
3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.
4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.
5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.
6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1)** development name and number; **2)** designation type; **3)** application status; **4)** date the designation was approved, submitted, or planned for submission, and; **5)** the number of units affected.
7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**
8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.
10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.
11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.
12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.
13. **Violence Against Women Act (VAWA).** A description of: 1) Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; 2) Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and 3) Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

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

- (a) **Hope VI or Mixed Finance Modernization or Development.** 1) A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and 2) A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm>
- (b) **Demolition and/or Disposition.** With respect to public housing projects owned by the PHA and subject to ACCs under the Act: (1) A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and (2) A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent that approved and/or pending demolition and/or disposition has changed.
- (c) **Conversion of Public Housing.** With respect to public housing owned by a PHA: 1) A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or

that the public housing agency plans to voluntarily convert; 2) An analysis of the projects or buildings required to be converted; and 3) A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: <http://www.hud.gov/offices/pih/centers/sac/conversion.cfm>

- (d) **Homeownership.** A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.
- (e) **Project-based Vouchers.** If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

- (a) To submit the initial budget for a new grant or CFFP;
- (b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and
- (c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

- 1. At the end of the program year; until the program is completed or all funds are expended;
- 2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and
- 3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:

<http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm>

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

9.1 Strategy for Addressing Housing Needs. Provide a 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: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

- (a) **Progress in Meeting Mission and Goals.** PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan. **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**
- (b) **Significant Amendment and Substantial Deviation/Modification.** PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

- (c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

- (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*
- (b) Form HUD-50070, *Certification for a Drug-Free Workplace (PHAs receiving CFP grants only)*
- (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions (PHAs receiving CFP grants only)*
- (d) Form SF-LLL, *Disclosure of Lobbying Activities (PHAs receiving CFP grants only)*
- (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet (PHAs receiving CFP grants only)*
- (f) Resident Advisory Board (RAB) comments.
- (g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.
- (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.1.
- (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan (Must be attached electronically for PHAs receiving CFP grants only)*. See instructions in 8.2.

YOLO COUNTY HOUSING
FY2009 AGENCY PLAN ANNUAL UPDATE

SECTION 5.0 THROUGH 10.0

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5.0 Five-Year Plan

5.1 Mission Statement

Working together to provide quality affordable housing and community development services for all.

5.2 Goals and Objectives

- Maintain leasing rates, on-time collections and other benchmarks for on-going programs at a rate equal to or above generally accepted standards.
- Improve communication between YCH and residents.
- Develop and implement a quarterly orientation for new tenants.
- Continue to improve the Public Housing Assessment System (PHAS) score.
- Continue to train staff on the new rule of Asset Management.
- Create vacancy logs for each individual AMP to capture the vacancy and turnaround time as required in PHAS.
- Achieve and maintain a 98% lease-up in the budget year (combined between tenant-based Housing Choice Voucher (HCV) and project-based vouchers).
- Close an additional three (3) homes through the HCV Home Ownership Program in the coming year.
- Achieve High Performer status on Section 8 Management Assessment (SEMAP) score.
- Implement owner education workshops to attract potential new owners to participate in the HCV Program.
- Complete analysis of the Agency's carbon footprint and begin mitigation planning.
- Successfully complete the Capital Fund Financing Program application for debt service on the Administration building.

6.0 PHA Plan Update

- (a) **Identify specifically which plan elements have been revised since the PHA's prior plan submission.**

All elements have been revised since the last submission.

- (b) **Identify where the 5-Year and Annual Plan may be obtained by the public.**

The FY2009 Agency Plan will be available for review during the 45-day Public Hearing Notice period at Yolo County Housing's Main Office which is located at 147 West Main Street in Woodland, California.

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures**

Public Housing

Eligibility

- a. When does the PHA verify eligibility for admission to public housing?
(select all that apply)
- When families are within a certain number of being offered a unit:
(state number)
 - When families are within a certain time of being offered a unit: (state
time)
 - Other: (describe)

YCH will send a written notification of the preliminary eligibility determination to each applicant within ten (10) business days after receiving a completed application.

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- Criminal or Drug-related activity
- Rental history
- Housekeeping
- Other (describe)

Misrepresentation of information related to eligibility, including income, preferences, expenses, family composition, or rent.

c. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

d. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

e. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

Waiting List Organization

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- Community-wide list
- Sub-jurisdictional lists
- Site-based waiting lists
- Other (describe)

b. Where may interested persons apply for admission to public housing?

- PHA main administrative office
- PHA development site management office
- Other (list below)

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection the Assignment section.

1. How many site-based waiting lists will the PHA operate in the coming year? Six (6)

2. Yes No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)? If yes, how many lists?

3. Yes No: May families be on more than one list simultaneously? If yes, how many lists? Six (6)

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- PHA main administrative office
- All PHA development management offices
- Management offices at developments with site-based waiting lists
- At the development to which they would like to apply
- Other (list below)

Assignment

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- One
- Two
- Three or More

b. Yes No: Is this policy consistent across all waiting list types?

Admissions Preferences

a. Income targeting:

- Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions?
(list below)

- Emergencies
- Overhoused
- Underhoused
- Medical justification
- Administrative reasons determined by the PHA (e.g., to permit modernization work)
- Resident choice: Compliance with VAWA and for reasonable accommodation requirements
- Other: (list below)

c. Preferences

1. Yes No: Has the PHA established preferences for admission to public housing (other than date and time of application)?
2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.

2 Date and Time

Former Federal preferences:

- 1 Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

Other preferences (select all that apply)

- 1 Working families and those unable to work because of age or disability
- 1 Veterans and veterans' families
- 1 Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs

- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

Occupancy

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- The PHA-resident lease
- The PHA's Admissions and (Continued) Occupancy policy
- PHA briefing seminars or written materials
- Other source (list)

b. How often must residents notify the PHA of changes in family composition?(select all that apply)

- At an annual reexamination and lease renewal
- Any time family composition changes
- At family request for revision
- Other (list)

Deconcentration and Income Mixing

a. Yes No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. Yes No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

Adoption of site-based waiting lists
If selected, list targeted developments below:

Employing waiting list “skipping” to achieve deconcentration of poverty or income mixing goals at targeted developments
If selected, list targeted developments below:

Employing new admission preferences at targeted developments
If selected, list targeted developments below:

Other (list policies and developments targeted below)

d. Yes No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

Not applicable: results of analysis did not indicate a need for such efforts

List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

Section 8

Eligibility

a. What is the extent of screening conducted by the PHA? (select all that apply)

- Criminal or drug-related activity only to the extent required by law or regulation
- Criminal and drug-related activity, more extensively than required by law or regulation
- More general screening than criminal and drug-related activity (list factors below)
- Other (list below)

b. Yes No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

c. Yes No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

d. Yes No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

e. Indicate what kinds of information you share with prospective landlords? (select all that apply)

- Criminal or drug-related activity
- Other (describe below)

The only information that YCH will provide owners is the name and last known address of the voucher holder. The Agency will not provide any additional information to owners.

Waiting List Organization

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)

- None
 Federal public housing
 Federal moderate rehabilitation
 Federal project-based certificate program
 Other federal or local program (list below)

- b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)

- PHA main administrative office
 Other (list below)

Search Time

- a. Yes No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

The initial 60-day term has an option for two (2) 30-day extensions. A Voucher holder requesting an extension must provide YCH with a list of contacts with prospective landlords and the results of the contacts from the previous 60-day period.

As a reasonable accommodation to make the program accessible to and usable by persons with a disability, if at the end of the 120-day period, a disabled applicant has still not located a suitable unit, the voucher holder may request one (1) additional 60-day extension.

Admissions Preferences

- a. Income targeting

- Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1. Yes No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application)
2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

Section 8 participants who have been terminated due to over-leasing or lack of federal funds.

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

2 Date and Time

Former Federal preferences

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

Victims of domestic violence

Substandard housing

Homelessness

High rent burden

Other preferences (select all that apply)

- 1 Working families and those unable to work because of age or disability
- 1 Veterans and veterans’ families
- 1 Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- 1 Other preference(s) (list below)

Section 8 participants who have been terminated due to over-leasing or lack of federal funds.

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- This preference has previously been reviewed and approved by HUD
- The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

Special Purpose Section 8 Assistance Programs

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan
- Briefing sessions and written materials
- Other (list below)

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

- Through published notices
- Other (list below)

2. Financial Resources

The table below lists Yolo County Housing’s anticipated financial resources, such as PHA Operating, Capital and other anticipated Federal resources available to the Agency, as well as tenant rents and other income available to support public housing and housing choice voucher programs in Fiscal Year 2009.

Funding Source	Amount	Use
FY2009 PH Operating Fund	\$544,621	PH Oper.
FY2009 Capital Fund Program	\$1,000,964	PH Mod.
FY2008 Capital Fund Program	\$1,000,964	PH Mod.
FY2007 Capital fund Program	\$629,616	PH Mod.
Housing Choice Voucher Program	\$9,071,482	HCV Oper.
Public Housing Dwelling Rent	\$1,809,329	PH Operations
Interest	\$9,000	PH Operations
Other Income	\$59,300	PH Operations
Total	\$14,125,276	

Note: The Capital Fund amounts for FY2007 and FY2008 are the unobligated amounts as of 12/31/2008.

3. Rent Determination

Public Housing

Income Based Rent Policies

Describe the PHA’s income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions).

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

2. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1. Yes No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- For the earned income of a previously unemployed household member
- For increases in earned income
- Fixed amount (other than general rent-setting policy)
If yes, state amount/s and circumstances below:

- Fixed percentage (other than general rent-setting policy)
If yes, state percentage/s and circumstances below:

- For household heads
- For other family members
- For transportation expenses
- For the non-reimbursed medical expenses of non-disabled or non-elderly families
- Other (describe below)

e. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)
- Other (list below)

Families must report all increases in income/assets of all household members to YCH in writing.

- f. Yes No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

Flat Rents

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- The section 8 rent reasonableness study of comparable housing
- Survey of rents listed in local newspaper
- Survey of similar unassisted units in the neighborhood
- Other (list/describe below)

Section 8

Payment Standards

- a. What is the PHA's payment standard? (select the category that best describes your standard)

- At or above 90% but below 100% of FMR
- 100% of FMR (Yolo County except Davis)
- Above 100% but at or below 110% of FMR (Davis)
- Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families
- Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- Annually
- Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- Success rates of assisted families
- Rent burdens of assisted families
- Other (list below)

Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

- b. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

4. Operation and Management

PHA Management Structure

An organization chart showing Yolo County Housing’s management structure and organization is included at attachment ca044g01.

HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use “NA” to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Public Housing	431	80
Section 8 Vouchers	1,240	250
Other Federal Programs(list individually)		
Capital Fund Program	431	80

Management and Maintenance Policies

List the PHA’s public housing management and maintenance policy documents, manuals and handbooks that contain the Agency’s rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

- (1) Public Housing Maintenance and Management: (list below)

- Admissions and Continued Occupancy Policy
- Pet Policy
- Grievance Policy
- Personnel Policy
- Maintenance Policy
- Procurement Policy
- Dwelling Lease
- Community Service Policy

(2) Section 8 Management: (list below)

Administrative Plan
Informal Hearing Policy

5. Grievance Procedures

Yolo County Housing's Grievance Procedure for Public Housing is included with attachment ca044k01. YCH's Informal Hearing Procedure for the Housing Choice Voucher Program is included with attachment ca044j01.

6. Designated Housing for Elderly and Disabled Families

1. Yes No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year?

7. Community Service and Self-Sufficiency

YCH participates on several committees and coordinates the provision of services to residents and voucher recipients. She serves as the YCH liaison with the resident councils at the various sites. We also have computer labs at each public housing site providing services to resident youth and adults. Among some of the services/initiatives YCH has been involved in:

Committee Participation:

- Workforce Investment Board- One Stop Partners Committee
- Workforce Investment Board- Yolo Youth Opportunities Committee
- Homeless and Poverty Action Committee
- Bi-National Health Fair Planning Committee
- Woodland Coalition 4 Youth

Partnerships:

- Putah Creek Restoration Education in conjunction with the UC Davis John Muir Institute of the Environment
- Sierra Health Foundation Soccer Grant providing summer soccer team participation for migrant and public housing residents.
- Salvation Army and CHP Toy Drive during the holidays.
- Food Bank distribution monthly at the public housing sites.
- Senior Center events at the West Sacramento location.
- Parks and Recreation activities through the various cities.
- On-site Community Gardens
- Tai Chi and Yoga for Seniors in West Sacramento
- County Elections Polling Precinct for Winters area.
- Post job openings for residents provided by the Yolo County WIB One-Stops
- Partnered in the provision of a Foreclosure Prevention Workshop for Yolo County.
- Partnering with the City of Woodland and UC Davis on the development of an Art Instruction Center at the Woodland Public Housing site.

YCH also participates as a member of the Operational Area team for the Yolo County Office of Emergency Services in the event of a disaster.

To comply with Federal Regulations, Yolo County Housing has adopted a Community Service Requirement for those public housing residents who are able to work but are not currently employed. The Community Service Policy is included with attachment ca044i01.

8. Safety and Crime Prevention

Need for measures to ensure the safety of public housing residents

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- Residents fearful for their safety and/or the safety of their children
- Observed lower-level crime, vandalism and/or graffiti
- People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- Other (describe below)

2. What information or data did the PHA used to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- Analysis of crime statistics over time for crimes committed “in and around” public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

CA044-1 and CA044-7 (Woodland)

Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- Crime Prevention Through Environmental Design
- Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

CA044-1 and CA044-7 (Woodland)

Coordination between PHA and the police

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases
- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- Other activities (list below)

2. Which developments are most affected? (list below)

CA044-1 and CA044-7 (Woodland)

9. Pets

The Authority has adopted a Pet Policy which outlines the rules and regulations to owning a pet in public housing. The Pet Policy is included with attachment ca044h01.

10. Civil Rights

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

11. Fiscal Audit

The Fiscal Audit for the Year ended June 30, 2007 is attached to the Agency Plan as attachment ca044l01. The Fiscal Audit for the Year ended June 30, 2008 is in the process of being completed.

12. Asset Management

- Yes No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock, including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?

What types of asset management activities will the PHA undertake? (select all that apply)

- Not applicable
- Private management
- Development-based accounting
- Comprehensive stock assessment
- Other: (list below)

13. Violence Against Women Act

Yolo County Housing is striving to fully comply with all requirements of the Violence Against Women Act (VAWA).

First, admission will not be denied to an applicant who has been a victim of domestic violence, dating violence, or stalking. The applicant must comply with all other admission requirements.

Next, housing assistance will not be terminated to a victim of domestic violence, dating violence, or stalking based solely on an incident or threat of such activity. The agency still retains the right to terminate assistance for criminal activity or other good cause.

Lastly, all information provided by an applicant or tenant regarding VAWA will be held in strict confidence and will not be shared with any other parties, unless required by law.

At this time, the agency does not intend to put a victim of domestic violence admissions preference in place in either program. The Executive Director will periodically review the need for such preference and may add an admissions preference for victim of domestic violence if a need is determined.

All applicants are notified of their rights under the Violence Against Women Act during the application process and at recertification.

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

(a) Hope VI or Mixed Finance Modernization or Development

Yes No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)

b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:

2. Development (project) number:

3. Status of grant: (select the statement that best describes the current status)

- Revitalization Plan under development
- Revitalization Plan submitted, pending approval
- Revitalization Plan approved
- Activities pursuant to an approved Revitalization Plan underway

Yes No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?

If yes, list development name/s below:

Yes No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?

If yes, list developments or activities below:

Yes No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?

If yes, list developments or activities below:

(b) Demolition and/or Disposition

Yes No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year?

(c) Conversion of Public Housing

Yes No: Have any of the PHA's developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act?

(d) Homeownership

Public Housing

Yes No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4).

Section 8 Tenant Based Assistance

Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982?

Program Description:

a. Size of Program

Yes No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- 25 or fewer participants
- 26 - 50 participants
- 51 to 100 participants
- more than 100 participants

b. PHA-established eligibility criteria

Yes No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?

If yes, list criteria below:

- The family has had no family caused violations of Housing Quality Standards within the previous year.
- The family is not within the initial one-year period of a HAP Contract.
- The family does not owe money to Yolo County Housing.
- The family has not committed any serious or repeated violations of a Yolo County Housing assisted lease within the past year.

(e) Project-Based Vouchers

To expand the availability of affordable housing in Yolo County, YCH is planning to use project-based vouchers in the upcoming fiscal year. The current Annual Contributions Contract with HUD allows YCH to use up to 20% of its voucher program budget authority to attach funding to specific units rather than using it for tenant-based assistance. Based on current projections, YCH would use approximately 10% of the budget authority for project-based vouchers. This would equate to about fifty (50) units. While no specific locations have been determined at this time, the units are expected to be located outside of areas of poverty. The implementation of project-based vouchers is consistent with the Agency Plan because it will help to increase the quality of affordable housing and expand housing opportunities to low-income families in Yolo County.

8.0 Capital Improvements

8.1 Capital Fund Annual Statement/Performance and Evaluation Report

See attachments:

- ca044b01 – FY2009 CFP Annual Statement
- ca044d01 – FY2008 CFP Performance and Evaluation Report
- ca044e01 – FY2007 CFP Performance and Evaluation Report
- ca044f01 – FY2006 CFP Performance and Evaluation Report

8.2 Capital Fund Program Five-Year Plan

See attachment:

- ca044c01 – FY2009-2013 CFP Five-Year Plan

8.3 Capital Fund Financing Program (CFFP)

Yolo County Housing has submitted a request to HUD to use the Capital Fund Financing Program. The amount of the debt repayment is included in the Capital Fund Annual Statement for FY2009. (see above)

9.0 Housing Needs

Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the “Overall” Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being “no impact” and 5 being “severe impact.” Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Income <= 30% of AMI	6,239	5	5	5	3	4	4
Income >30% but <=50% of AMI	4,677	4	4	4	3	3	3
Income >50% but <80% of AMI	3,715	3	3	3	3	2	3
Elderly	1,446	3	3	3	4	2	3
Families with Disabilities	2,512	3	4	4	5	4	4
White	8,061	3	3	3	3	3	3
Black	465	3	3	3	3	3	3
Hispanic	4,219	3	3	3	3	3	3
Native American	159	3	3	3	3	3	3
Asian	2,484	3	3	3	3	3	3
Pacific Islander	94	3	3	3	3	3	3

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s
Indicate year:
- U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset
- American Housing Survey data
Indicate year:
- Other housing market study
Indicate year:
- Other sources: (list and indicate year of information)

9.1 Strategy for Addressing Housing Needs

Strategies

Need: Shortage of affordable housing for all eligible populations

Strategy 1: Maximize the number of affordable units available to the PHA within its current resources by:

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration

Strategy 2: Increase the number of affordable housing units by:

- Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance.

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

- Maintain housing that is designated for elderly occupants.

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- Affirmatively market to local non-profit agencies that assist families with disabilities

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs

Strategy 2: Conduct activities to affirmatively further fair housing

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units

Reasons for Selecting Strategies

- Funding constraints
- Staffing constraints
- Influence of the housing market on PHA programs

10.0 Additional Information

(a) Progress in Meeting Goals and Objectives

Properties in YCH's portfolio are leased at an average rate of 98.7%.

As of 12/2008, all Vouchers in the Voucher Program were fully subscribed.

YCH entered into a Memorandum of Understanding with Yolo County Alcohol, Drug, and Mental Health Department for Mental Health Services Act funds. Those funds were used to purchase two (2) four bedroom homes which will be used as independent living for mental health clients.

Construction was completed at Cesar Chavez Plaza and the units were leased.

YCH entered into a contract to outline carbon usage by the agency. Use was benchmarked to 2006 in order to begin systematic reduction of the carbon footprint.

YCH restructured Administration and Finance operations to become more efficient.

(b) Significant Amendment and Substantial Deviation/Modification

Substantial Deviation from the 5-year Plan:

A "Substantial Deviation" from the 5-Year Plan is an overall change in the direction of the Authority pertaining to the Authority's Goals and Objectives. This includes changing the Authority's Goals and Objectives.

Significant Amendment or Modification to the Annual Plan:

A "Significant Amendment or Modification" to the Annual Plan is a change in a policy or policies pertaining to the operation of the Authority. This includes the following:

- Changes to rent or admissions policies or organization of the waiting list.
- Additions of non-emergency work items in excess of 10% of total Capital Fund Program budget (items not included in the current Annual Statement or 5-Year Action Plan) or change in use of replacement reserve funds under the Capital Fund.
- Any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.

(c) Memorandum of Agreement

Yolo County Housing has entered into a Memorandum of Agreement (MOA) with HUD. YCH is in the process of addressing all items covered in the MOA.

Part I: Summary						
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450109 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2009 FFY of Grant Approval: 2009	
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	\$149,616.00				
3	1408 Management Improvements	\$128,614.00				
4	1410 Administration (may not exceed 10% of line 21)	\$100,384.00				
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs	\$30,000.00				
8	1440 Site Acquisition					
9	1450 Site Improvement	\$31,320.00				
10	1460 Dwelling Structures	\$382,530.00				
11	1465.1 Dwelling Equipment - Nonexpendable	\$38,500.00				
12	1470 Nondwelling Structures					
13	1475 Nondwelling Equipment	\$40,000.00				
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	\$100,000.00				
18b	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 line 2- 19)	\$1,000,964.00				
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					

Part I: Summary					
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450109 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2009 FFY of Grant Approval: 2009
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
25	Amount of Line 20 Related to Energy Conservation Measures				
	Signature of Executive Director	Date		Signature of Public Housing Director	Date

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.

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450109 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Operations</u>							
PHA-Wide	Operations	1406	LS	\$149,616.00				
	Subtotal 1406			\$149,616.00				
	<u>Management Improvements</u>							
PHA-Wide	Resident Services Coordinator	1408	1	\$67,570.00				
PHA-Wide	Resident Services Coordinator Assistant	1408	1	\$22,544.00				
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$10,000.00				
PHA-Wide	Resident Training	1408	LS	\$10,000.00				
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$5,000.00				
PHA-Wide	Update Utility Allowances	1408	LS	\$3,500.00				
PHA-Wide	Update Computer software and training(which includes PHAS, staff training, and microfiche files)	1408	LS	\$10,000.00				
	Subtotal 1408			\$128,614.00				

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450109 CFFP (Yes/No): Replacement Housing Factor Grant No:			Federal FY of Grant: 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Administration</u>							
PHA-Wide	Facilities Manager (60% + 31% fringe benefits)	1410	LS	\$61,390.00				
PHA-Wide	Executive Director (12% + 20% fringe benefits)	1410	LS	\$20,404.00				
PHA-Wide	Finance Manager (12% + 20% fringe benefits)	1410	LS	\$12,212.00				
PHA-Wide	Senior Accountant (5% + 21% fringe benefits)	1410	LS	\$3,574.00				
PHA-Wide	Accounting Technician (5% + 21% fringe benefits)	1410	LS	\$2,804.00				
	Subtotal 1410			\$100,384.00				
	<u>Fees and Costs</u>							
PHA-Wide	A&E Design Fee	1430	LS	\$25,000.00				
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00				
	Subtotal 1430			\$30,000.00				

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450109 CFFP (Yes/No): Replacement Housing Factor Grant No:			Federal FY of Grant: 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Site Improvements</u>							
AMP 1 (CA044-01)	Install security lighting at rear of development	1450	LS	\$6,320.00				
AMP 2 (CA044-02)	Sewer lift system upgrades	1450	LS	\$6,250.00				
AMP 2 (CA044-08)	Sewer lift system upgrades	1450	LS	\$6,250.00				
AMP 2 (CA044-18)	Sewer lift system upgrades	1450	LS	\$6,250.00				
AMP 2 (CA044-25)	Sewer lift system upgrades	1450	LS	\$6,250.00				
	Subtotal 1430			\$31,320.00				
	<u>Dwelling Structures</u>							
PHA-Wide	Replace water heaters	1460	30	\$10,000.00				
AMP 3 (CA044-15)	Remove and replace roofing	1460	LS	\$202,530.00				
AMP 3 (CA044-15)	Install new HVAC systems	1460	48	\$170,000.00				
	Subtotal 1460			\$382,530.00				

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450109 CFFP (Yes/No): Replacement Housing Factor Grant No:			Federal FY of Grant: 2009		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Dwelling Equipment</u>							
PHA-Wide	Replace stoves	1465.1	50	\$16,000.00				
PHA-Wide	Replace refrigerators	1465.1	50	\$22,500.00				
	Subtotal 1465.1			\$38,500.00				
	<u>Non-Dwelling Equipment</u>							
PHA-Wide	Computer and equipment upgrades	1475	LS	\$5,000.00				
PHA-Wide	Purchase maintenance tools	1475	1	\$5,000.00				
PHA-Wide	Purchase maintenance truck w/ tool box	1475	1	\$30,000.00				
	Subtotal 1475			\$40,000.00				
	<u>Collateralization or Debt Service</u>							
PHA-Wide	Debt Service	1501	LS	\$100,000.00				
	Subtotal 1501			\$100,000.00				
	Total CFP			\$1,000,964.00				

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

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Yolo County Housing					Federal FFY of Grant: 2009
Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

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
Expires 4/30/2011

Part I: Summary						
PHA Name/Number: Yolo County Housing/CA044			Locality (Woodland/Davis Co., 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 2009	Work Statement for Year 2 FFY 2010	Work Statement for Year 3 FFY 2011	Work Statement for Year 4 FFY 2012	Work Statement for Year 5 FFY 2013
B.	Physical Improvements Subtotal	Annual Statement	\$429,467.00	\$495,335.00	\$495,335.00	\$615,335.00
C.	Management Improvements		\$128,614.00	\$128,614.00	\$128,614.00	\$128,614.00
D.	PHA-Wide Non-dwelling Structures and Equipment		\$65,868.00	\$0.00	\$105,000.00	\$0.00
E.	Administration		\$100,384.00	\$100,384.00	\$100,384.00	\$100,384.00
F.	Other		\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
G.	Operations		\$146,631.00	\$146,631.00	\$41,631.00	\$26,631.00
H.	Demolition		\$0.00	\$0.00	\$0.00	\$0.00
I.	Development		\$0.00	\$0.00	\$0.00	\$0.00
J.	Capital Fund Financing – Debt Service		\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
K.	Total CFP Funds		\$1,000,964.00	\$1,000,964.00	\$1,000,964.00	\$1,000,964.00
L.	Total Non-CFP Funds		\$0.00	\$0.00	\$0.00	\$0.00
M.	Grand Total		\$1,000,964.00	\$1,000,964.00	\$1,000,964.00	\$1,000,964.00

Capital Fund Program—Five-Year Action Plan

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

Part I: Summary (Continuation)						
PHA Name/Number: Yolo County Housing/CA044		Locality (Woodland/Yolo Co., 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 2009	Work Statement for Year 2 FFY 2010	Work Statement for Year 3 FFY 2011	Work Statement for Year 4 FFY 2012	Work Statement for Year 5 FFY 2013
	PHA-Wide	Annual Statement	\$609,997.00	\$554,129.00	\$554,129.00	\$434,129.00
	CA044001 Yolano Homes		\$0.00	\$240,835.00	\$151,835.00	\$131,135.00
	CA044002 El Rio Villa I		\$145,967.00	\$0.00	\$0.00	\$0.00
	CA044004 Vista Montecito		\$0.00	\$65,000.00	\$0.00	\$0.00
	CA044005 Ridge Cut Homes		\$0.00	\$41,000.00	\$0.00	\$0.00
	CA044006 Yolito		\$0.00	\$0.00	\$0.00	\$0.00
	CA044007 Donnelly Circle		\$60,000.00	\$0.00	\$295,000.00	\$82,500.00
	CA044008 El Rio Villa II		\$6,250.00	\$0.00	\$0.00	\$0.00
	CA044015 Riverbend Sr. Manor I		\$66,250.00	\$100,000.00	\$0.00	\$87,500.00
	CA044017 Riverbend Sr. Manor II		\$100,000.00	\$0.00	\$0.00	\$60,700.00
	CA044018 El Rio Villa III		\$6,250.00	\$0.00	\$0.00	\$130,000.00
	CA044025 El Rio Villa IV		\$6,250.00	\$0.00	\$0.00	\$75,000.00
	CA044028 Las Casitas		\$0.00	\$0.00	\$0.00	\$0.00

Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2009	Work Statement for Year 2 FFY 2010			Work Statement for Year 3 FFY 2011		
	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost	Development Number/Name General Description of Major Work Categories	Quantity	Estimated Cost
	<u>Operations/PHA-Wide</u>			<u>Operations/PHA-Wide</u>		
	Operations	LS	\$146,631.00	Operations	LS	\$146,631.00
	Subtotal 1406		\$146,631.00	Subtotal 1406		\$146,631.00
See						
Annual Statement	<u>Management Improvements/PHA-Wide</u>			<u>Management Improvements/PHA-Wide</u>		
	Resident Initiatives Coordinator	1	\$67,570.00	Resident Initiatives Coordinator	1	\$67,570.00
	Resident Initiatives Assistant	1	\$22,544.00	Resident Initiatives Assistant	1	\$22,544.00
	PHA Staff/Commissioner Training	LS	\$10,000.00	PHA Staff/Commissioner Training	LS	\$10,000.00
	Resident Training	LS	\$10,000.00	Resident Training	LS	\$10,000.00
	Five Year Agency Plan Development	LS	\$5,000.00	Five Year Agency Plan Development	LS	\$5,000.00
	Update Utility Allowances	LS	\$3,500.00	Update Utility Allowances	LS	\$3,500.00
	Update Computer Software and Training	LS	\$10,000.00	Update Computer Software and Training	LS	\$10,000.00
	Subtotal 1408		\$128,614.00	Subtotal 1408		\$128,614.00
	<u>Administration/PHA-Wide</u>			<u>Administration/PHA-Wide</u>		
	Facilities Manager (60% + 31% Fringe Ben.)	1	\$61,390.00	Facilities Manager (60% + 31% Fringe Ben.)	1	\$61,390.00
	Executive Director (12% + 20% Fringe Ben.)	1	\$20,404.00	Executive Director (12% + 20% Fringe Ben.)	1	\$20,404.00
	Finance Director (12% + 20% Fringe Ben.)	1	\$12,212.00	Finance Director (12% + 20% Fringe Ben.)	1	\$12,212.00
	Senior Accountant (5% + 21% Fringe Ben.)	1	\$3,574.00	Senior Accountant (5% + 21% Fringe Ben.)	1	\$3,574.00
	Accounting Tech. (5% +21% Fringe Ben.)	1	\$2,804.00	Accounting Tech. (5% +21% Fringe Ben.)	1	\$2,804.00
	Subtotal 1410		\$100,384.00	Subtotal 1410		\$100,384.00
	<u>Fees and Costs/PHA-Wide</u>			<u>Fees and Costs/PHA-Wide</u>		
	A and E Fees		\$25,000.00	A and E Fees		\$25,000.00
	Capital Fund Program Update Fee		\$5,000.00	Capital Fund Program Update Fee		\$5,000.00
	Subtotal 1430		\$30,000.00	Subtotal 1430		\$30,000.00
	Subtotal of Estimated Cost		\$405,629.00	Subtotal of Estimated Cost		\$405,629.00

Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2009	Work Statement for Year 2 FFY 2010			Work Statement for Year 3 FFY 2011		
	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						
Annual Statement	Site Improvements			Dwelling Structures		
	AMP 2(CA044-2 El Rio Villa I)			PHA-Wide		
	Upgrade sewer lift system	LS	\$6,250.00	Replace water heaters	30	\$10,000.00
	Upgrade existing well system	LS	\$25,000.00	AMP 2(CA044-4 Vista Montecito)		
	AMP 1(CA044-7 Donnelly Circle)			Install new energy saving windows	16	\$40,000.00
	Upgrade water and sewer lines	LS	\$60,000.00	Install new security screens on windows	16	\$25,000.00
	AMP 2(CA044-8 El Rio Villa II)			AMP 1(CA044-5 Ridge Cut Homes)		
	Upgrade sewer lift system	LS	\$6,250.00	Install new energy saving windows	10	\$25,000.00
	AMP 3(CA044-15 Riverbend Senior Manor I)			Install new security screens on windows	10	\$16,000.00
	Install above ground water faucets	LS	\$1,800.00	AMP 3(CA044-15 Riverbend Senior Manor I)		
	Install plants along fence line	LS	\$5,000.00	Install new energy saving windows	48	\$100,000.00
	Install 5' X 68' wheelchair ramp and railing at parking lot	325 SF	\$3,250.00	AMP 1(CA044-1 Yolano Homes)		
	Install 5' X 325' LF sidewalk to adjoining development	1,625 SF	\$11,375.00	Install new energy saving windows	60	\$150,000.00
	Install precast barbeque pits on existing slabs	2 ea	\$1,113.00	Install new security screens on windows	60	\$90,835.00
	Install 38' X 33' canopy roof over existing slab	1,254 SF	\$23,030.00	Subtotal 1460		\$456,835.00
	Remove and replace low section of sidewalk at multi-purpose room	100 SF	\$1,000.00			
	Pressure wash, prime, and paint canopy covers over sidewalks	10,755 SF	\$6,238.00	Dwelling Equipment/PHA-Wide		
	Etch sidewalks under canopies and apply non-skid costing	10,755 SF	\$13,444.00	Replace stoves	50	\$16,000.00
	AMP 2(CA044-18 El Rio Villa III)			Replace refrigerators	50	\$22,500.00
	Upgrade sewer lift system	LS	\$6,250.00	Subtotal 1465.1		\$38,500.00
	AMP 2(CA044-25 El Rio Villa IV)					
	Upgrade sewer lift system	LS	\$6,250.00			
	Subtotal 1450		\$176,250.00			
	Subtotal of Estimated Cost		\$176,250.00	Subtotal of Estimated Cost		\$495,335.00

Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2009	Work Statement for Year 2 FFY 2010			Work Statement for Year 3 FFY 2011		
	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						
Annual Statement	<u>Dwelling Structures</u>			<u>Collateralization of Debt Service/PHA-Wide</u>		
	AMP 3(CA044-17 Riverbend Manor II)			Repayment of CFFP		\$100,000.00
	Replace HVAC systems	25 each	\$100,000.00	Subtotal 1501		\$100,000.00
	AMP 2(CA044-2 El Rio Villa I)					
	Install new energy efficient windows	30 units	\$69,717.00			
	Install new security screens on windows	30 units	\$45,000.00			
	Subtotal 1460		\$214,717.00			
	<u>Dwelling Equipment/PHA-Wide</u>					
	Replace stoves	50 ea	\$16,000.00			
	Replace refrigerators	50 ea	\$22,500.00			
	Subtotal 1465.1		\$38,500.00			
	<u>Non-Dwelling Equipment/PHA-Wide</u>					
	Computer equipment upgrades	LS	\$5,000.00			
	Purchase maintenance tools	LS	\$5,000.00			
	Purchase ¾ ton maint. truck with tool box	1	\$30,000.00			
	Purchase dump trailer for maintenance	1	\$25,868.00			
	Subtotal 1475		\$65,868.00			
	<u>Collateralization of Debt Service/PHA-Wide</u>					
	Repayment of CFFP		\$100,000.00			
	Subtotal 1501		\$100,000.00			
	Subtotal of Estimated Cost		\$419,085.00	Subtotal of Estimated Cost		\$100,000.00

Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2009	Work Statement for Year 4 FFY 2012			Work Statement for Year 5 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
	<u>Operations/PHA-Wide</u>			<u>Operations/PHA-Wide</u>		
	Operations	LS	\$41,631.00	Operations	LS	\$26,631.00
	Subtotal 1406		\$41,631.00	Subtotal 1406		\$26,631.00
See						
Annual Statement	<u>Management Improvements/PHA-Wide</u>			<u>Management Improvements/PHA-Wide</u>		
	Resident Initiatives Coordinator	1	\$67,570.00	Resident Initiatives Coordinator	1	\$67,570.00
	Resident Initiatives Assistant	1	\$22,544.00	Resident Initiatives Assistant	1	\$22,544.00
	PHA Staff/Commissioner Training	LS	\$10,000.00	PHA Staff/Commissioner Training	LS	\$10,000.00
	Resident Training	LS	\$10,000.00	Resident Training	LS	\$10,000.00
	Five Year Agency Plan Development	LS	\$5,000.00	Five Year Agency Plan Development	LS	\$5,000.00
	Update Utility Allowances	LS	\$3,500.00	Update Utility Allowances	LS	\$3,500.00
	Update Computer Software and Training	LS	\$10,000.00	Update Computer Software and Training	LS	\$10,000.00
	Subtotal 1408		\$128,614.00	Subtotal 1408		\$128,614.00
	<u>Administration/PHA-Wide</u>			<u>Administration/PHA-Wide</u>		
	Facilities Manager (60% + 31% Fringe Ben.)	1	\$61,390.00	Facilities Manager (60% + 31% Fringe Ben.)	1	\$61,390.00
	Executive Director (12% + 20% Fringe Ben.)	1	\$20,404.00	Executive Director (12% + 20% Fringe Ben.)	1	\$20,404.00
	Finance Director (12% + 20% Fringe Ben.)	1	\$12,212.00	Finance Director (12% + 20% Fringe Ben.)	1	\$12,212.00
	Senior Accountant (5% + 21% Fringe Ben.)	1	\$3,574.00	Senior Accountant (5% + 21% Fringe Ben.)	1	\$3,574.00
	Accounting Tech. (5% +21% Fringe Ben.)	1	\$2,804.00	Accounting Tech. (5% +21% Fringe Ben.)	1	\$2,804.00
	Subtotal 1410		\$100,384.00	Subtotal 1410		\$100,384.00
	<u>Fees and Costs/PHA-Wide</u>			<u>Fees and Costs/PHA-Wide</u>		
	A and E Fees		\$25,000.00	A and E Fees		\$25,000.00
	Capital Fund Program Update Fee		\$5,000.00	Capital Fund Program Update Fee		\$5,000.00
	Subtotal 1430		\$30,000.00	Subtotal 1430		\$30,000.00
	Subtotal of Estimated Cost		\$300,629.00	Subtotal of Estimated Cost		\$285,629.00

Part II: Supporting Pages – Physical Needs Work Statement(s)						
Work Statement for Year 1 FFY 2009	Work Statement for Year 4 FFY 2012			Work Statement for Year 5 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						
Annual Statement	<u>Dwelling Structures</u>			<u>Site Improvements</u>		
	PHA-Wide			AMP 1(CA044-7 Donnelly Circle)		
	Replace water heaters	30	\$10,000.00	Install new playground	LS	\$82,500.00
	AMP 1(CA044-7 Donnelly Circle)			AMP 3 (CA044-15 Riverbend Manor I)		
	Install new energy saving windows	72	\$180,000.00	Install drainage system to correct standing water	LS	\$7,500.00
	Install new security screens on windows	72	\$115,000.00	Resurface parking area	LS	\$30,000.00
	AMP 1(CA044-1 Yolano Homes)			Subtotal 1450		\$120,000.00
	Replace HVAC systems (Phase 1)	40	\$151,835.00			
	Subtotal 1460		\$456,835.00	<u>Dwelling Structures</u>		
				PHA-Wide		
	<u>Dwelling Equipment/PHA-Wide</u>			Replace water heaters	30	\$10,000.00
	Replace stoves	50	\$16,000.00	AMP 1(CA044-1 Yolano Homes)		
	Replace refrigerators	50	\$22,500.00	Replace HVAC systems (Phase 2)	20	\$104,335.00
				Paint building exteriors (Phase 1)	6	\$26,800.00
	Subtotal 1465.1		\$38,500.00	AMP 3(CA044-15 Riverbend Senior Manor I)		
				Paint building exteriors	5	\$50,000.00
	<u>Non-Dwelling Equipment/COCC</u>			AMP 3(CA044-17 Riverbend Senior Manor II)		
	Install generator at Central Office	LS	\$80,000.00	Install new energy saving windows	25	\$55,000.00
	Install cable access in Central Office	50	\$25,000.00	Repair meter enclosures	5	\$5,700.00
	Subtotal 1470		\$105,000.00	AMP 2(CA044-018 El Rio Villa III)		
				Install new energy saving windows	51	\$130,000.00
				AMP 2(CA044-025 El Rio Villa IV)		
				Install new energy saving windows	18	\$45,000.00
				Install new security screens on windows	18	\$30,000.00
				Subtotal 1460		\$456,835.00
	Subtotal of Estimated Cost		\$600,335.00	Subtotal of Estimated Cost		\$576,835.00

Part I: Summary						
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450108 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2008 FFY of Grant Approval: 2008	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/08 <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	\$100,964.00		\$0.00	\$0.00	
3	1408 Management Improvements	\$151,614.00		\$0.00	\$0.00	
4	1410 Administration (may not exceed 10% of line 21)	\$97,015.00		0.00	0.00	
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs	\$30,000.00		\$0.00	\$0.00	
8	1440 Site Acquisition					
9	1450 Site Improvement	\$71,000.00		\$0.00	\$0.00	
10	1460 Dwelling Structures	\$112,871.00		\$0.00	\$0.00	
11	1465.1 Dwelling Equipment - Nonexpendable	\$38,500.00		\$0.00	\$0.00	
12	1470 Nondwelling Structures					
13	1475 Nondwelling Equipment	\$249,000.00		\$0.00	\$0.00	
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	\$150,000.00				
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment			\$0.00	\$0.00	
19	1502 Contingency (may not exceed 8% of line 20)			\$0.00	\$0.00	
20	Amount of Annual Grant: (sum of line 2- 19)	\$1,000,964.00		\$0.00	\$0.00	
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					

Part I: Summary					
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450108 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2008 FFY of Grant Approval: 2008
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/08 <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
25	Amount of Line 20 Related to Energy Conservation Measures				
	Signature of Executive Director	Date	Signature of Public Housing Director	Date	

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 undr 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450108 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	Operations							
PHA-Wide	Operations	1406	LS	\$100,964.00		\$0.00	\$0.00	
	Subtotal 1406			\$100,964.00		\$0.00	\$0.00	
	Management Improvements							
PHA-Wide	Resident Services Coordinator	1408	1	\$67,570.00		\$0.00	\$0.00	
PHA-Wide	Resident Services Coordinator Assistant	1408	1	\$22,544.00		\$0.00	\$0.00	
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$10,000.00		\$0.00	\$0.00	
PHA-Wide	Resident Training	1408	LS	\$9,000.00		\$0.00	\$0.00	
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$5,000.00		\$0.00	\$0.00	
PHA-Wide	Energy Audit	1408	LS	\$7,500.00		\$0.00	\$0.00	
PHA-Wide	Physical Needs/504/Lift Station Assessment	1408	LS	\$15,000.00		\$0.00	\$0.00	
PHA-Wide	Update Utility Allowances	1408	LS	\$5,000.00		\$0.00	\$0.00	
PHA-Wide	Update Computer software and training(which includes PHAS, staff training, and microfiche files)	1408	LS	\$10,000.00		\$0.00	\$0.00	
	Subtotal 1408			\$151,614.00		\$0.00	\$0.00	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450108 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Administration</u>							
PHA-Wide	Facilities Manager	1410	LS	\$66,457.00		\$0.00	\$0.00	
PHA-Wide	Executive Director	1410	LS	\$11,955.00		\$0.00	\$0.00	
PHA-Wide	Finance Manager	1410	LS	\$10,925.00		\$0.00	\$0.00	
PHA-Wide	Accounting Technician	1410	LS	\$3,839.00		\$0.00	\$0.00	
PHA-Wide	Accounting Clerk II	1410	LS	\$3,839.00		\$0.00	\$0.00	
	Subtotal 1410			\$97,015.00		\$0.00	\$0.00	
	<u>Fees and Costs</u>							
PHA-Wide	A&E Design Fee	1430	LS	\$25,000.00		\$0.00	\$0.00	
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00		\$0.00	\$0.00	
	Subtotal 1430			\$30,000.00		\$0.00	\$0.00	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450108 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Site Improvements</u>							
El Rio Villa I, II, III and IV	Lift station upgrades and sewer jetting at Winters	1450	LS	\$36000.00		\$0.00	\$0.00	
PHA-Wide	Trim trees overhanging units	1450	LS	\$35,000.00		\$0.00	\$0.00	
	Subtotal 1430			\$71,000.00		\$0.00	\$0.00	
	<u>Dwelling Structures</u>							
PHA-Wide	Replace water heaters	1460	30	\$10,000.00		\$0.00	\$0.00	
CA044-2	Abate-Remove-Replace roofs, repair wood damage, install continuous ridge vents, and install insulation in attic	1460	6 bldgs.	\$102,871.00		\$0.00	\$0.00	
	Subtotal 1460			\$112,871.00		\$0.00	\$0.00	
	<u>Dwelling Equipment</u>							
PHA-Wide	Replace stoves	1465.1	50	\$16,000.00				
PHA-Wide	Replace refrigerators	1465.1	50	\$22,500.00				
	Subtotal 1465.1			\$38,500.00		\$0.00	\$0.00	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450108 CFFP (Yes/No): Replacement Housing Factor Grant No:			Federal FY of Grant: 2008		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Non-Dwelling Equipment</u>							
PHA-Wide	Computer and equipment upgrades	1475	LS	\$5,000.00		\$0.00	\$0.00	
PHA-Wide	Purchase sewer jetting equipment	1475	LS	\$45,000.00		\$0.00	\$0.00	
PHA-Wide	Purchase maintenance tools	1475	1	\$5,000.00		\$0.00	\$0.00	
PHA-Wide	Purchase maintenance truck w/ tool box	1475	1	\$30,000.00		\$0.00	\$0.00	
PHA-Wide	Purchase and install backup generator	1475	1	\$80,000.00		\$0.00	\$0.00	
PHA-Wide	Repaint water storage tank	1475	LS	\$2,000.00		\$0.00	\$0.00	
PHA-Wide	Purchase and install backup generator	1475	1	\$80,000.00		\$0.00	\$0.00	
PHA-Wide	Repaint water storage tank	1475	LS	\$2,000.00		\$0.00	\$0.00	
	Subtotal 1475			\$249,000.00		\$0.00	\$0.00	
	<u>Collateralization or Debt Service</u>							
PHA-Wide	Debt Service	1501	LS	\$150,000.00		\$0.00	\$0.00	
	Subtotal 9000			\$150,000.00		\$0.00	\$0.00	
	Total CFP			\$1,000,964.00		\$0.00	\$0.00	

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

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Yolo County Housing					Federal FFY of Grant: 2008
Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

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.

Part I: Summary					
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450107 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2007 FFY of Grant Approval: 2007
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/08 <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	\$97,015.00		\$97,015.00	\$97,015.00
3	1408 Management Improvements	\$158,614.00		\$158,614.00	\$45,557.18
4	1410 Administration (may not exceed 10% of line 21)	\$97,015.00		\$97,015.00	\$66,337.52
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	\$35,000.00		\$1,400.00	\$1,400.00
8	1440 Site Acquisition				
9	1450 Site Improvement	\$105,000.00		\$0.00	\$0.00
10	1460 Dwelling Structures	\$183,670.00		\$0.00	\$0.00
11	1465.1 Dwelling Equipment - Nonexpendable	\$38,500.00		\$3,042.74	\$3,042.74
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment	\$45,000.00		\$35,688.54	\$35,688.54
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				
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$205,019.00		\$0.00	\$0.00
19	1502 Contingency (may not exceed 8% of line 20)	\$57,559.00		\$0.00	\$0.00
20	Amount of Annual Grant: (sum of line 2- 19)	\$1,022,392.00		\$392,775.28	\$249,040.98
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				

Part I: Summary						
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450107 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2007 FFY of Grant Approval: 2007	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/08 <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	
25	Amount of Line 20 Related to Energy Conservation Measures					
Signature of Executive Director		Date		Signature of Public Housing Director		
				Date		

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 undr 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450107 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	Operations							
PHA-Wide	Operations	1406	LS	\$97,015.00		\$97,015.00	\$97,015.00	
	Subtotal 1406			\$97,015.00		\$97,015.00	\$97,015.00	
	Management Improvements							
PHA-Wide	Resident Services Coordinator	1408	1	\$67,570.00		\$67,570.00		
PHA-Wide	Resident Services Coordinator Assistant	1408	1	\$22,544.00		\$22,544.00		
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$8,000.00		\$8,000.00		
PHA-Wide	Resident Training	1408	LS	\$8,000.00		\$8,000.00		
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$5,000.00		\$5,000.00		
PHA-Wide	Energy Audit	1408	LS	\$7,500.00		\$7,500.00		
PHA-Wide	Physical Needs/504/Lift Station Assessment	1408	LS	\$15,000.00		\$15,000.00		
PHA-Wide	Update Utility Allowances	1408	LS	\$5,000.00		\$5,000.00		
PHA-Wide	Resident Initiatives/Entrepreneurship Program	1408	LS	\$10,000.00		\$10,000.00		
	(Continued on next page)							

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450107 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
PHA-Wide	Update Computer software and training(which includes PHAS, staff training, and microfiche files)	1408	LS	\$10,000.00		\$10,000.00		
	Subtotal 1408			\$158,614.00		\$158,614.00	\$45,557.18	
	<u>Administration</u>							
PHA-Wide	Facilities Manager	1410	LS	\$66,457.00		\$66,457.00		
PHA-Wide	Executive Director	1410	LS	\$11,955.00		\$11,955.00		
PHA-Wide	Finance Manager	1410	LS	\$10,925.00		\$10,925.00		
PHA-Wide	Accounting Technician	1410	LS	\$3,839.00		\$3,839.00		
PHA-Wide	Accounting Clerk II	1410	LS	\$3,839.00		\$3,839.00		
	Subtotal 1410			\$97,015.00		\$97,015.00	\$66,337.52	
	<u>Fees and Costs</u>							
PHA-Wide	A&E Design Fee	1430	LS	\$25,000.00				
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$5,000.00				
	Subtotal 1430			\$30,000.00		\$1,400.00	\$1,400.00	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450107 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Site Improvements</u>							
El Rio Villa I, II, III and IV	Lift station upgrades and sewer jetting at Winters	1450	LS	\$35,000.00		\$0.00	\$0.00	
PHA-Wide	Trim trees overhanging units	1450	LS	\$70,000.00		\$0.00	\$0.00	
	Subtotal 1430			\$105,000.00		\$0.00	\$0.00	
	<u>Dwelling Structures</u>							
PHA-Wide	Replace water heaters	1460	30	\$8,670.00		\$0.00	\$0.00	
CA044-2	Abate-Remove-Replace roofs, repair wood damage, install continuous ridge vents, and install insulation in attic	1460	15 bldgs.	\$160,000.00		\$0.00	\$0.00	
CA044-15	Replace 20gal. domestic water holding tank	1460	1	\$10,000.00		\$0.00	\$0.00	
CA044-15	Replace 300k BTU domestic water boiler	1460	1	\$5,000.00		\$0.00	\$0.00	
	Subtotal 1460			\$183,670.00		\$0.00	\$0.00	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450107 CFFP (Yes/No): Replacement Housing Factor Grant No:			Federal FY of Grant: 2007		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Dwelling Equipment</u>							
PHA-Wide	Replace stoves	1465.1	50	\$16,000.00				
PHA-Wide	Replace refrigerators	1465.1	50	\$22,500.00				
	Subtotal 1465.1			\$38,500.00		\$3,042.74	\$3,042.74	
	<u>Non-Dwelling Equipment</u>							
PHA-Wide	Computer and equipment upgrades	1475	LS	\$5,000.00		\$5,000.00		
PHA-Wide	Purchase maintenance tools	1475	LS	\$5,000.00		\$5,000.00		
PHA-Wide	Purchase maintenance truck w/ tool box	1475	1	\$35,000.00		\$35,000.00		
	Subtotal 1475			\$45,000.00		\$45,000.00	\$35,668.54	
	<u>Collateralization or Debt Service</u>							
PHA-Wide	Debt Service	1501	LS	\$205,019.00		\$0.00	\$0.00	
	Subtotal 9000			\$205,019.00		\$0.00	\$0.00	
	<u>Contingency</u>							
PHA-Wide	Contingency for Cost Overruns	1502	LS	\$57,559.00		\$0.00	\$0.00	
	Subtotal 1502			\$57,559.00		\$0.00	\$0.00	
	Total CFP			\$1,022,392.00		\$402,086.74	\$249,040.98	

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

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Yolo County Housing				Federal FFY of Grant: 2007	
Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

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.

Part I: Summary						
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450106 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2006 FFY of Grant Approval: 2006	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/08 <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	\$199,763.00		\$199,763.00	\$199,763.00	
3	1408 Management Improvements	\$199,763.00		\$199,763.00	\$199,763.00	
4	1410 Administration (may not exceed 10% of line 21)	\$98,254.00		\$98,254.00	\$98,254.00	
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs	\$44,279.00		\$44,279.00	\$28,013.88	
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465.1 Dwelling Equipment - Nonexpendable	\$42,000.00		\$42,000.00	\$31,060.59	
12	1470 Nondwelling Structures	\$173,165.00		\$173,165.00	\$173,164.68	
13	1475 Nondwelling Equipment	\$52,500.00		\$52,500.00	\$32,773.12	
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					
18b	9000 Collateralization or Debt Service paid Via System of Direct Payment	\$189,092.00		\$189,092.00	\$0.00	
19	1502 Contingency (may not exceed 8% of line 20)					
20	Amount of Annual Grant: (sum of line 2- 19)	\$998,816.00		\$998,816.00	\$762,792.27	
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					

Part I: Summary						
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450106 Replacement Housing Factor Grant No: Date of CFFP: _____:			FFY of Grant: 2006 FFY of Grant Approval: 2006	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: 12/31/08 <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	
25	Amount of Line 20 Related to Energy Conservation Measures					
Signature of Executive Director		Date		Signature of Public Housing Director		

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 undr 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450106 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	Operations							
PHA-Wide	Operations	1406	LS	\$199,763.00		\$199,763.00	\$199,763.00	
	Subtotal 1406			\$199,763.00		\$199,763.00	\$199,763.00	
	Management Improvements							
PHA-Wide	Resident Services Coordinator	1408	1	\$91,713.00		\$91,713.00	\$91,713.00	
PHA-Wide	Resident Services Coordinator Assistant	1408	1	\$20,000.00		\$20,000.00	\$20,000.00	
PHA-Wide	PHA Staff/Commissioner Training	1408	LS	\$0.00		\$0.00	\$0.00	
PHA-Wide	Resident Training	1408	LS	\$40,000.00		\$40,000.00	\$40,000.00	
PHA-Wide	Develop 5-Year Agency Plan/Update Policies	1408	LS	\$4,600.00		\$4,600.00	\$4,600.00	
PHA-Wide	Update Utility Allowances	1408	LS	\$3,450.00		\$3,450.00	\$3,450.00	
PHA-Wide	Resident Initiatives/Entrepreneurship Program	1408	LS	\$0.00		\$0.00	\$0.00	
PHA-Wide	Update Computer software and training(which includes PHAS, staff training, and microfiche files)	1408	LS	\$40,000.00		\$40,000.00	\$40,000.00	
	Subtotal 1408			\$199,763.00		\$199,763.00	\$199,763.00	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing			Grant Type and Number Capital Fund Program Grant No: CA30P04450106 CFFP (Yes/No): Replacement Housing Factor Grant No:			Federal FY of Grant: 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Administration</u>							
PHA-Wide	Facilities Manager	1410	LS	\$76,932.00		\$76,932.00	\$76,932.00	
PHA-Wide	Executive Director	1410	LS	\$5,300.00		\$5,300.00	\$5,300.00	
PHA-Wide	Deputy Executive Director	1410	LS	\$2,960.00		\$2,960.00	\$2,960.00	
PHA-Wide	General Services Manager	1410	LS	\$3,230.00		\$3,230.00	\$3,230.00	
PHA-Wide	Accounting Technician	1410	LS	\$4,894.00		\$4,894.00	\$4,894.00	
PHA-Wide	Accounting Clerk II	1410	LS	\$4,938.00		\$4,938.00	\$4,938.00	
	Subtotal 1410			\$98,254.00		\$98,254.00	\$98,254.00	
	<u>Fees and Costs</u>							
PHA-Wide	A&E Design Fee	1430	LS	\$12,929.00		\$12,929.00		
PHA-Wide	Capital Fund Program Update Fee	1430	LS	\$6,350.00		\$6,350.00		
PHA-Wide	Master Planning Fees	1430	LS	\$25,000.00		\$25,000.00		
	Subtotal 1430			\$44,279.00		\$44,279.00	\$28,013.88	

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

Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450106 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	<u>Dwelling Equipment</u>							
PHA-Wide	Replace stoves	1465.1	50	\$11,000.00		\$11,000.00		
PHA-Wide	Replace refrigerators	1465.1	50	\$11,000.00		\$11,000.00		
PHA-Wide	Replace existing smoke detectors (Phase 1)	1465.1	900	\$20,000.00		\$20,000.00		
	Subtotal 1465.1			\$42,000.00		\$42,000.00	\$31,060.59	
	<u>Non-Dwelling Structures</u>							
PHA-Wide	Renovations to Maintenance Warehouse at 147 West Main Street	1470	LS	\$173,165.00		\$173,165.00	\$173,164.68	
	Subtotal 1470			\$173,165.00		\$173,165.00	\$173,164.68	
	<u>Non-Dwelling Equipment</u>							
PHA-Wide	Computer and radio upgrades	1475	LS	\$16,229.00		\$16,229.00		
PHA-Wide	Purchase maintenance tools	1475	LS	\$5,000.00		\$5,000.00		
PHA-Wide	Purchase maintenance truck with utility bed	1475	1	\$31,271.00		\$31,271.00		
	Subtotal 1475			\$52,500.00		\$52,500.00	\$32,773.12	

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

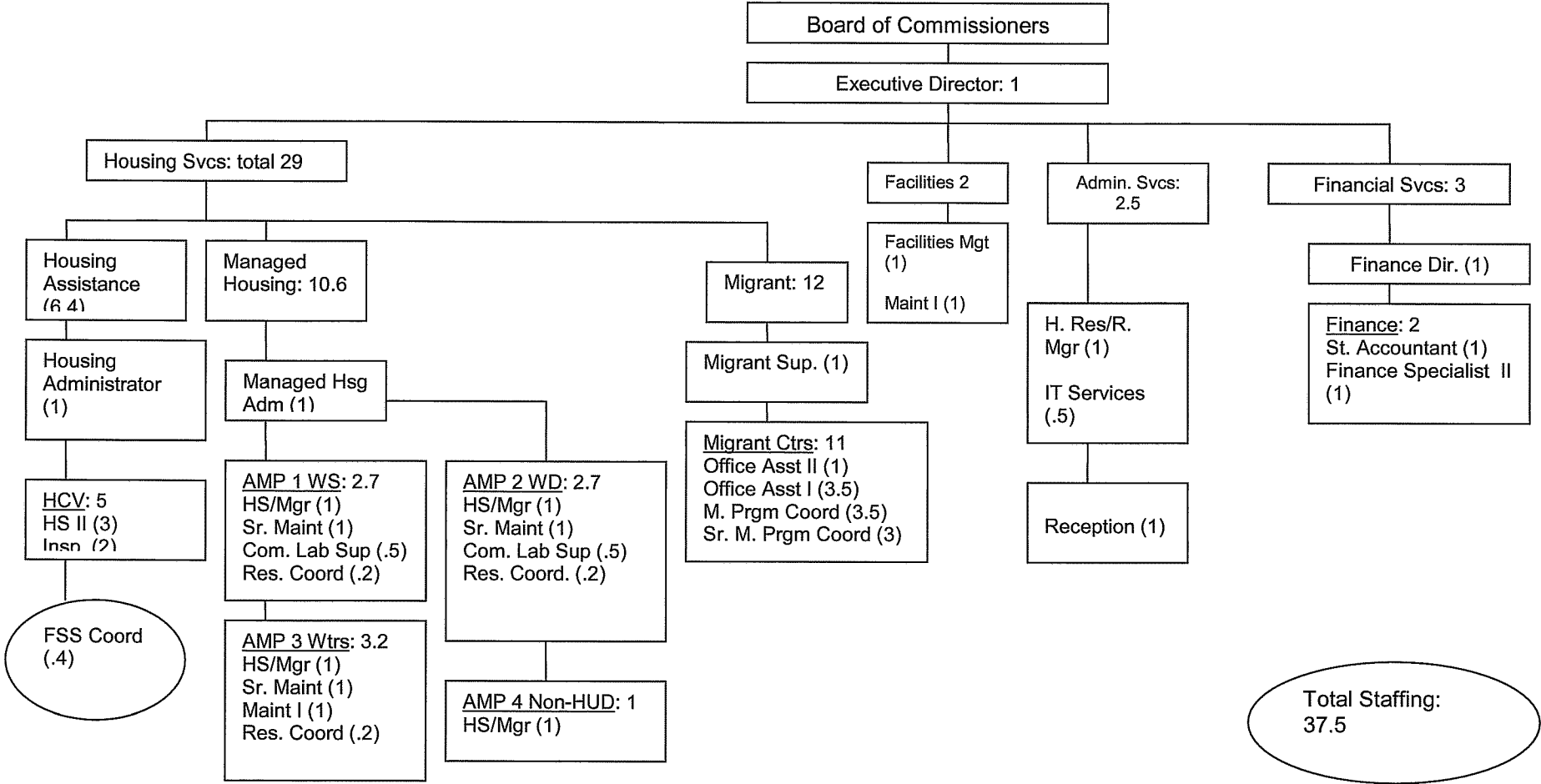
Part II: Supporting Pages								
PHA Name: Yolo County Housing		Grant Type and Number Capital Fund Program Grant No: CA30P04450106 CFFP (Yes/No): Replacement Housing Factor Grant No:				Federal FY of Grant: 2006		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
	Debt Reserves							
PHA-Wide	Debt Reserves	9000	LS	\$189,092.00		\$189,092.00	\$0.00	
	Subtotal 9000			\$189,092.00		\$189,092.00	\$0.00	
	Total CFP			\$998,916.00		\$998,916.00	\$762,792.27	

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

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Yolo County Housing					Federal FFY of Grant: 2006
Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	

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.

Organization Chart - Yolo County Housing 2008



Chapter 10

PETS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

INTRODUCTION

This chapter explains the PHA's policies on the keeping of pets and any criteria or standards pertaining to the policies. The rules adopted are reasonably related to the legitimate interest of the PHA to provide a decent, safe and sanitary living environment for all tenants, and to protect and preserve the physical condition of the property, as well as the financial interest of the PHA.

The chapter is organized as follows:

Part I: Assistance Animals. This part explains the difference between assistance animals and pets and contains policies related to the designation of an assistance animal as well as their care and handling.

Part II: Pet policies for all developments. This part includes pet policies that are common to both elderly/disabled developments and general occupancy developments.

Part III: Pet deposits and fees for elderly/disabled developments. This part contains policies for pet deposits and fees that are applicable to elderly/disabled developments.

Part IV: Pet deposits and fees for general occupancy developments. This part contains policies for pet deposits and fees that are applicable to general occupancy developments.

PART I: ASSISTANCE ANIMALS

[Section 504; Fair Housing Act (42 U.S.C.); 24 CFR 5.303]

10-I.A. OVERVIEW

This part discusses situations under which permission for an assistance animal may be denied, and also establishes standards for the care of assistance animals.

Assistance animals are animals that work, provide assistance, or perform tasks for the benefit of a person with a disability, or that provide emotional support that alleviates one or more identified symptoms or effects of a person's disability. Assistance animals – often referred to as “service animals,” “assistive animals,” “support animals,” or “therapy animals” – perform many disability-related functions, including but not limited to the following:

- Guiding individuals who are blind or have low vision
- Alerting individuals who are deaf or hearing impaired
- Providing minimal protection or rescue assistance
- Pulling a wheelchair
- Fetching items
- Alerting persons to impending seizures
- Providing emotional support to persons with disabilities who have a disability-related need for such support

Assistance animals that are needed as a reasonable accommodation for persons with disabilities are not considered pets, and thus, are not subject to the PHA's pet policies described in Parts II through IV of this chapter [24 CFR 5.303; 960.705].

10-I.B. APPROVAL OF ASSISTANCE ANIMALS

A person with a disability is not automatically entitled to have an assistance animal. Reasonable accommodation requires that there is a relationship between the person's disability and his or her need for the animal [PH Occ GB, p. 179].

A PHA may not refuse to allow a person with a disability to have an assistance animal merely because the animal does not have formal training. Some, but not all, animals that assist persons with disabilities are professionally trained. Other assistance animals are trained by the owners themselves and, in some cases, no special training is required. The question is whether or not the animal performs the assistance or provides the benefit needed by the person with the disability [PH Occ GB, p. 178].

A PHA's refusal to permit persons with a disability to use and live with an assistance animal that is needed to assist them, would violate Section 504 of the Rehabilitation Act and the Fair Housing Act unless [PH Occ GB, p. 179]:

- There is reliable objective evidence that the animal poses a direct threat to the health or safety of others that cannot be reduced or eliminated by a reasonable accommodation
- There is reliable objective evidence that the animal would cause substantial physical damage to the property of others

PHAs have the authority to regulate assistance animals under applicable federal, state, and local law [24 CFR 5.303(b)(3); 960.705(b)(3)].

PHA Policy

For an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and the PHA approve a reasonable accommodation in accordance with the policies contained in Chapter 2.

10-I.C. CARE AND HANDLING

HUD regulations do not affect any authority a PHA may have to regulate assistance animals under federal, state, and local law [24 CFR 5.303; 24 CFR 960.705].

PHA Policy

Residents must care for assistance animals in a manner that complies with state and local laws, including anti-cruelty laws.

Residents must ensure that assistance animals do not pose a direct threat to the health or safety of others, or cause substantial physical damage to the development, dwelling unit, or property of other residents.

When a resident's care or handling of an assistance animal violates these policies, the PHA will consider whether the violation could be reduced or eliminated by a reasonable accommodation. If the PHA determines that no such accommodation can be made, the PHA may withdraw the approval of a particular assistance animal.

PART II: PET POLICIES FOR ALL DEVELOPMENTS

[24 CFR 5, Subpart C; 24 CFR 960, Subpart G]

10-II.A. OVERVIEW

The purpose of a pet policy is to establish clear guidelines for ownership of pets and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes reasonable rules governing the keeping of common household pets. This part contains pet policies that apply to all developments.

10-II.B. MANAGEMENT APPROVAL OF PETS

Registration of Pets

PHAs may require registration of the pet with the PHA [24 CFR 960.707(b)(5)].

PHA Policy

Pets must be registered with the PHA before they are brought onto the premises.

Registration includes documentation signed by a licensed veterinarian or state/local authority that the pet has received all inoculations required by state or local law, and that the pet has no communicable disease(s) and is pest-free. This registration must be renewed annually and will be coordinated with the annual reexamination date.

Pets will not be approved to reside in a unit until completion of the registration requirements.

Refusal to Register Pets

PHA Policy

The PHA will refuse to register a pet if:

The pet is not *a common household pet* as defined in Section 10-II.C. below

Keeping the pet would violate any pet restrictions listed in this policy

The pet owner fails to provide complete pet registration information, or fails to update the registration annually

The applicant has previously been charged with animal cruelty under state or local law; or has been evicted, had to relinquish a pet or been prohibited from future pet ownership due to pet rule violations or a court order

The PHA reasonably determines that the pet owner is unable to keep the pet in compliance with the pet rules and other lease obligations. The pet's temperament and behavior may be considered as a factor in determining the pet owner's ability to comply with provisions of the lease.

If the PHA refuses to register a pet, a written notification will be sent to the pet owner within 10 business days of the PHA's decision. The notice will state the reason for

refusing to register the pet and will inform the family of their right to appeal the decision in accordance with the PHA's grievance procedures.

Pet Agreement

PHA Policy

Residents who have been approved to have a pet must enter into a pet agreement with the PHA, or the approval of the pet will be withdrawn.

The pet agreement is the resident's certification that he or she has received a copy of the PHA's pet policy and applicable house rules, that he or she has read the policies and/or rules, understands them, and agrees to comply with them.

The resident further certifies by signing the pet agreement that he or she understands that noncompliance with the PHA's pet policy and applicable house rules may result in the withdrawal of PHA approval of the pet or termination of tenancy.

10-II.C. STANDARDS FOR PETS [24 CFR 5.318; 960.707(b)]

PHAs may establish reasonable requirements related to pet ownership including, but not limited to:

- Limitations on the number of animals in a unit, based on unit size
- Prohibitions on types of animals that the PHA classifies as dangerous, provided that such classifications are consistent with applicable state and local law
- Prohibitions on individual animals, based on certain factors, including the size and weight of the animal
- Requiring pet owners to have their pets spayed or neutered

PHA's may not require pet owners to have any pet's vocal cords removed.

Definition of "Common Household Pet"

There is no regulatory definition of common household pet for public housing programs, although the regulations for pet ownership in both elderly/disabled and general occupancy developments use the term. The regulations for pet ownership in elderly/disabled developments expressly authorize PHAs to define the term [24 CFR 5.306(2)].

PHA Policy

Common household pet means a domesticated animal, such as a dog, cat, bird, or fish that is traditionally recognized as a companion animal and is kept in the home for pleasure rather than commercial purposes.

The following animals are not considered common household pets:

Reptiles

Rodents (except hamsters, guinea pigs and gerbils)

Insects

Arachnids

Wild animals or feral animals
Pot-bellied pigs
Animals used for commercial breeding

Pet Restrictions

PHA Policy

The following animals are not permitted:

- Any animal whose adult weight will exceed 25 pounds
- Dogs of the pit bull, rottweiler, chow, or boxer breeds
- Ferrets or other animals whose natural protective mechanisms pose a risk to small children of serious bites or lacerations
- Any animal not permitted under state or local law or code

Number of Pets

PHA Policy

- Dogs:** 1 dog not to exceed 25 pounds
- Cats:** 1 cat
- Birds:** 2 birds enclosed in cage at all times
- Fish:** Maximum aquarium size is a 20 gallon tank
- Rodents:** 1 rodent which must be a rabbit, guinea pig, hamster, or gerbil ONLY
- Turtles:** 2

Other Requirements

PHA Policy

Dogs and cats must be spayed or neutered at the time of registration or, in the case of underage animals, within 30 days of the pet reaching 6 months of age. Exceptions may be made upon veterinary certification that subjecting this particular pet to the procedure would be temporarily or permanently medically unsafe or unnecessary.

Pets must be licensed in accordance with state or local law. Residents must provide proof of licensing at the time of registration and annually, in conjunction with the resident's annual reexamination.

10-II.D. PET RULES

Pet owners must maintain pets responsibly, in accordance with PHA policies, and in compliance with applicable state and local public health, animal control, and animal cruelty laws and regulations [24 CFR 5.315; 24 CFR 960.707(a)].

Pet Area Restrictions

PHA Policy

Pets must be maintained within the resident's unit. When outside of the unit (within the building or on the grounds) dogs and cats must be kept on a leash or carried and under the control of the resident or other responsible individual at all times.

Pets other than dogs or cats must be kept in a cage or carrier when outside of the unit.

Pets are not permitted in common areas including lobbies, community rooms and laundry areas except for those common areas which are entrances to and exits from the building.

Pet owners are not permitted to exercise pets or permit pets to deposit waste on project premises outside of the areas designated for such purposes.

Designated Pet/No-Pet Areas [24 CFR 5.318(g), PH Occ GB, p. 182]

PHAs may designate buildings, floors of buildings, or sections of buildings as no-pet areas where pets generally may not be permitted. Pet rules may also designate buildings, floors of building, or sections of building for residency by pet-owning tenants.

PHAs may direct initial tenant moves as may be necessary to establish pet and no-pet areas. The PHA may not refuse to admit, or delay admission of, an applicant on the grounds that the applicant's admission would violate a pet or no-pet area. The PHA may adjust the pet and no-pet areas or may direct such additional moves as may be necessary to accommodate such applicants for tenancy or to meet the changing needs of the existing tenants.

PHAs may not designate an entire development as a no-pet area, since regulations permit residents to own pets.

PHA Policy

The following areas are designated as not-pet areas

PHA playgrounds

PHA day care centers

PHA management offices

PHA community centers

PHA recreation center areas

Cleanliness

PHA Policy

The pet owner shall be responsible for the removal of waste from the exercise area by placing it in a sealed plastic bag and disposing of it in a container provided by the PHA.

The pet owner shall take adequate precautions to eliminate any pet odors within or around the unit and to maintain the unit in a sanitary condition at all times.

Litter box requirements:

Pet owners must promptly dispose of waste from litter boxes and must maintain litter boxes in a sanitary manner.

Litter shall not be disposed of by being flushed through a toilet.

Litter boxes shall be kept inside the resident's dwelling unit.

Alterations to Unit

PHA Policy

Pet owners shall not alter their unit, patio, premises or common areas to create an enclosure for any animal.

Installation of pet doors is prohibited.

Noise

PHA Policy

Pet owners must agree to control the noise of pets so that such noise does not constitute a nuisance to other residents or interrupt their peaceful enjoyment of their housing unit or premises. This includes, but is not limited to loud or continuous barking, howling, whining, biting, scratching, chirping, or other such activities.

Pet Care

PHA Policy

Each pet owner shall be responsible for adequate care, nutrition, exercise and medical attention for his/her pet.

Each pet owner shall be responsible for appropriately training and caring for his/her pet to ensure that the pet is not a nuisance or danger to other residents and does not damage PHA property.

No animals may be tethered or chained inside or outside the dwelling unit at any time.

Responsible Parties

PHA Policy

The pet owner will be required to designate two responsible parties for the care of the pet if the health or safety of the pet is threatened by the death or incapacity of the pet owner, or by other factors that render the pet owner unable to care for the pet.

A resident who cares for another resident's pet must notify the PHA and sign a statement that they agree to abide by all of the pet rules.

Pets Temporarily on the Premises

PHA Policy

Pets that are not owned by a tenant are not allowed on the premises. Residents are prohibited from feeding or harboring stray animals.

This rule does not apply to visiting pet programs sponsored by a humane society or other non-profit organizations, and approved by the PHA.

Pet Rule Violations

PHA Policy

All complaints of cruelty and all dog bites will be referred to animal control or an applicable agency for investigation and enforcement.

If a determination is made on objective facts supported by written statements, that a resident/pet owner has violated the pet rules, written notice will be served.

The notice will contain a brief statement of the factual basis for the determination and the pet rule(s) that were violated. The notice will also state:

That the pet owner has 10 business days from the effective date of the service of notice to correct the violation or make written request for a meeting to discuss the violation

That the pet owner is entitled to be accompanied by another person of his or her choice at the meeting

That the pet owner's failure to correct the violation, request a meeting, or appear at a requested meeting may result in initiation of procedures to remove the pet, or to terminate the pet owner's tenancy

Notice for Pet Removal

PHA Policy

If the pet owner and the PHA are unable to resolve the violation at the meeting or the pet owner fails to correct the violation in the time period allotted by the PHA, the PHA may serve notice to remove the pet.

The notice will contain:

A brief statement of the factual basis for the PHA's determination of the pet rule that has been violated

The requirement that the resident /pet owner must remove the pet within 30 calendar days of the notice

A statement that failure to remove the pet may result in the initiation of termination of tenancy procedures

Pet Removal

PHA Policy

If the death or incapacity of the pet owner threatens the health or safety of the pet, or other factors occur that render the owner unable to care for the pet, the situation will be reported to the responsible party designated by the pet owner.

If the responsible party is unwilling or unable to care for the pet, or if the PHA after reasonable efforts cannot contact the responsible party, the PHA may contact the appropriate state or local agency and request the removal of the pet.

Termination of Tenancy

PHA Policy

The PHA may initiate procedures for termination of tenancy based on a pet rule violation if:

The pet owner has failed to remove the pet or correct a pet rule violation within the time period specified

The pet rule violation is sufficient to begin procedures to terminate tenancy under terms of the lease

Emergencies

PHA Policy

The PHA will take all necessary steps to ensure that pets that become vicious, display symptoms of severe illness, or demonstrate behavior that constitutes an immediate threat to the health or safety of others, are immediately removed from the premises by referring the situation to the appropriate state or local entity authorized to remove such animals.

If it is necessary for the PHA to place the pet in a shelter facility, the cost will be the responsibility of the pet owner.

If the pet is removed as a result of any aggressive act on the part of the pet, the pet will not be allowed back on the premises.

PART III: PET DEPOSITS AND FEES IN ELDERLY/DISABLED DEVELOPMENTS

10-III.A. OVERVIEW

This part describes the PHA's policies for pet deposits and fees in elderly, disabled and mixed population developments. Policies governing deposits and fees in general occupancy developments are described in Part IV.

10-III.B. PET DEPOSITS

Payment of Deposit

The PHA may require tenants who own or keep pets in their units to pay a refundable pet deposit. This deposit is in addition to any other financial obligation generally imposed on tenants of the project [24 CFR 5.318(d)(1)].

The maximum amount of pet deposit that may be charged by a PHA on a per dwelling unit basis, is the higher of the total tenant payment (TTP) or such reasonable fixed amount as the PHA may require. The PHA may permit gradual accumulation of the pet deposit by the pet owner [24 CFR 5.318(d)(3)].

The pet deposit is not part of the rent payable by the resident [24 CFR 5.318(d)(5)].

PHA Policy

Pet owners are required to pay a refundable pet deposit in addition to any other required deposits. The amount of the deposit is \$200; an initial payment of \$100 must be paid in full before the pet is brought on the premises. Monthly payments in an amount no less than \$25 until the specified deposit has been paid.

Refund of Deposit [24 CFR 5.318(d)(1)]

The PHA may use the pet deposit only to pay reasonable expenses directly attributable to the presence of the pet, including (but not limited to) the costs of repairs and replacements to, and fumigation of, the tenant's dwelling unit. The PHA must refund the unused portion of the pet deposit to the tenant within a reasonable time after the tenant moves from the project or no longer owns or keeps a pet in the unit.

PHA Policy

The PHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The PHA will provide the resident with a written list of any charges against the pet deposit within 10 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the PHA will provide a meeting to discuss the charges.

10-III.C. OTHER CHARGES

Pet-Related Damages During Occupancy

PHA Policy

All reasonable expenses incurred by the PHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

The cost of repairs and replacements to the resident's dwelling unit

Fumigation of the dwelling unit

Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

PHA Policy

A separate pet waste removal charge of \$10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Notices of pet waste removal charges will be in accordance with requirements regarding notices of adverse action. Charges are due and payable 14 calendar days after billing. If the family requests a grievance hearing within the required timeframe, the PHA may not take action for nonpayment of the charge until the conclusion of the grievance process.

Charges for pet waste removal are not part of rent payable by the resident.

PART IV: PET DEPOSITS AND FEES IN GENERAL OCCUPANCY DEVELOPMENTS

10-IV.A. OVERVIEW

This part describes the PHA's policies for pet deposits and fees for those who reside in general occupancy developments.

10-IV.B. PET DEPOSITS

A PHA may require a refundable pet deposit to cover additional costs attributable to the pet and not otherwise covered [24 CFR 960.707(b)(1)].

A PHA that requires a resident to pay a pet deposit must place the deposit in an account of the type required under applicable State or local law for pet deposits, or if there are no such requirements, for rental security deposits, if applicable. The PHA must comply with such laws as to retention of the deposit, interest, and return of the deposit to the resident, and any other applicable requirements [24 CFR 960.707(d)].

Payment of Deposit

PHA Policy

Pet owners are required to pay a pet deposit of \$200 in addition to any other required deposits. The deposit must be paid in full before the pet is brought on the premises.

The pet deposit is not part of rent payable by the resident.

Refund of Deposit

PHA Policy

The PHA will refund the pet deposit to the resident, less the costs of any damages caused by the pet to the dwelling unit, within 30 days of move-out or removal of the pet from the unit.

The resident will be billed for any amount that exceeds the pet deposit.

The PHA will provide the resident with a written list of any charges against the pet deposit within 10 business days of the move-out inspection. If the resident disagrees with the amount charged to the pet deposit, the PHA will provide a meeting to discuss the charges.

10-IV.C. NON-REFUNDABLE NOMINAL PET FEE

PHAs may require payment of a non-refundable nominal pet fee to cover the reasonable operating costs to the development relating to the presence of pets [24 CFR 960.707(b)(1)].

PHA Policy

The PHA requires pet owners to pay a non-refundable nominal pet fee of \$100 due on or prior to the date the pet is properly registered and brought into the apartment.

This fee is intended to cover the reasonable operating costs to the project relating to the presence of pets. Reasonable operating costs to the project relating to the presence of pets include, but are not limited to:

- Landscaping costs
- Pest control costs
- Insurance costs
- Clean-up costs

10-IV.D. OTHER CHARGES

Pet-Related Damages During Occupancy

PHA Policy

All reasonable expenses incurred by the PHA as a result of damages directly attributable to the presence of the pet in the project will be the responsibility of the resident, including:

- The cost of repairs and replacements to the resident's dwelling unit
- Fumigation of the dwelling unit
- Repairs to common areas of the project

The expense of flea elimination shall also be the responsibility of the resident.

If the resident is in occupancy when such costs occur, the resident shall be billed for such costs in accordance with the policies in Section 8-I.G, Maintenance and Damage Charges. Pet deposits will not be applied to the costs of pet-related damages during occupancy.

Charges for pet-related damage are not part of rent payable by the resident.

Pet Waste Removal Charge

The regulations do not address the PHA's ability to impose charges for house pet rule violations. However, charges for violation of PHA pet rules may be treated like charges for other violations of the lease and PHA tenancy rules.

PHA Policy

A separate pet waste removal charge of \$10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Such charges will be due and payable 14 calendar days after billing.

Charges for pet waste removal are not part of rent payable by the resident.

Chapter 11

COMMUNITY SERVICE

INTRODUCTION

This chapter explains HUD regulations requiring PHAs to implement a community service program for all non-exempt adults living in public housing.

This chapter describes HUD regulations and PHA policies related to these topics in two parts:

Part I: Community Service Requirements. This part describes who is subject to the community service requirement, who is exempt, and HUD's definition of economic self-sufficiency.

Part II: PHA Implementation of Community Service. This part provides PHA policy regarding PHA implementation and program design.

PART I: COMMUNITY SERVICE REQUIREMENT

11-I.A. OVERVIEW

HUD regulations pertaining to the community service requirement are contained in 24 CFR 960 Subpart F (960.600 through 960.609). PHAs and residents must comply with the community service requirement, effective with PHA fiscal years that commenced on or after October 1, 2000. Per 903.7(1)(1)(iii), the PHA Plan must contain a statement of the how the PHA will comply with the community service requirement, including any cooperative agreement that the PHA has entered into or plans to enter into.

Community service is the performance of voluntary work or duties that are a public benefit, and that serve to improve the quality of life, enhance resident self-sufficiency, or increase resident self-responsibility in the community. Community service is not employment and may not include political activities [24 CFR 960.601(b)].

In administering community service requirements, the PHA must comply with all nondiscrimination and equal opportunity requirements [24 CFR 960.605(c)(5)].

11-I.B. REQUIREMENTS

Each adult resident of the PHA, who is not exempt, must [24 CFR 960.603(a)]:

- Contribute 8 hours per month of community service; or
- Participate in an economic self-sufficiency program (as defined in the regulations) for 8 hours per month; or
- Perform 8 hours per month of combined activities (community service and economic self-sufficiency programs).

PHA Policy

An individual may not skip a month and then double up the following month, unless special circumstances warrant it. The PHA will make the determination of whether to permit a deviation from the schedule.

Individuals who have special circumstances which they believe will prevent them from completing the required community service hours for a given month, must notify the PHA in writing within 5 business days of the circumstances becoming known. The PHA will review the request and notify the individual, in writing, of its determination within 10 business days. The PHA may require those individuals to provide documentation to support their claim.

Definitions

Exempt Individual [24 CFR 960.601(b)]

An *exempt individual* is an adult who:

- Is age 62 years or older
- Is blind or disabled (as defined under section 216[i][1] or 1614 of the Social Security Act), and who certifies that because of this disability s/he is unable to comply with the service provisions
- Is a primary caretaker of such an individual
- Is engaged in work activities

PHA Policy

The PHA will consider 30 hours per week as the minimum number of hours needed to qualify for a work activity exemption.

- Meets the requirements for being exempted from having to engage in a work activity under the state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program; or
- Is in a family receiving assistance under a state program funded under part A of title IV of the Social Security Act, or under any other welfare program of the state in which the PHA is located, including a state-administered welfare-to-work program, and has not been found by

the state or other administering entity to be in noncompliance with such program.

Community Service [PH Occ GB, p. 174]

Community service is volunteer work which includes, but is not limited to:

- Work at a local institution including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.
- Work with a nonprofit organization that serves PHA residents or their children such as: Boy Scouts, Girl Scouts, Boys or Girls Clubs, 4-H programs, PAL, Garden Center, community clean-up programs, beautification programs, other youth or senior organizations
- Work at the PHA to help improve physical conditions
- Work at the PHA to help with children's programs
- Work at the PHA to help with senior programs
- Helping neighborhood groups with special projects
- Working through a resident organization to help other residents with problems, serving as an officer in a resident organization, serving on the resident advisory board
- Caring for the children of other residents so they may volunteer

NOTE: Political activity is excluded for purposes of eligible community service activities.

Economic Self-Sufficiency Program [24 CFR 5.603(b)]

For purposes of satisfying the community service requirement, an *economic self-sufficiency program* is defined by HUD as: Any program designed to encourage, assist, train, or facilitate economic independence of assisted families or to provide work for such families.

These economic self-sufficiency programs can include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeships (formal or informal), or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

PHA Policy

Participating in the Family Self-Sufficiency Program and being current in the steps outlined in the Individual Training and services Plan is considered an approved Self-Sufficiency Program.

Work Activities [42 U.S.C. 607(d)]

As it relates to an exemption from the community service requirement, *work activities* means:

- Unsubsidized employment
- Subsidized private sector employment
- Subsidized public sector employment
- Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available
- On-the-job training
- Job search and job readiness assistance
- Community service programs
- Vocational educational training (not to exceed 12 months with respect to any individual)
- Job skills training directly related to employment
- Education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency
- Satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate
- Provision of child care services to an individual who is participating in a community service program

Notification Requirements [24 CFR 960.605(c)(2)]

The PHA must give each family a written description of the community service requirement, the process for claiming status as an exempt person, and the process for PHA verification of exempt status. The PHA must also notify the family of its determination identifying the family members who are subject to the service requirement, and the family members who are exempt.

PHA Policy

The PHA will provide the family with a copy of the Community Service Policy found in Exhibit 11-1 of this chapter, at lease-up, lease renewal, when a family member is determined to be subject to the community service requirement during the lease term, and at any time upon the family's request.

On an annual basis, at the time of lease renewal, the PHA will notify the family in writing of the family members who are subject to the community service requirement and the family members who are exempt. If the family includes non-exempt individuals the notice will include a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which they may record the activities they perform and the number of hours contributed. The form will also have a place for a signature by an appropriate official, who will certify to the activities and hours completed.

11-I.C. DETERMINATION OF EXEMPTION STATUS AND COMPLIANCE [24 CFR 960.605(c)(3)]

The PHA must review and verify family compliance with service requirements annually at least thirty days before the end of the twelve month lease term. The policy for documentation and verification of compliance with service requirements may be found at Section 11-I.D., Documentation and Verification.

PHA Policy

Where the lease term does not coincide with the effective date of the annual reexamination, the PHA will change the effective date of the annual reexamination to coincide with the lease term. In making this change, the PHA will ensure that the annual reexamination is conducted within 12 months of the last annual reexamination.

Annual Determination

Determination of Exemption Status

An exempt individual is excused from the community service requirement [24 CFR 960.603(a)].

PHA Policy

At least 60 days prior to lease renewal, the PHA will review and verify the exemption status of all adult family members. This verification will only be done on an annual basis unless the family reports a change or the PHA has reason to believe that an individual's exemption status has changed. For individuals who are exempt because they are 62 years of age and older, verification of exemption status will be done only at the initial examination.

Upon completion of the verification process, the PHA will notify the family of its determination in accordance with the policy in Section 11-I.B., Notification Requirements.

Determination of Compliance

The PHA must review resident family compliance with service requirements annually at least thirty days before the end of the twelve month lease term [24 CFR 960.605(c)(3)]. As part of this review, the PHA must verify that any family member that is not exempt from the community service requirement has met his or her service obligation.

PHA Policy

Approximately 60 days prior to the end of the lease term, the PHA will provide written notice requiring the family to submit documentation that all subject family members have complied with the service requirement. The family will have 10 business days to submit the PHA required documentation form(s).

If the family fails to submit the required documentation within the required timeframe, or PHA approved extension, the subject family members will be considered noncompliant with community service requirements, and notices of noncompliance will be issued pursuant to the policies in Section 11-I.E., Noncompliance.

Change in Status Between Annual Determinations

PHA Policy

Exempt to Non-Exempt Status

If an exempt individual becomes non-exempt during the twelve month lease term, it is the family's responsibility to report this change to the PHA within 10 business days.

Within 10 business days of a family reporting such a change, or the PHA determining such a change is necessary, the PHA will provide written notice of the effective date of the requirement, a list of agencies in the community that provide volunteer and/or training opportunities, as well as a documentation form on which the family member may record the activities performed and number of hours contributed.

The effective date of the community service requirement will be the first of the month following 30 day notice.

Non-Exempt to Exempt Status

If a non-exempt person becomes exempt during the twelve month lease term, it is the family's responsibility to report this change to the PHA within 10 business days. Any claim of exemption will be verified by the PHA in accordance with the policy at 11-I.D., Documentation and Verification of Exemption Status.

Within 10 business days of a family reporting such a change, or the PHA determining such a change is necessary, the PHA will provide the family written notice that the family member is no longer subject to the community service requirement, if the PHA is able to verify the exemption.

The exemption will be effective immediately.

11-I.D. DOCUMENTATION AND VERIFICATION [24 CFR 960.605(c)(4)]

The PHA must retain reasonable documentation of service requirement performance or exemption in participant files.

Documentation and Verification of Exemption Status

PHA Policy

All family members who claim they are exempt from the community service requirement will be required to sign the community service exemption certification form found in Exhibit 11-3. The PHA will provide a completed copy to the family and will keep a copy in the tenant file.

The PHA will verify that an individual is exempt from the community service requirement by following the verification hierarchy and documentation requirements in Chapter 7.

The PHA makes the final determination whether or not to grant an exemption from the community service requirement. If a resident does not agree with the PHA's determination, s/he can dispute the decision through the PHA's grievance procedures (see Chapter 14).

Documentation and Verification of Compliance

If qualifying community service activities are administered by an organization other than the PHA, a family member who is required to fulfill a service requirement must provide certification to the PHA, signed by the organization, that the family member has performed the qualifying activities [24 CFR 960.607].

PHA Policy

If anyone in the family is subject to the community service requirement, the PHA will provide the family with community service documentation forms at admission, at lease renewal, when a family member becomes subject to the community service requirement during the lease term, or upon request by the family.

Each individual who is subject to the requirement will be required to record their community service or self-sufficiency activities and the number of hours contributed on the required form. The certification form will also include places for signatures and phone numbers of supervisors, instructors, and counselors certifying to the number of hours contributed.

Families will be required to submit the documentation to the PHA, upon request by the PHA.

If the PHA has reasonable cause to believe that the certification provided by the family is false or fraudulent, the PHA has the right to require third-party verification.

11-I.E. NONCOMPLIANCE

Initial Noncompliance

The lease specifies that it is renewed automatically for all purposes, unless the family fails to comply with the community service requirement. Violation of the service requirement is grounds for nonrenewal of the lease at the end of the twelve month lease term, but not for termination of tenancy during the course of the twelve month lease term [24 CFR 960.603(b)].

If the tenant or another family member has violated the community service requirement, the PHA may not renew the lease upon expiration of the twelve-month term of the lease, unless the tenant and any other noncompliant family member enter into a written agreement with the PHA. Under this agreement the tenant or noncompliant family member must agree to cure the noncompliance by completing the additional hours of community service or economic self-sufficiency needed to make up the total number of hours required, over the twelve-month term of the new lease. In addition, all other members of the family who are subject to the service requirement must be currently complying with the service requirement or must no longer be residing in the unit [24 CFR 960.607(c)].

Notice of Initial Noncompliance [24 CFR 960.607(b)]

If the PHA determines that there is a family member who is required to fulfill a service requirement, but who has failed to comply with this obligation (noncompliant resident), the PHA must notify the tenant of this determination.

The notice to the tenant must briefly describe the noncompliance. The notice must state that the PHA will not renew the lease at the end of the twelve-month lease term unless the tenant, and any other noncompliant resident, enter into a written agreement with the PHA to cure the noncompliance, or the family provides written assurance satisfactory to the PHA that the tenant or other noncompliant resident no longer resides in the unit.

The notice must also state that the tenant may request a grievance hearing on the PHA's determination, in accordance with the PHA's grievance procedures, and that the tenant may exercise any available judicial remedy to seek timely redress for the PHA's nonrenewal of the lease because of the PHA's determination.

PHA Policy

The notice of initial noncompliance will be sent at least 45 days prior to the end of the lease term.

The family will have 10 business days from the date of the notice of noncompliance to enter into a written agreement to cure the noncompliance over the 12 month term of the new lease, provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the family member that previously resided with them.

If the family does not request a grievance hearing, or does not take either corrective action required by the notice of noncompliance within the required 10 business day timeframe, the PHA will terminate tenancy in accordance with the policies in Section 13-IV.D.

Continued Noncompliance [24 CFR 960.607(b)]

If, after the 12 month cure period, the family member is still not compliant, the PHA must terminate tenancy of the entire family, according to the PHA's lease, unless the family provides documentation that the noncompliant resident no longer resides in the unit.

PHA Policy

Notices of continued noncompliance will be sent at least 30 days prior to the end of the lease term and will also serve as the family's termination notice. The notice will meet the requirements for termination notices described in Section 13-IV.D, Form, Delivery, and Content of the Notice.

The family will have 10 business days from the date of the notice of non-compliance to provide documentation that the noncompliant resident no longer resides in the unit, or to request a grievance hearing.

If the family reports that a noncompliant family member is no longer residing in the unit, the family must provide documentation that the family member has actually vacated the unit before the PHA will agree to continued occupancy of the family. Documentation must consist of a certification signed by the head of household as well as evidence of the current address of the noncompliant family member that previously resided with them.

If the family does not request a grievance hearing, or provide such documentation within the required 10 business day timeframe, the family's lease and tenancy will automatically terminate at the end of the current lease term without further notice.

PART II: IMPLEMENTATION OF COMMUNITY SERVICE

11-II.A. OVERVIEW

Each PHA must develop a policy for administration of the community service and economic self-sufficiency requirements for public housing. It is in the PHA's best interests to develop a viable, effective community service program, to provide residents the opportunity to engage in the community and to develop competencies.

PHA Implementation of Community Service

The PHA may not substitute any community service or self-sufficiency activities performed by residents for work ordinarily performed by PHA employees, or replace a job at any location where residents perform activities to satisfy the service requirement [24 CFR 960.609].

PHA Policy

The PHA will notify its insurance company if residents will be performing community service at the PHA. In addition, the PHA will ensure that the conditions under which the work is to be performed are not hazardous.

If a disabled resident certifies that s/he is able to perform community service, the PHA will ensure that requests for reasonable accommodation are handled in accordance with the policies in Chapter 2.

PHA Program Design

The PHA may administer qualifying community service or economic self-sufficiency activities directly, or may make community service activities available through a contractor, or through partnerships with qualified organizations, including resident organizations, and community agencies or institutions [24 CFR 960.605(b)].

PHA Policy

The PHA will attempt to provide the broadest choice possible to residents as they choose community service activities.

The PHA's goal is to design a service program that gives residents viable opportunities to become involved in the community and to gain competencies and skills. The PHA will work with resident organizations and community organizations to design, implement, assess and recalibrate its community service program.

The PHA will make every effort to identify volunteer opportunities throughout the community, especially those in proximity to public housing developments. To the greatest extent possible, the PHA will provide names and contacts at agencies that can provide opportunities for residents, including persons with disabilities, to fulfill their community service obligations.

Any written agreements or partnerships with contractors and/or qualified organizations, including resident organizations, are described in the PHA Plan.

The PHA will provide in-house opportunities for volunteer work or self-sufficiency programs when possible.

EXHIBIT 11-1: COMMUNITY SERVICE AND SELF-SUFFICIENCY POLICY

A. Background

The Quality Housing and Work Responsibility Act of 1998 requires that all non-exempt (see definitions) public housing adult residents (18 or older) contribute eight (8) hours per month of community service (volunteer work) or participate in eight (8) hours of training, counseling, classes or other activities that help an individual toward self-sufficiency and economic independence. This is a requirement of the public housing lease.

B. Definitions

Community Service – volunteer work which includes, but is not limited to:

- Work at a local institution, including but not limited to: school, child care center, hospital, hospice, recreation center, senior center, adult day care center, homeless shelter, indigent feeding program, cooperative food bank, etc.
- Work with a nonprofit organization such as: Parks and Recreation, United Way, Red Cross, Volunteers of America, Boy Scouts, Girl Scouts, Boys or Girls Clubs, 4-H Program, PAL, Garden Center, community clean-up programs, beautification programs, other counseling, aid, youth or senior organizations
- Work at the housing authority to help with litter control
- Work at the housing authority to help with children's programs
- Work at the housing authority to help with senior programs
- Helping neighborhood groups with special projects
- Working through a resident organization to help other residents with problems
- Serving as an officer in a resident organization
- Serving on the Resident Advisory Board
- Caring for children of other residents so they may volunteer

NOTE: Political activity is excluded.

Self-Sufficiency Activities – activities that include, but are not limited to:

- Job readiness programs
- Job training programs
- GED classes
- Substance abuse or mental health counseling
- English proficiency or literacy (reading) classes
- Apprenticeships
- Budgeting and credit counseling
- Any kind of class that helps a person toward economic independence
- Student status at any school, college or vocation school
- Family Self-Sufficiency Program

Exempt Adult – an adult member of the family who meets any of the following criteria:

- Is 62 years of age or older
- Is blind or a person with disabilities (as defined under section 216[i][1] or 1614 of the Social Security Act), and who certifies that because of this disability he or she is unable to comply with the service provisions, or is the primary caretaker of such an individual
- Is working at least 30 hours per week
- Meets the requirements for being exempted from having to engage in a work activity under TANF or any other State welfare program including a State-administered welfare-to-work program
- Is a member of a family receiving assistance, benefits or services under TANF or any other State welfare program and has not been found to be in noncompliance with such program

C. Requirements of the Program

1. The eight (8) hours per month may be either volunteer work or self-sufficiency program activity, or a combination of the two.
2. At least eight (8) hours of activity must be performed each month. An individual may not skip a month and then double up the following month, unless special circumstances warrant special consideration. The housing authority will make the determination of whether to allow or disallow a deviation from the schedule based on a family's written request.
3. Family obligation:
 - At lease execution, all adult members (18 or older) of a public housing resident family must:
 - Sign a certification that they have received and read this policy and understand that if they are not exempt, failure to comply with the community service requirement will result in a nonrenewal of their lease; and
 - Declare if they are exempt. If exempt, they must complete the Exemption Form (Exhibit 11-3) and provide documentation of the exemption.
 - Upon written notice from the PHA, non-exempt family members must present complete documentation of activities performed during the applicable lease term. This documentation will include places for signatures of supervisors, instructors, or counselors, certifying to the number of hours contributed.
 - If a family member is found to be noncompliant at the end of the 12-month lease term, he or she, and the head of household, will be required to sign an agreement with the housing authority to make up the deficient hours over the next twelve (12) month period, as a condition of continued occupancy.
4. Change in exempt status:
 - If, during the twelve (12) month lease period, a non-exempt person becomes exempt, it is his or her responsibility to report this to the PHA and provide documentation of exempt status.
 - If, during the twelve (12) month lease period, an exempt person becomes non-exempt, it is his or her responsibility to report this to the PHA. Upon receipt of this information the PHA will provide the person with the appropriate documentation form(s) and a list of agencies in the community that provide volunteer and/or training opportunities.

D. Authority Obligation

1. To the greatest extent possible and practicable, the PHA will:
 - Provide names and contacts at agencies that can provide opportunities for residents, including residents with disabilities, to fulfill their community service obligations.
 - Provide in-house opportunities for volunteer work or self-sufficiency activities.
2. The PHA will provide the family with a copy of this policy, and all applicable exemption verification forms and community service documentation forms, at lease-up, lease renewal, when a family member becomes subject to the community service requirement during the lease term, and at any time upon the family's request.
3. Although exempt family members will be required to submit documentation to support their exemption, the PHA will verify the exemption status in accordance with its verification policies. The PHA will make the final determination as to whether or not a family member is exempt from the community service requirement. Residents may use the PHA's grievance procedure if they disagree with the PHA's determination.
4. Noncompliance of family member:
 - At least thirty(30) days prior to the end of the 12-month lease term, the PHA will begin reviewing the exempt or non-exempt status and compliance of family members;
 - If, at the end of the initial 12-month lease term under which a family member is subject to the community service requirement, the PHA finds the family member to be noncompliant, the PHA will not renew the lease unless:
 - The head of household and any other noncompliant resident enter into a written agreement with the PHA, to make up the deficient hours over the next twelve (12) month period; or
 - The family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit.
 - If, at the end of the next 12-month lease term, the family member is still not compliant, a 30-day notice to terminate the lease will be issued and the entire family will have to vacate, unless the family provides written documentation satisfactory to the PHA that the noncompliant family member no longer resides in the unit;
 - The family may use the PHA's grievance procedure to dispute the lease termination.

All adult family members must sign and date below, certifying that they have read and received a copy of this Community Service and Self-Sufficiency Policy.

Resident

Date

Resident

Date

Resident

Date

Resident

Date

EXHIBIT 11-2: DEFINITION OF A PERSON WITH A DISABILITY UNDER SOCIAL SECURITY ACTS 216(i)(I) and Section 1416(excerpt) FOR PURPOSES OF EXEMPTION FROM COMMUNITY SERVICE

Social Security Act:

216(i)(1): Except for purposes of sections 202(d), 202(e), 202(f), 223, and 225, the term “disability” means (A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months, or (B) blindness; and the term “blindness” means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less.

Section 1416 (excerpt):

SEC. 1614. [42 U.S.C. 1382c] (a)(1) For purposes of this title, the term “aged, blind, or disabled individual” means an individual who—

(A) is 65 years of age or older, is blind (as determined under paragraph (2)), or is disabled (as determined under paragraph (3)), and

(B)(i) is a resident of the United States, and is either (I) a citizen or (II) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 212(d)(5) of the Immigration and Nationality Act), or

(ii) is a child who is a citizen of the United States and, who is living with a parent of the child who is a member of the Armed Forces of the United States assigned to permanent duty ashore outside the United States.

(2) An individual shall be considered to be blind for purposes of this title if he has central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of the first sentence of this subsection as having a central visual acuity of 20/200 or less. An individual shall also be considered to be blind for purposes of this title if he is blind as defined under a State plan approved under title X or XVI as in effect for October 1972 and received aid under such plan (on the basis of blindness) for December 1973, so long as he is continuously blind as so defined.

(3)(A) Except as provided in subparagraph (C), an individual shall be considered to be disabled for purposes of this title if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.

EXHIBIT 11-3: PHA DETERMINATION OF EXEMPTION FOR COMMUNITY SERVICE

Family: _____

Adult family member: _____

This adult family member meets the requirements for being exempted from the PHA's community service requirement for the following reason:

- 62 years of age or older. (*Documentation of age in file*)
- Is a person with disabilities and self-certifies below that he or she is unable to comply with the community service requirement. (*Documentation of HUD definition of disability in file*)

Tenant certification: I am a person with disabilities and am unable to comply with the community service requirement.

Signature of Family Member

Date

- Is the primary caretaker of such an individual in the above category. (*Documentation in file*)
- Is working at least 30 hours per week. (*Employment verification in file*)
- Is participating in a welfare-to-work program. (*Documentation in file*).
- Meets the requirements for being exempted from having to engage in a work activity under TANF or any other State welfare program, including a State-administered welfare-to-work program (*Documentation in file*)
- Is a member of a family receiving assistance, benefits or services under TANF or any other State welfare program and has not been found to be in noncompliance with such program. (*Documentation in file*)

Signature of Family Member

Date

Signature of PHA Official

Date

CHAPTER 14 Appeals

PART I: INFORMAL REVIEWS AND HEARINGS

14-I.A. OVERVIEW

When YCH makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

YCH is required to include in the administrative plan, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

14-I.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

Decisions Subject to Informal Review

YCH must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on YCH waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures.

Informal reviews are not required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by YCH
- General policy issues or class grievances
- A determination of the family unit size under YCH subsidy standards
- A YCH determination not to grant approval of the tenancy
- A YCH determination that the unit is not in compliance with the HQS
- A YCH determination that the unit is not in accordance with the HQS due to family size or composition

YCH Policy

YCH will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on YCH waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

YCH must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

YCH Policy

A request for an informal review must be made in writing and delivered to YCH either in person or by first class mail, by the close of the business day, no later than fifteen (15) calendar days from the date of YCH's denial of assistance.

YCH must schedule and send written notice of the informal review within fifteen (15) calendar days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

YCH Policy

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of YCH.

The person conducting the review will make a recommendation to YCH, but YCH is responsible for making the final decision as to whether assistance should be granted or denied.

Informal Review Decision [24 CFR 982.554(b)]

YCH must notify the applicant of YCH's final decision, including a brief statement of the reasons for the final decision.

YCH Policy

In rendering a decision, YCH will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the Notice.
- The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

- The validity of the evidence. YCH will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, YCH will uphold the decision to deny assistance.
- If the facts prove the grounds for denial, and the denial is discretionary, YCH will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

YCH will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within fifteen (15) calendar days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

14-I.C. INFORMAL HEARINGS FOR PARTICIPANTS

[24 CFR 982.555]

YCH must offer an informal hearing for certain YCH determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to YCH's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether YCH's decisions related to the family's circumstances are in accordance with the law, HUD regulations and YCH policies.

YCH is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which YCH must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from YCH utility allowance schedule.
- A determination of the family unit size under YCH's subsidy standards.

- A determination to terminate assistance for a participant family because of the family's actions or failure to act.
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under YCH policy and HUD rules.
- A determination to terminate a family's Family Self-Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)].

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by YCH;
- General policy issues or class grievances;
- Establishment of YCH schedule of utility allowances for families in the program;
- An YCH determination not to approve a unit or tenancy;
- An YCH determination that a unit selected by the applicant is not in compliance with the HQS;
- An YCH determination that the unit is not in accordance with HQS because of family size;
- A determination by YCH to exercise or not to exercise any right or remedy against an owner under a HAP contract;

Informal Hearing Procedures *Notice to the Family* [24 CFR 982.555(c)]

When YCH makes a decision that is subject to informal hearing procedures, YCH must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, YCH must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to YCH's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

YCH Policy

In cases where YCH makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of YCH.
- A brief statement of the reasons for the decision including a reference to the code of federal regulations that the decision is based upon.
- The date the proposed action will take place.
- A statement of the family's right to an explanation of the basis for YCH's decision.
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.
- A deadline for the family to request the informal hearing.
- To whom the hearing request should be addressed.
- A copy of YCH's hearing procedures.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, YCH must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

YCH Policy

A request for an informal hearing must be made in writing and delivered to YCH either in person or by first class mail, by the close of the business day, no later than fifteen (15) days from the date of YCH's decision or notice to terminate assistance.

YCH must schedule and send written notice of the informal hearing to the family within fifteen (15) days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict, which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, YCH may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact YCH within 24 hours of the scheduled hearing date, excluding weekends and holidays. YCH will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and YCH are permitted pre-hearing discovery rights. The family must be

given the opportunity to examine before the hearing any YCH documents that are directly relevant to the informal hearing. The family must be allowed to copy any such documents at their own expense. If YCH does not make the document available for examination upon request of the family, YCH may not rely on the document at the hearing.

YCH hearing procedures may provide that YCH must be given the opportunity to examine at YCH offices before the hearing, any family documents that are directly relevant to the hearing. YCH must be allowed to copy any such document at YCH's expense. If the family does not make the document available for examination on request of YCH, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

YCH Policy

The family will be allowed to copy any documents related to the hearing. The family must request discovery of YCH documents no later than five (5) calendar days prior to the scheduled hearing date

The family must be given an opportunity to examine at YCH offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, YCH may request a copy of all documents that the participant intends to present or utilize at the hearing. If requested, the participant must make the documents available no later than five (5) calendar days prior to the scheduled hearing date.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Recording of the Hearing

All informal hearings will be recorded by audiotape. YCH will not provide a transcript of an audio taped hearing. The tape will be retained in the office of YCH for up to three years at which time the tape may be destroyed.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by YCH, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Attendance at the Informal Hearing

YCH Policy

Hearings may be attended by a hearing officer and the following applicable persons:

- A YCH representative and any witnesses for YCH
- The participant and any witnesses for the participant
- The participant's counsel or other representative
- Any other person approved by YCH as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with YCH's hearing procedures [24 CFR 982.555(4)(ii)].

YCH Policy

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

YCH and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

YCH Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing, which is relevant to the case. For example, a letter written to YCH can be considered documentary evidence. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible,

hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either YCH or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of YCH will take effect.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family, within fifteen (15) calendar days of the hearing.

YCH Policy

In rendering a decision, the hearing officer will consider the following matters:

YCH Notice to the Family: The hearing officer will determine if the reasons for YCH's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if YCH and the family were given the opportunity to examine any relevant documents in accordance with YCH policy.

YCH Evidence to Support YCH Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support YCH's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and YCH policies. If the grounds for termination are not specified in the regulations or in compliance with YCH policies, then the decision of YCH will be overturned.

The hearing officer will issue a written decision promptly to the family and YCH, no later than fifteen (15) calendar days after the hearing. The report will contain the following information:

Hearing information:

Name of the participant; Date, time and place of the hearing;

Name of the hearing officer; Name of YCH representative; Name of family representative (if any).

Background: An impartial statement of the reason for the hearing

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold YCH's decision.

Order: The hearing report will include a statement of whether YCH's decision is upheld or overturned. If it is overturned, the hearing officer will instruct YCH to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct YCH to restore the participant's program status.

Procedures for Rehearing or Further Hearing

YCH Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of YCH will take effect and another hearing will not be granted.

YCH Notice of Final Decision [24 CFR 982.555(f)]

YCH is not bound by the decision of the hearing officer for matters in which YCH is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If YCH determines it is not bound by the hearing officer's decision in accordance with HUD regulations, YCH must promptly notify the family of the determination and the reason for the determination.

YCH Policy

YCH will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in YCH's file.

Once the "Notice of Final Decision" has been sent, the family's time to obtain a judicial review of that decision is limited to 30 calendar days after service of the "Notice of Final Decision."

14-I.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS

[24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while a YCH hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or YCH informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in previous Chapters, the notice of denial or termination of assistance for non-citizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of their assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].

- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with YCH either upon completion of the USCIS appeal or in-lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the construction of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizen and Immigration Service (USCIS) Appeal Process [24 CFR 5.514(e)]

When YCH receives notification that the USCIS secondary verification failed to confirm eligible immigration status, YCH must notify the family of the results of the USCIS verification. The family will have 30 calendar days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide YCH with a copy of the written request for appeal and the proof of mailing.

YCH Policy

YCH will notify the family in writing of the results of the USCIS secondary verification within fifteen (15) calendar days of receiving the results.

The family must provide YCH with a copy of the written request for appeal and proof of mailing within fifteen (15) calendar days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to YCH, of its decision. When the USCIS notifies YCH of the decision, YCH must notify the family of its right to request an informal hearing.

YCH Policy

YCH will send written notice to the family of its right to request an informal hearing within fifteen (15) days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in-lieu of an appeal to the USCIS, the family may request that YCH provide a hearing. The request for a hearing must be made either within 30 calendar days of receipt of YCH notice of denial or termination, or within 30 calendar days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

YCH must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision. See Section 16I.C. for a listing of positions that serve as informal hearing officers.

Evidence

The family must be provided the opportunity to examine, at a reasonable time in advance of the hearing, any documents in the possession of YCH pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

YCH Policy

The family will be allowed to copy any documents related to the hearing. The family must request discovery of YCH documents no later than five (5) calendar days prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by YCH, and to confront and cross-examine all witnesses on whose testimony or information YCH relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to request an interpreter to attend the hearing as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. YCH may, but is not required to provide a transcript of the hearing.

YCH Policy

YCH will not provide a transcript of an audio taped hearing. YCH will retain the audio tape in the participant file.

Hearing Decision

YCH must provide the family with a written final decision, based solely on the facts

presented at the hearing, within fifteen (15) calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

YCH must retain for a minimum of five (5) years the following documents that may have been submitted to YCH by the family, or provided to YCH as part of the USCIS appeal or YCH informal hearing process:

- The application for assistance;
- The form completed by the family for income reexamination;
- Photocopies of any original documents, including original USCIS documents;
- The signed verification consent form;
- The USCIS verification results;
- The request for an USCIS appeal;
- The final USCIS determination;
- The request for an informal hearing; and
- The final informal hearing decision.

Chapter 14

GRIEVANCES AND APPEALS

INTRODUCTION

This chapter discusses grievances and appeals pertaining to PHA actions or failures to act that adversely affect public housing applicants or residents. The policies are discussed in the following three parts:

Part I: Informal Hearings for Public Housing Applicants. This part outlines the requirements and procedures for informal hearings for public housing applicants.

Part II: Informal Hearings with Regard to Noncitizens. This part discusses informal hearings regarding citizenship status and where they differ from the requirements for general applicant and tenant grievances.

Part III: Grievance Procedures for Public Housing Residents. This part outlines the requirements and procedures for handling grievances for public housing residents.

Note that this chapter is not the PHA's grievance procedure. The grievance procedure is a document separate from the ACOP. This chapter of the ACOP provides the policies that drive the grievance procedure.

PART I: INFORMAL HEARINGS FOR PUBLIC HOUSING APPLICANTS

14-I.A. OVERVIEW

When the PHA makes a decision that has a negative impact on an applicant family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal hearing. HUD regulations do not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status, to be covered in Part II). This part discusses the PHA policies necessary to respond to applicant appeals through the informal hearing process.

14-I.B. INFORMAL HEARING PROCESS [24 CFR 960.208(a) and PH Occ GB, p. 58]

Informal hearings are provided for public housing applicants. An applicant is someone who has applied for admission to the public housing program, but is not yet a tenant in the program. Informal hearings are intended to provide a means for an applicant to dispute a determination of ineligibility for admission to a project [24 CFR 960.208(a)]. Applicants to public housing are not entitled to the same hearing process afforded tenants in the PHA grievance procedure [24 CFR 966.53(a) and PH Occ GB, p. 58].

Informal hearings provide the applicant a means to hear the details of the reasons for rejection, and an opportunity to present evidence to the contrary if available, and to claim mitigating circumstances if possible.

Use of Informal Hearing Process

While the PHA must offer the opportunity of an informal hearing to applicants who have been determined as ineligible for admission, the PHA could make the informal hearing process available to applicants who wish to dispute other PHA actions that adversely affect them.

PHA Policy

The PHA will only offer informal hearings to applicants for the purpose of disputing denials of admission.

Notice of Denial [24 CFR 960.208(a)]

The PHA must give an applicant prompt notice of a decision denying eligibility for admission. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal hearing to dispute the decision. The notice must describe how to obtain the informal hearing.

Prior to notification of denial based on information obtained from criminal or sex offender registration records, the family, in some cases, must be given the opportunity to dispute the information in those records which would be the basis of the denial. See Section 3-III.F. for details concerning this requirement.

Scheduling an Informal Hearing

PHA Policy

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's notification of denial of admission.

The PHA must schedule and send written notice of the informal hearing within 10 business days of the family's request.

Conducting an Informal Hearing [PH Occ GB, p. 58]

PHA Policy

The informal hearing will be conducted by a person other than the one who made the decision under review, or a subordinate of this person.

The applicant will be provided an opportunity to present written or oral objections to the decision of the PHA.

The person conducting the informal hearing will make a recommendation to the PHA, but the PHA is responsible for making the final decision as to whether admission should be granted or denied.

Informal Hearing Decision [PH Occ GB, p. 58]

PHA Policy

The PHA will notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the PHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the notice

The validity of grounds for denial of admission. If the grounds for denial are not specified in the regulations or in PHA policy, then the decision to deny assistance will be overturned. See Chapter 3 for a detailed discussion of the grounds for applicant denial.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of admission. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny admission.

If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal hearing in making the final decision whether to deny admission.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed, with return receipt requested, within 10 business days of the informal hearing, to the applicant and his or her representative, if any.

If the informal hearing decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

Reasonable Accommodation for Persons with Disabilities [24 CFR 966.7]

Persons with disabilities may request reasonable accommodations to participate in the informal hearing process and the PHA must consider such accommodations. The PHA must also consider reasonable accommodation requests pertaining to the reasons for denial if related to the person's disability. See Chapter 2 for more detail pertaining to reasonable accommodation requests.

PART II: INFORMAL HEARINGS WITH REGARD TO NONCITIZENS

14-II.A. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. These special hearings are referred to in the regulations as informal hearings, but the requirements for such hearings are different from the informal hearings used to deny applicants for reasons other than immigration status.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 13, the notice of denial or termination of assistance for noncitizens must advise the family of any of the following that apply:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a tenant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

United States Citizenship and Immigration Services Appeal Process [24 CFR 5.514(e)]

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and proof of mailing.

PHA Policy

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

PHA Policy

The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, an applicant family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

PHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.19 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the PHA, as may be agreed upon by the two parties. If the family does not arrange for their own interpreter, the PHA is still obligated to provide oral translation services in accordance with its LEP Plan.

Recording of the Hearing

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

PHA Policy

The PHA will not provide a transcript of an audio taped informal hearing.

Hearing Decision

The PHA must provide the family with a written notice of the final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The notice must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

Informal Hearing Procedures for Residents [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, a resident family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for resident families whose tenancy is being terminated based on immigration status is the same as for any grievance under the grievance procedures for resident families found in Part III below.

PART III: GRIEVANCE PROCEDURES FOR PUBLIC HOUSING RESIDENTS

14-III.A. REQUIREMENTS [24 CFR 966.52]

PHAs must have a grievance procedure in place through which residents of public housing are provided an opportunity to grieve any PHA action or failure to act involving the lease or PHA policies which adversely affect their rights, duties, welfare, or status.

The PHA grievance procedure must be included in, or incorporated by reference in, the lease.

PHA Policy

The PHA grievance procedure will be incorporated by reference in the tenant lease.

The PHA must provide at least 30 days notice to tenants and resident organizations setting forth proposed changes in the PHA grievance procedure, and providing an opportunity to present written comments. Comments submitted must be considered by the PHA before adoption of any grievance procedure changes by the PHA.

PHA Policy

Residents and resident organizations will have 30 calendar days from the date they are notified by the PHA of any proposed changes in the PHA grievance procedure, to submit written comments to the PHA.

The PHA must furnish a copy of the grievance procedure to each tenant and to resident organizations.

14-III.B. DEFINITIONS [24 CFR 966.53; 24 CFR 966.51(a)(2)(i)]

There are several terms used by HUD with regard to public housing grievance procedures, which take on specific meanings different from their common usage. These terms are as follows:

- **Grievance** – any dispute which a tenant may have with respect to PHA action or failure to act in accordance with the individual tenant’s lease or PHA regulations which adversely affect the individual tenant’s rights, duties, welfare or status
- **Complainant** – any tenant whose grievance is presented to the PHA or at the project management office
- **Due Process Determination** – a determination by HUD that law of the jurisdiction requires that the tenant must be given the opportunity for a hearing in court which provides the basic elements of due process before eviction from the dwelling unit
- **Elements of Due Process** – an eviction action or a termination of tenancy in a state or local court in which the following procedural safeguards are required:
 - Adequate notice to the tenant of the grounds for terminating the tenancy and for eviction
 - Right of the tenant to be represented by counsel
 - Opportunity for the tenant to refute the evidence presented by the PHA including the right to confront and cross-examine witnesses and to present any affirmative legal or equitable defense which the tenant may have
 - A decision on the merits
- **Hearing Officer/Panel** – a person/panel selected in accordance with HUD regulations to hear grievances and render a decision with respect thereto
- **Tenant** – the adult person (or persons) (other than a live-in aide)
 - Who resides in the unit, and who executed the lease with the PHA as lessee of the dwelling unit, or, if no such person now resides in the unit,
 - Who resides in the unit, and who is the remaining head of household of the tenant family residing in the dwelling unit
- **Resident Organization** – includes a resident management corporation

14-III.C. APPLICABILITY [24 CFR 966.51]

Potential grievances could address most aspects of a PHA's operation. However, there are some situations for which the grievance procedure is not applicable.

The grievance procedure is applicable only to individual tenant issues relating to the PHA. It is not applicable to disputes between tenants not involving the PHA. Class grievances are not subject to the grievance procedure and the grievance procedure is not to be used as a forum for initiating or negotiating policy changes of the PHA.

If HUD has issued a due process determination, a PHA may exclude from the PHA grievance procedure any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises of other residents or employees of the PHA
- Any violent or drug-related criminal activity on or off such premises
- Any criminal activity that resulted in felony conviction of a household member

In states without due process determinations, PHAs must grant opportunity for grievance hearings for all lease terminations, regardless of cause, but may use expedited grievance procedures, as described in Section 14-III.E. below, to deal with the first two of the above three categories of lease terminations.

If HUD has issued a due process determination, the PHA may evict through the state/local judicial eviction procedures. In this case, the PHA is not required to provide the opportunity for a hearing under the PHA's grievance procedure as described above.

PHA Policy

The PHA is located in a due process state. Therefore, the PHA will not offer grievance hearings for lease terminations involving criminal activity that resulted in a felony conviction of a household member or that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of the PHA, or for drug-related criminal activity on or off the premises.

See Chapter 13 for related policies on the content of termination notices.

14-III.D. INFORMAL SETTLEMENT OF GRIEVANCE [24 CFR 966.54]

HUD regulations state that any grievance must be personally presented, either orally or in writing, to the PHA office or to the office of the project in which the complainant resides so that the grievance may be discussed informally and settled without a hearing.

PHA Policy

The PHA will accept requests for an informal settlement of a grievance either orally or in writing, to the PHA office within 10 business days of the grievable event. Within 10 business days of receipt of the request the PHA will arrange a meeting with the tenant at a mutually agreeable time and confirm such meeting in writing to the tenant.

If a tenant fails to attend the scheduled meeting without prior notice, the PHA will reschedule the appointment only if the tenant can show good cause for failing to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

HUD regulations require that a summary of such discussion will be prepared within a reasonable time and one copy will be given to the tenant and one retained in the PHA's tenant file.

The summary must specify the names of the participants, dates of meeting, the nature of the proposed disposition of the complaint and the specific reasons therefore, and will specify the procedures by which a hearing may be obtained if the complainant is not satisfied.

PHA Policy

The PHA will prepare a summary of the informal settlement within 5 business days; one copy to be given to the tenant and one copy to be retained in the PHA's tenant file.

For PHAs who have the option to establish an expedited grievance procedure, and who exercise this option, the informal settlement of grievances is not applicable to those grievances for which the expedited grievance procedure applies.

14-III.E. PROCEDURES TO OBTAIN A HEARING [24 CFR 966.55]

Requests for Hearing and Failure to Request [24 CFR 966.55(a), (c), and (d)]

All grievances must be presented in accordance with the informal procedures prescribed above as a condition prior to a grievance hearing. However, if the complainant can show good cause for failure to proceed with the informal settlement process to the hearing officer/panel, the hearing officer/panel may waive this provision [24 CFR 966.55(d)].

The complainant must submit the request in writing for a grievance hearing within a reasonable time after receipt of the summary of informal discussion [24 CFR 966.55(a)]. The request must specify the reasons for the grievance and the action or relief sought.

PHA Policy

The resident must submit a written request for a grievance hearing to the PHA within 5 business days of the tenant's receipt of the summary of the informal settlement.

If the complainant does not request a hearing, the PHA's disposition of the grievance under the informal settlement process will become final. However, failure to request a hearing does not constitute a waiver by the complainant of the right to contest the PHA's action in disposing of the complaint in an appropriate judicial proceeding [24 CFR 966.55(c)].

Escrow Deposits [24 CFR 966.55(e)]

Before a hearing is scheduled in any grievance involving the amount of rent that the PHA claims is due, the family must pay an escrow deposit to the PHA. When a family is required to make an escrow deposit, the amount is the amount of rent the PHA states is due and payable as of the first of the month preceding the month in which the family's act or failure to act took place. After the first deposit the family must deposit the same amount monthly until the family's complaint is resolved by decision of the hearing officer/panel.

The PHA must waive the requirement for an escrow deposit where the family has requested a financial hardship exemption from minimum rent requirements or is grieving the effect of welfare benefits reduction in calculation of family income [24 CFR 5.630(b)(3)].

Unless the PHA waives the requirement, the family's failure to make the escrow deposit will terminate the grievance procedure. A family's failure to pay the escrow deposit does not waive the family's right to contest the PHA's disposition of the grievance in any appropriate judicial proceeding.

PHA Policy

The PHA will not waive the escrow requirement for grievances involving rent amounts except where required to do so by regulation.

Scheduling of Hearings [24 CFR 966.55(f)]

If the complainant has complied with all requirements for requesting a hearing as described above, a hearing must be scheduled by the hearing officer/panel promptly for a time and place reasonably convenient to both the complainant and the PHA. A written notification specifying the time, place and the procedures governing the hearing must be delivered to the complainant and the appropriate PHA official.

PHA Policy

Within 10 business days of receiving a written request for a hearing, the hearing officer will schedule and send written notice of the hearing to both the complainant and the PHA.

The PHA may wish to permit the tenant to request to reschedule a hearing for good cause.

PHA Policy

The tenant may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the “good cause” prior to rescheduling the hearing.

Expedited Grievance Procedure [24 CFR 966.55(g)]

The PHA may establish an expedited grievance procedure for any grievance concerning a termination of tenancy or eviction that involves:

- Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents or employees of the PHA, or
- Any drug-related criminal activity on or near such premises

In such expedited grievances, the informal settlement of grievances as discussed in 14-III.D is not applicable.

The PHA may adopt special procedures concerning expedited hearings, including provisions for expedited notice or scheduling, or provisions for expedited decision on the grievance.

PHA Policy

Because the PHA is located in a “due process” state it will not offer expedited grievances.

14-III.F. SELECTION OF HEARING OFFICER/PANEL [24 CFR 966.55(b)]

The grievance hearing must be conducted by an impartial person or persons appointed by the PHA, other than the person who made or approved the PHA action under review, or a subordinate of such person.

The PHA must determine the methodology for appointment of the hearing officer and it must be stated in the grievance procedure.

PHA Policy

The PHA will appoint a person who has been selected in the manner required under the grievance procedure. Efforts will be made to assure that the person selected is not a friend, nor enemy, of the complainant and that they do not have a personal stake in the matter under dispute or will otherwise have an appearance of a lack of impartiality.

The PHA must consult with resident organizations before a person is appointed as a hearing officer or hearing panel member. Comments from the resident organizations must be considered before making the appointment.

14-III.G. PROCEDURES GOVERNING THE HEARING [24 CFR 966.56]

Rights of Complainant [24 CFR 966.56(b)]

The complainant will be afforded a fair hearing. This includes:

- The opportunity to examine before the grievance hearing any PHA documents, including records and regulations that are directly relevant to the hearing. The tenant must be allowed to copy any such document at the tenant's expense. If the PHA does not make the document available for examination upon request by the complainant, the PHA may not rely on such document at the grievance hearing.

PHA Policy

The tenant will be allowed to copy any documents related to the hearing at a cost of \$.19 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

- The right to be represented by counsel or other person chosen as the tenant's representative and to have such person make statements on the tenant's behalf.

PHA Policy

Hearings may be attended by the following applicable persons:

A PHA representative(s) and any witnesses for the PHA

The tenant and any witnesses for the tenant

The tenant's counsel or other representative

Any other person approved by the PHA as a reasonable accommodation for a person with a disability

- The right to a private hearing unless the complainant requests a public hearing.
- The right to present evidence and arguments in support of the tenant's complaint, to controvert evidence relied on by the PHA or project management, and to confront and cross-examine all witnesses upon whose testimony or information the PHA or project management relies.
- A decision based solely and exclusively upon the facts presented at the hearing.

Decision without Hearing [24 CFR 966.56(c)]

The hearing officer/panel may render a decision without proceeding with the hearing if the hearing officer/panel determines that the issue has been previously decided in another proceeding.

Failure to Appear [24 CFR 966.56(d)]

If the complainant or the PHA fails to appear at a scheduled hearing, the hearing officer/panel may make a determination to postpone the hearing for not to exceed five business days or may make a determination that the party has waived his/her right to a hearing. Both the complainant and the PHA must be notified of the determination by the hearing officer/panel: Provided, That a determination that the complainant has waived his/her right to a hearing will not constitute a waiver of any right the complainant may have to contest the PHA's disposition of the grievance in an appropriate judicial proceeding.

There may be times when a complainant does not appear due to unforeseen circumstances which are out of their control and are no fault of their own.

PHA Policy

If the tenant does not appear at the scheduled time of the hearing, the hearing officer will wait up to 30 minutes. If the tenant appears within 30 minutes of the scheduled time, the hearing will be held. If the tenant does not arrive within 30 minutes of the scheduled time, they will be considered to have failed to appear.

If the tenant fails to appear and was unable to reschedule the hearing in advance, the tenant must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The hearing officer will reschedule the hearing only if the tenant can show good cause for the failure to appear, or it is needed as a reasonable accommodation for a person with disabilities.

“Good cause” is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

General Procedures [24 CFR 966.56(e), (f), and (g)]

At the hearing, the complainant must first make a showing of an entitlement to the relief sought and thereafter the PHA must sustain the burden of justifying the PHA action or failure to act against which the complaint is directed [24 CFR 966.56(e)].

The hearing must be conducted informally by the hearing officer/panel. The PHA and the tenant must be given the opportunity to present oral or documentary evidence pertinent to the facts and issues raised by the complaint and question any witnesses. In general, all evidence is admissible and may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings [24 CFR 966.56(f)].

PHA Policy

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, emails, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If the PHA fails to comply with the discovery requirements (providing the tenant with the opportunity to examine PHA documents prior to the grievance hearing), the hearing officer will refuse to admit such evidence.

Other than the failure of the PHA to comply with discovery requirements, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer/panel must require the PHA, the complainant, counsel and other participants or spectators to conduct themselves in an orderly fashion. Failure to comply with the directions of the hearing officer/panel to obtain order may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate [24 CFR 966.56(f)].

The complainant or the PHA may arrange, in advance and at the expense of the party making the arrangement, for a transcript of the hearing. Any interested party may purchase a copy of such transcript [24 CFR 966.56(g)].

PHA Policy

If the complainant would like the PHA to record the proceedings by audiotape, the request must be made to the PHA by 12:00 p.m. on the business day prior to the hearing.

The PHA will consider that an audio tape recording of the proceedings is a transcript.

Accommodations of Persons with Disabilities [24 CFR 966.56(h)]

The PHA must provide reasonable accommodation for persons with disabilities to participate in the hearing. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.

If the tenant is visually impaired, any notice to the tenant which is required in the grievance process must be in an accessible format.

See Chapter 2 for a thorough discussion of the PHA's responsibilities pertaining to reasonable accommodation.

14-III.H. DECISION OF THE HEARING OFFICER/PANEL [24 CFR 966.57]

The hearing officer/panel must issue a written decision, stating the reasons for the decision, within a reasonable time after the hearing. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the decision must be sent to the tenant and the PHA. The PHA must retain a copy of the decision in the tenant's folder. A copy of the decision, with all names and identifying references deleted, must also be maintained on file by the PHA and made available for inspection by a prospective complainant, his/her representative, or the hearing officer/panel [24 CFR 966.57(a)].

PHA Policy

In rendering a decision, the hearing officer will consider the following matters:

PHA Notice to the Family: The hearing officer will determine if the reasons for the PHA's decision are factually stated in the notice.

Discovery: The hearing officer will determine if the family was given the opportunity to examine any relevant documents in accordance with PHA policy.

PHA Evidence to Support the PHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.

Validity of Grounds for Termination of Tenancy (when applicable): The hearing officer will determine if the termination of tenancy is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.

The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:

Hearing information:

- Name of the complainant
- Date, time and place of the hearing
- Name of the hearing officer
- Name of the PHA representative(s)

Name of family representative (if any)

Names of witnesses (if any)

Background: A brief, impartial statement of the reason for the hearing and the date(s) on which the informal settlement was held, who held it, and a summary of the results of the informal settlement. Also includes the date the complainant requested the grievance hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.

Order: The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of tenancy, the hearing officer will instruct the PHA to restore the family's status.

Procedures for Further Hearing

PHA Policy

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

Final Decision [24 CFR 966.57(b)]

The decision of the hearing officer/panel is binding on the PHA which must take the action, or refrain from taking the action cited in the decision unless the PHA Board of Commissioners determines within a reasonable time, and notifies the complainant that:

- The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease on PHA policies which adversely affect the complainant's rights, duties, welfare, or status; or
- The decision of the hearing officer/panel is contrary to Federal, state, or local law, HUD regulations or requirements of the annual contributions contract between HUD and the PHA

PHA Policy

When the PHA considers the decision of the hearing officer to be invalid due to the reasons stated above, it will present the matter to the PHA Board of Commissioners within 10 business days of the date of the hearing officer's decision. The Board has 30 calendar days to consider the decision. If the Board decides to reverse the hearing officer's decision, it must notify the complainant within 10 business days of this decision.

A decision by the hearing officer/panel, or Board of Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or in part must not constitute a waiver of any rights the complainant may have to a subsequent trial or judicial review in court [24 CFR 966.57(c)].

**YOLO COUNTY HOUSING
BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007
(Including Auditors' Report Thereon)**

**YOLO COUNTY HOUSING
BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Yolo County Housing
Woodland, California

We have audited the accompanying financial statements of the business-type activities and the major fund of Yolo County Housing (YCH), formally known as the Housing Authority of the County of Yolo, California, as of and for the year ended June 30, 2007, which collectively comprise YCH's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Yolo County Housing'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 the major fund of Yolo County Housing, as of June 30, 2007, and the respective changes in financial position and cash flows thereof 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 a report dated March 26, 2008, on our consideration of Yolo County Housing'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 12, is not a required part of the basic financial statements but are 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 Yolo County Housing's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the 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. Also, the Financial Data Schedule is presented for the purpose of additional analysis as required by the U.S. Department of Housing and Urban Development, Real Estate Assessment Center and is not a required part of the basic financial statements. The Financial Data Schedule and the Schedule of Expenditures of Federal Awards 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.

A handwritten signature in cursive script, appearing to read "Hann & Oula".

March 26, 2008

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

As management of the Housing Authority of the County of Yolo (YCH), we offer readers of YCH's financial statements this narrative overview and analysis of the financial activities of YCH for the year ended June 30, 2007. 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 YCH's financial statements beginning on page 13.

This discussion and analysis is intended to serve as an introduction to the basic financial statements for YCH. The MD&A is designed to:

- (a) Assist the reader in focusing on significant financial issues.
- (b) Provide an overview of YCH's financial activity.
- (c) Identify changes in YCH's financial position (its ability to address the next and subsequent years' challenges).
- (d) Identify individual fund issues or concerns.

YCH-wide Financial Statements

YCH-wide financial statements are designed to provide readers with a broad overview of YCH's finances in a manner similar to a private sector business. All business-type activities are consolidated to a total for the agency taken as a whole. The YCH-wide financial statements include a *Statement of Net Assets* (YCH's assets and liabilities, with the differences between the two reported as net assets) and a *Statement of Activities* (a schedule showing how net assets changed during the most recent fiscal year).

Fund Financial Statements

A fund is a group of related accounts that are used to maintain control over resources that have been segregated to specific activities or objectives. YCH, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus is on Major Funds, rather than fund types. YCH considers all of its activities to fall under one major fund titled *Housing*.

YCH employs, exclusively, Enterprise Funds which utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

Certain funds administered by YCH are programs provided by the U.S. Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control. Government Accounting Standards require individual Enterprise Funds to be reported as major funds if total assets, liabilities, revenue or expenses of the fund exceed 10% of the corresponding element total of YCH-wide financial statements.

Fund financial statements include a Statement of Net Assets (similar to a balance sheet), a Statement of Revenues, Expenses and Changes in Fund Net Assets (similar to an Income Statement) and a Statement of Cash Flows.

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

Proprietary funds include:

Low Rent Public Housing

Under the Low Rent Public Housing (LRPH) program, YCH rents units that it owns to low or very low income households. The LRPH Program is operated under an Annual Contributions Contract (ACC) with HUD. Public Housing Agencies are limited by law in the amount of rent collected to no more than thirty percent (30%) of a family's adjusted income, or the resident may choose what is known as "flat rent". The latter is a set rental amount comparable to local market rents. The rental amount does not increase or decrease over a three-year period; no matter the resident's actual income. Flat rents are designed to encourage residents to maximize their earnings in the hope that they may eventually purchase their own homes.

HUD, through the ACC, provides an operating subsidy to cover the gap between rents collected and annual operating expenses. Management noted the operating subsidy has been decreasing, in effect causing YCH to be less reliant on subsidy funding than in the past.

The ACC provides a Capital Fund Program designed to enable YCH to make capital improvements to its properties and otherwise provide long term assets for the benefit of tenants and the administration. At this time, the Capital Improvement fund is held in abeyance pending review by HUD of the financing of the new YCH's Administration building at 147 W. Main Street, Woodland, Ca.

The budget for the Low Rent Public Housing Program is adopted on the basis of accounting practices prescribed by the U.S. Department of Housing and Urban Development which differ in some respects from generally accepted accounting principles.

Housing Choice Voucher Program

Under the Housing Choice Voucher Program (formerly known as Section 8 tenant-based assistance), YCH administers contracts with independent landlords that own the rental property. YCH subsidizes the families' rents through a Housing Assistance Payment (HAP) payable to the landlord. The program is administered under an ACC with HUD that provides annual funding to enable YCH to structure a lease that generally sets the participant's rent as thirty percent (30%) of household income and pays YCH a fixed monthly administrative fee.

Vouchers can also be applied toward the purchase of a home by tenants. At this time, one YCH Housing Choice Voucher participant has purchased a residence. Approximately six to eight additional participants are moving toward the completion of the home purchase process. YCH will use HUD's HAP funds to subsidize the participant's home loan for fifteen years unless the participant is disabled or elderly in which case there is no time limit on the use of HAP funds to subsidize the loan.

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

New Hope Community Development Corporation (Component Unit)

New Hope CDC is a 501(c)(3) non-profit corporation created to develop affordable housing and community based economic development ventures. Its primary business activities during the year ended June 30, 2007 were the operation of Cottonwood Meadows senior apartments and the operation of the Kentucky commercial property.

Office of Migrant Services, Migrant Farm Labor Program (Other State/Local)

YCH manages Migrant Centers in Davis, Madison and Dixon, California. Pursuant to contracts with the State of California Business, Transportation & Housing Agency, YCH remits rents collected from tenants to the State Office of Migrant Services, which in turn reimburses YCH for its costs of operating the Migrant Centers. The Dixon Migrant Center is managed by YCH on behalf of the Dixon Housing Authority of Solano County.

Other Funds

Business Activities - used to administer various non-government subsidized programs.
Davis Solar Rural Rental Assistance - USDA/Rural Rental Assistance
Public Housing Capital Fund Program - HUD
See pages 47 through 51 for further detail.

Financial Statements

YCH's financial statements include a Statement of Net Assets which is similar to a balance sheet. The Statement of Net Assets reports all financial and capital resources available. The statement is presented in a format in which assets minus liabilities equals "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "current" (convertible to cash within one year), and "non-current".

The focus of the Statement of Net Assets represents the net available assets, net of liabilities, for the entire YCH or for individual funds. Net assets 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 the 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 consists of assets which have constraints placed on them by creditors (such as debt covenants), grantors, contributors, laws, or regulations.

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".

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

The assets of YCH exceed its liabilities as of June 30, 2007 by \$12,800,283.

	<u>2007</u>	<u>2006</u>	<u>Net Change</u>	<u>% Change</u>
<u>ASSETS</u>				
Current Assets	\$ 847,617	\$ 3,366,743	\$ (2,519,126)	-74%
Restricted Assets	1,910,757	648,631	1,262,126	194%
Capital Assets, Net	<u>20,723,764</u>	<u>21,825,013</u>	<u>(1,101,249)</u>	-5%
TOTAL ASSETS	<u>\$ 23,482,138</u>	<u>\$ 25,840,387</u>	<u>\$ (2,358,249)</u>	-9%
<u>LIABILITIES</u>				
Current Liabilities	\$ 1,675,817	\$ 1,765,247	\$ (89,430)	-5%
Payable form Restricted Cash	295,488	268,315	27,173	10%
Non-Current Liabilities	<u>8,710,550</u>	<u>8,756,202</u>	<u>(45,652)</u>	-0%
TOTAL LIABILITIES	<u>\$ 10,681,855</u>	<u>\$ 10,789,764</u>	<u>\$ (107,909)</u>	-1%
<u>NET ASSETS</u>				
Investing in Capital Assets, net of Related Debt	\$ 14,143,923	\$ 15,005,789	\$ (861,866)	-5%
Restricted	1,738,981	540,028	1,198,953	222%
Unrestricted	<u>(3,082,621)</u>	<u>(495,194)</u>	<u>(2,587,427)</u>	-522%
TOTAL NET ASSETS	<u>\$ 12,800,283</u>	<u>\$ 15,050,623</u>	<u>\$ (2,250,340)</u>	-15%

During the fiscal year ended June 30, 2007, YCH's assets declined by 9% or \$2.3 million. The decline in current assets is primarily the result of reclassifying \$851,199 of accumulated HAP funds to restricted cash. The decrease in net capital assets is reflective of full year depreciation (-\$1,150,762), the write down of the Kentucky property to reflect its market value (-\$595,707) and the addition of admin building costs (\$585,793). Additional decrease of current assets and restricted cash is cash usage of \$771,551 for debt reduction and interest payments.

YCH's total liabilities decreased by \$107,909 (1%) in the year ended June 30, 2007. The decrease in current liabilities of \$89,430 reflects YCH's efforts to pay vendors and invoices more timely. The restricted payables increase is primarily in the payable to OMS for Migrant Rents Collected. Long term obligations decreased \$45,652 resulting primarily from the normal retirement of a portion of the long term debt.

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

Statement of Revenues, Expenses, and Changes in Fund Net Assets

The Statement of Revenue, Expenses and Changes in Fund Net Assets (similar to an Income Statement) includes Operating Revenues, such as rental income, Operating Expenses such as administrative, utilities, maintenance, and depreciation, and non-Operating Revenue and 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 Net Loss.

	<u>2007</u>	<u>2006</u>	<u>Net Change</u>	<u>% Change</u>
<u>OPERATING REVENUE</u>				
Tenant	\$ 2,418,981	\$ 2,339,028	\$ 79,953	3%
HUD PHA Grants	8,579,076	8,363,004	216,072	3%
HUD Operating and Capital Grants	590,614	1,212,574	(621,960)	-51%
Other	<u>366,127</u>	<u>297,655</u>	<u>68,472</u>	23%
Total Operating Revenue	<u>11,750,627</u>	<u>12,212,261</u>	<u>(461,634)</u>	-4%
<u>OPERATING EXPENSES</u>				
Administration	3,284,845	5,039,766	(1,754,921)	-35%
Tenant Services	108,569	97,018	11,551	12%
Utilities	800,857	702,293	98,564	14%
Ordinary maintenance and operations	1,201,654	1,876,414	(674,760)	-36%
Extra ordinary maintenance	363,513	-	363,513	100%
General Expenses	1,064,283	740,527	323,756	44%
Housing Assistance Payments	7,348,864	6,663,995	684,869	10%
Depreciation Expense	<u>1,159,762</u>	<u>1,061,456</u>	<u>98,306</u>	9%
Total Operating Expenses	<u>15,332,347</u>	<u>16,181,469</u>	<u>(849,122)</u>	-5%
<u>NON-OPERATING REVENUE (EXPENSES)</u>				
Other government grants	1,997,862	1,835,667	162,195	9%
Investment Income - Restricted Cash	58,388	-	58,388	100%
Interest Income	20,564	62,823	(42,259)	-67%
Interest Expense	<u>532,167</u>	<u>341,968</u>	<u>190,199</u>	56%
Net Non-Operating Revenue	<u>1,544,647</u>	<u>1,556,522</u>	<u>(11,875)</u>	-1%
Loss before Equity Transfers	(1,832,902)	(2,412,686)	579,784	-24%
Prior Period Adjustments	218,462	181,225	37,237	21%
Loss on Disposition of Fixed Assets	(635,900)	-	(635,900)	100%
Beginning Net Assets	<u>15,050,623</u>	<u>17,282,084</u>	<u>(2,231,461)</u>	-13%
ENDING NET ASSETS	<u>\$ 12,800,283</u>	<u>\$ 15,050,623</u>	<u>\$ (2,250,340)</u>	-15%

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

Operating revenue decreased 4%. Tenant revenue rent collections increased by \$79,953 due to small rent increases in several developments and at the Kentucky property. PHA Grant revenue includes increases of \$49,342 in LRPH operating subsidy and \$167,730 in HCV funding. Capital fund grant revenue decreased significantly due to HUD's hold put on YCH Capital funding until issues associated with the Administration building are resolved.

Operating expenses during the year ended June 30, 2007 decreased by -\$658,923 or -4% overall. Costs were cut across the board due to cash flow problems brought on by a variety of factors including underperforming commercial property, increased interest expense, increased utilities, and the reduction of capital grant availability.

The decrease in Administrative Costs is due to the recognition of \$1,765,000 of expense related to the Administration building in 2005-2006.

The decrease of General expenses is due to the reclassification of the positive fund balance in the Madison Migrant Center to Accounts Payable.

Ordinary Maintenance decreased by -\$674,760 and Extra Ordinary Maintenance increased by \$363,513. The decrease is primarily attributable to completion of renovations at the Commercial Building, including the installation of the fire sprinkler system during the 2005-2006 year. The extra ordinary maintenance was rehabilitation of the Dixon Migrant Center.

Tenant Services increased in LRPH by \$11,551 primarily due to extended staff hours. Utilities increased by 14% overall. Depreciation increase is due to completion/capitalization of the Commercial building on Kentucky Avenue and the Administration building.

The increase in Other Government Grants is due to extraordinary maintenance and reduced operating costs at the Migrant Centers under a cost reimbursement contract.

Net interest income increased by \$16,129 and is broken out between Restricted and Unrestricted for the 2006-2007 year but not in previous years. The increase is due to higher reserve balances in the HCV and Migrant programs. Interest expense increased due to the 2005 refinancing of the administrative building at a lower rate than previously but for an increased principle amount.

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

Statement of Cash Flows

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.

Cash flows from operating activities:

Tenant Receipts	\$ 2,311,529
Other receipts	329,742
Migrant receipts collected in excess of disbursements to HCD	72,798
Payroll and benefit expenditures	(3,004,185)
Administration expenditures	(1,474,996)
Tenant services expenditures	(36,407)
Utilities expenditures	(800,857)
Maintenance expenditures	(495,213)
General expenditures	(309,236)
Housing assistance payment expenditures	<u>(7,307,450)</u>
Net cash provided (used) operating activities	<u>(10,714,275)</u>

Cash flows from noncapital financing activities:

Operating grants received	11,696,969
Funds returned to granting agency	(14,451)
Prior Period Adjustment	320,802
Extraordinary maintenance	<u>(363,513)</u>
Net cash provided by noncapital financing activities	<u>11,639,807</u>

Cash flows from capital financing activities:

Grants received to acquire capital assets	32,819
Acquisition of capital assets	(381,112)
Principal paid on debt	(266,362)
Interest paid on debt	<u>(505,189)</u>
Net cash provided used capital financing activities	<u>(1,119,844)</u>

Cash flows from investing activities:

Interest receipts	8,482
Interest on restricted cash	<u>58,388</u>
Net cash provided by investing activities	<u>66,870</u>

Net decrease to cash

(127,442)

Cash at beginning of year

2,322,221

Cash at end of year

\$ 2,194,779

Cash and investments

\$ 284,022

Restricted cash

1,910,757

Total cash at the end of year

\$ 2,194,779

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

Comparison of Actual to Budget for the Year Ended June 30, 2007

	<u>Actual</u>	<u>Budget</u>	<u>Net Change</u>	<u>% Change</u>
<u>OPERATING REVENUE</u>				
Tenant	\$ 2,418,981	\$ 2,330,961	\$ 88,020	3.8%
HUD PHA and Operating Grants	9,169,690	9,029,161	140,529	1.6%
Other Revenue	<u>366,127</u>	<u>167,112</u>	<u>199,015</u>	119.1%
Total Operating Revenue	<u>11,954,798</u>	<u>11,527,234</u>	<u>427,564</u>	3.7%
<u>OPERATING EXPENSES</u>				
Administration	3,284,844	2,748,374	536,470	19.5%
Tenant Services	108,569	42,001	66,568	158.5%
Utilities	800,857	789,270	11,587	1.5%
Ordinary maintenance and operations	1,201,654	793,781	407,873	51.4%
Extra ordinary maintenance	363,513	542,000	(178,487)	-32.9%
General Expenses	1,064,282	1,347,065	(282,783)	-21.0%
Housing Assistance Payments	7,348,864	7,052,076	296,788	4.2%
Depreciation Expense	<u>1,159,762</u>	<u>-</u>	<u>1,159,762</u>	
Total Operating Expenses	<u>15,332,345</u>	<u>13,314,567</u>	<u>2,017,778</u>	15.2%
Operating Loss	(3,37,547)	(1,787,333)	(1,590,214)	89.0%
<u>NON-OPERATING REVENUE (EXPENSES)</u>				
Other Government Grants	1,997,862	1,553,923	443,939	28.6%
Interest income - Unrestricted	20,564	14,000	6,564	46.9%
Interest income - Restricted	58,388	-	58,388	
Loss on Disposition of Fixed Assets	(635,900)	699,298	(1,335,198)	190.9%
Interest Expense	<u>(532,168)</u>	<u>(397,590)</u>	<u>(134,578)</u>	33.8%
NET LOSS	<u>\$ (2,468,801)</u>	<u>\$ 82,298</u>	<u>\$ (2,250,340)</u>	

Significant Variances (Budget was prepared by staff no longer with YCH):

- Other Revenues – the budget did not include inter program management fees and rent income which amounted to \$204,171.
- Administration – The budget excluded a budgeted amount \$634,870 of Administrative Benefits. This cost is included in the General Expense budget line. The actual benefit cost is \$681,214.
- Tenant Services budget projection included only part time staffing.
- Ordinary Maintenance/Extra Ordinary Maintenance – combined, the actual cost exceeded budget by 17%. Migrant Program maintenance (ordinary and extra ordinary combined) exceeded budget by nearly \$202,654.

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

- Other General - The budget included \$634,870 of Administrative Benefits. Insurance cost was \$90,356 under budget.
- Depreciation – The budget did not include a provision for depreciation.
- Other Government Grants – The budget did not include a provision for the extra ordinary maintenance grant for the Migrant Program.
- Gain or (Loss) on Sale of Fixed Assets – The budget included anticipated cash proceeds from the sale of the Kentucky property rather than the loss that actually occurred due to the over valuation of the building in the general ledger.
- Interest Expense – The budget included \$88,945 for interest for New Hope CDC but the actual interest for the CDC was \$209,091.

YCH presents a summary of Fixed Assets for your information

	Balance 6/30/2006	Prior Period Adjustment	Additions	Deletions	Transfer	Balance 6/30/2007
Capital Assets:						
Land	\$ 4,626,298	\$ -	\$ -	\$ -	\$ -	\$ 4,626,298
Construction in progress	1,031,990	(102,340)	32,819	(17,200)	(727,447)	217,822
Building and Improvements	31,466,933	102,340	585,793	(610,332)	727,447	32,272,181
Furniture, equipment and vehicles	1,093,171	-	-	-	-	1,093,171
Total capital assets	<u>38,218,392</u>	<u>-</u>	<u>618,612</u>	<u>(627,532)</u>	<u>-</u>	<u>38,209,472</u>
Less Accumulated Depreciation	<u>(16,393,379)</u>	<u>-</u>	<u>(1,159,762)</u>	<u>67,433</u>	<u>-</u>	<u>(17,485,708)</u>
Total Capital Assets, Net	<u>\$ 21,825,013</u>	<u>\$ -</u>	<u>\$ (541,150)</u>	<u>\$ (694,965)</u>	<u>\$ -</u>	<u>\$ 20,723,764</u>

Addition are the result of the maintenance building remodel (\$354,000), tenant improvements to the leased space in the front of the admin building (\$220,000), and improvements to the Kentucky property (\$11,000). The deletion is primarily the reduction in book value of the Kentucky property to more accurately reflect its market value.

**YOLO COUNTY HOUSING
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

(Continued)

YCH presents a summary of Long Term Debt for your information

	Balance <u>6/30/2006</u>	Additions	Reductions	Balance <u>6/30/2007</u>
Low Rent Public Housing				
Office Building, Mortgage 1	\$ 2,218,770	-	\$ (43,935)	\$ 2,174,835
Office Building, Mortgage 2	180,000	-	-	180,000
Office Building, Mortgage 3	<u>480,000</u>	-	<u>(160,000)</u>	<u>320,000</u>
Total Low Rent Public Housing	<u>2,878,770</u>	-	<u>(203,935)</u>	<u>2,674,835</u>
Cottonwood				
HCD Note	368,800	-	-	368,800
Cottonwood Note	<u>1,879,890</u>	-	<u>(37,381)</u>	<u>1,842,509</u>
Total Cottonwood	<u>2,248,690</u>	-	<u>(37,381)</u>	<u>2,211,309</u>
Commercial Building				
Kentucky loan	<u>1,321,087</u>	-	<u>21,905</u>	<u>1,299,182</u>
Esparto Development				
Esparto Project - CDHC	331,269	-	-	331,269
Esparto Project - CDBG	<u>34,464</u>	-	<u>2,255</u>	<u>32,209</u>
Total Esparto Development	<u>365,733</u>	-	<u>2,255</u>	<u>363,478</u>
Davis Solar Rural Rental Assistance				
USDA Note	<u>4,944</u>	-	<u>886</u>	<u>4,058</u>
Total Long Term Debt	<u>\$ 6,819,224</u>	<u>\$ -</u>	<u>\$ 266,362</u>	<u>\$ 6,552,862</u>

Significant environmental economic factors affecting YCH include:

Federal funding from the Department of Housing and Urban Development (HUD)
 Funding from the State Office of Migrant Services (OMS)
 Local labor supply and demand which affect salary and wage rates
 Local inflation, recession and employment trends, which can affect resident income and therefore the amount of rental income
 Local rental market and economy, which has a direct effect on the ability to find viable privately-owned rental properties that are available to our Housing Choice Voucher program
 Inflationary pressure on utility rates, supplies and other costs are another concern.

Contacting YCH

This financial report is designed to provide a general overview of YCH's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lisa A. Baker, Executive Director, Yolo County Housing, 147 W. Main Street, Woodland, California 95695.

**YOLO COUNTY HOUSING
STATEMENT OF NET ASSETS
JUNE 30, 2007**

	<u>Primary Government Business-type Activities</u>
<u>ASSETS</u>	
Current assets	
Cash and investments (Note 2)	\$ 284,022
Due from other agencies	330,878
Tenant accounts receivable	59,496
Allowance for doubtful accounts	(15,000)
Interest receivable	12,081
Inventory (net of allowance for obsolete inventory of \$9,141) (Note 1.I.)	82,269
Prepaid expenses	<u>93,871</u>
Total current assets	<u>847,617</u>
Restricted assets:	
Restricted cash (Note 2 and 3)	<u>1,910,757</u>
Fixed assets (Note 5):	
Land	4,626,298
Buildings	32,272,181
Furniture and equipment	1,093,171
Construction in progress	217,822
Accumulated depreciation	<u>(17,485,708)</u>
Total fixed assets	<u>20,723,764</u>
Total assets	<u><u>\$ 23,482,138</u></u>

**YOLO COUNTY HOUSING
STATEMENT OF NET ASSETS
JUNE 30, 2007**

(Continued)

	<u>Primary Government Business-type Activities</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 543,671
Due to other agencies	276,309
Accrued interest (Note 6)	26,979
Unearned revenue (Note 8)	30,240
Current portion of compensated absences (Note 1.J.)	23,841
Current portion of long-term debt (Note 6)	274,808
Other current liabilities	<u>499,969</u>
Total current liabilities	1,675,817
 Payable from restricted assets:	
Tenant security deposits	184,462
Family self sufficiency escrows	111,026
 Other noncurrent liabilities:	
Long-term portion of compensated absences (Note 1.J.)	71,540
Long-term debt (Note 6)	6,278,054
Other noncurrent liabilities (Note 9)	<u>2,360,956</u>
Total liabilities	<u>10,681,855</u>
 <u>NET ASSETS (Note 10)</u>	
Investment in capital assets, net of related debt	14,143,923
Restricted net assets	1,738,981
Unrestricted net assets	<u>(3,082,621)</u>
Total net assets	<u>12,800,283</u>
Total liabilities and net assets	<u><u>\$ 23,482,138</u></u>

The accompanying notes are an integral part of this statement

**YOLO COUNTY HOUSING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

Function/Programs	Program Revenues			Capital Grants/ Contributions	Net Revenue (Expenses) Changes in Net Assets
	Expenses	Charges for Services	Operating Grants		
Business-type activities:					
Federal:					
Housing Choice Voucher	\$ 8,200,008	\$ 58,400	\$ 8,448,435	-	\$ 306,827
Public Housing	4,057,977	2,048,730	130,641	-	(1,878,606)
Public Housing Capital Fund	363,765	-	557,795	32,819	226,849
USDA	29,489	36,175	-	-	6,686
State:					
Migrant	2,225,909	19,639	1,975,228	-	(231,042)
RHCP (New Hope CDC)	352,114	294,306	1,366	-	(56,442)
Other:					
Business	248,325	85,273	21,268	-	(141,784)
Esparto Development	13,170	-	-	-	(13,170)
Kentucky Commercial Property (NHCDC)	169,586	96,802	-	-	(72,784)
Total primary government	<u>\$ 15,660,343</u>	<u>\$ 2,639,325</u>	<u>\$ 11,134,733</u>	<u>\$ 32,819</u>	<u>(1,853,466)</u>
General revenues (expenses)					
Unrestricted interest	20,564				
Loss on disposition of fixed assets (Note 12)	(635,900)				
Total general revenues	(615,336)				
Change in net assets	(2,468,802)				
Net assets - beginning of the year, as originally stated	15,050,623				
Prior period adjustment (Note 11)	218,462				
Net assets - beginning of the year, as restated	15,269,085				
Net assets - end of the year	<u>\$ 12,800,283</u>				

The accompanying notes are an integral part of this statement

**YOLO COUNTY HOUSING
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2007**

<u>ASSETS</u>	<u>Housing</u>
Current assets	
Cash and investments (Note 2)	\$ 284,022
Due from other funds	718,008
Due from other agencies	330,878
Tenant accounts receivable	59,496
Allowance for doubtful accounts	(15,000)
Interest receivable	12,081
Inventory (net of allowance for obsolete inventory of \$9,141) (Note 1.I)	82,269
Prepaid expenses	<u>93,871</u>
Total current assets	<u>1,565,625</u>
Restricted assets:	
Restricted cash (Note 2 and 3)	<u>1,910,757</u>
Fixed assets (Note 5):	
Land	4,626,298
Buildings	32,272,181
Furniture and equipment	1,093,171
Construction in progress	217,822
Accumulated depreciation	<u>(17,485,708)</u>
Total fixed assets	<u>20,723,764</u>
Total assets	<u>\$ 24,200,146</u>

**YOLO COUNTY HOUSING
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
JUNE 30, 2007**

(Continued)

	Housing
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 543,671
Due to other funds	718,008
Due to other agencies	276,309
Accrued interest (Note 6)	26,979
Unearned revenue (Note 8)	30,240
Current portion of compensated absences (Note 1.J.)	23,841
Current portion of long-term debt (Note 6)	274,808
Other current liabilities	499,969
Total current liabilities	2,393,825
Payable from restricted assets:	
Tenant security deposits	184,462
Family self sufficiency escrows	111,026
Other noncurrent liabilities:	
Long-term portion of compensated absences (Note 1.J.)	71,540
Long-term debt (Note 6)	6,278,054
Other noncurrent liabilities (Note 9)	2,360,956
Total liabilities	11,399,863
<u>NET ASSETS</u> (Note 10)	
Investment in capital assets, net of related debt	14,143,923
Restricted net assets	1,738,981
Unrestricted net assets	(3,082,621)
Total net assets	12,800,283
Total liabilities and net assets	\$ 24,200,146

The accompanying notes are an integral part of this statement

**YOLO COUNTY HOUSING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Housing
Operating revenue:	
Rents and other tenant revenue	\$ 2,418,981
Other	366,127
Total operating revenue	2,785,108
 Operating expenses:	
Administration	3,284,845
Tenant services	108,569
Utilities	800,857
Maintenance	1,201,654
General	1,064,283
Housing assistance payments	7,348,864
Depreciation (Note 5)	1,159,762
Total operating expenses	14,968,834
Operating income (loss)	(12,183,726)
 Nonoperating revenue (expenses):	
Grants	11,134,733
Unrestricted interest	20,564
Restricted interest	58,388
Loss on disposition of fixed assets (Note 12)	(635,900)
Debt service - interest (Note 6)	(532,167)
Extraordinary maintenance	(363,513)
Net income (loss) before contributions and transfers	(2,501,621)
Capital contributions	32,819
Net income (loss)	(2,468,802)
Net assets - beginning of year, as originally stated	15,050,623
Prior period adjustments (Note 11)	218,462
Net assets - beginning of year, as restated	15,269,085
Net assets - end of year	\$ 12,800,283

The accompanying notes are an integral part of this statement.

**YOLO COUNTY HOUSING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Housing</u>
Cash flows from operating activities:	
Tenant receipts	\$ 2,311,529
Other receipts	329,742
Migrant receipts collected in excess of disbursements to HCD	72,798
Payroll and benefit expenditures	(3,004,185)
Administration expenditures	(1,474,996)
Tenant services expenditures	(36,407)
Utilities expenditures	(800,857)
Maintenance expenditures	(495,213)
General expenditures	(309,236)
Housing assistance payment expenditures	(7,307,450)
Net cash provided used operating activities	(10,714,275)
 Cash flows from noncapital financing activities:	
Operating grants received	11,696,969
Funds returned to granting agency	(14,451)
Prior Period Adjustment (Note 11)	320,802
Extraordinary maintenance	(363,513)
Net cash provided by noncapital financing activities	11,639,807
 Cash flows from capital financing activities:	
Grants received to acquire capital assets	32,819
Acquisition of capital assets	(381,112)
Principal paid on debt	(266,362)
Interest paid on debt	(505,189)
Net cash provided used capital financing activities	(1,119,844)
 Cash flows from investing activities:	
Interest receipts	8,482
Interest on restricted cash	58,388
Net cash provided by investing activities	66,870
 Net decrease to cash	(127,442)
Cash at beginning of year	2,322,221
Cash at end of year	\$ 2,194,779
 Cash and investments	\$ 284,022
Restricted cash	1,910,757
Total cash at year end	\$ 2,194,779

**YOLO COUNTY HOUSING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

(Continued)

	Housing
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (12,183,726)
Adjustments to reconcile operating loss to Net cash used by operating activities:	
Depreciation expense	1,159,762
Revenue due to lease of building space	(22,680)
(Increase) Decrease in:	
Due from other agencies	(504)
Tenants accounts receivable	157
Other receivable	344,694
Prepaid expenses	144,041
Inventory	(1,269)
Increase (Decrease) in:	
Accounts payable	(412,782)
Due to other agencies	250,150
Tenant security deposits	(14,746)
Unearned revenues	(22,263)
Compensated absences	(19,295)
FSS escrow	41,918
Other noncurrent liabilities	22,268
Net cash used by operating activities	\$ (10,714,275)

Noncash transactions:

- Capital assets of \$727,447 were transferred from Capital Fund to Public Housing to facilitate the close out of three Capital Fund grants.
- Capital assets of \$102,840 were transferred from Capital Fund to Public Housing. These assets had been acquired prior to June 30, 2006. Initially, the Capital Fund was to provide the funding for this acquisition. During the current fiscal year, it became doubtful that HUD would advance the funds for these costs. Therefore, they were transferred to the Public Housing Program.
- On September 21, 2006, YCH entered into a lease which rented out 2800 square feet of the office space adjacent to their administrative office space. The term of this lease is ten years, with the rent set at \$2,520 per month. The lease also allows the tenants to make, and pay for, improvements to the property in the amount of \$220,300. YCH agreed to credit tenant rent for the amount of tenant improvements put in place. Therefore, no rental payments will be collected for several years on the property. During the current year, capital assets were increased by \$220,300 and a liability set up, rent was recognized in the amount of \$22,680 with no cash being received.

The accompanying notes are an integral part of this statement.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Yolo County Housing have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Organization

Yolo County Housing (YCH), formally known as the Housing Authority of the County of Yolo, was established pursuant to the State Health and Safety Code in 1950 by the Yolo County Board of Supervisors. YCH is a public entity organized under the laws of the State of California's Health and Safety Code to provide housing assistance to low and moderate income families at rents they can afford. Eligibility is determined by family composition and income in areas served by YCH. To accomplish this purpose, YCH has entered into Annual Contributions Contracts with the U.S. Department of Housing and Urban Development (HUD) to operate assisted housing programs.

On June 20, 2006, the County's Board of Supervisors exercised its authority under Health and Safety Code section 34290, due to the resignation of the independent housing commission, and declared itself to be the commissioners of YCH for a temporary period. The County's Board of Supervisors has indicated that the Board is acting as the Commissioners of YCH for only a temporary time period. In accordance with Government Accounting Standards Board Statement No 14, footnote 3, YCH is considered to have retained its independent status and is not considered to be a component unit of the County. The current governing board of YCH consists of the five members of the County Board of Supervisors plus two tenant Commissioners appointed by the Commission.

B. Financial Reporting Entity

YCH's financial statements include the accounts of all YCH's operations. The criteria for including organizations as component units within YCH's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- * The organization is legally separate (can sue and be sued in their own name)
- * YCH holds the corporate powers of the organization
- * YCH appoints a voting majority of the organization's board
- * YCH is able to impose its will on the organization
- * The organization has the potential to impose a financial benefit/burden on YCH
- * There is financial dependency by the organization on YCH

Based on the aforementioned criteria, YCH has a blended component unit. The accompanying financial statements present YCH and its component unit, an entity for

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 1 (continued)

which YCH is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of YCH's operations. The component unit is known as the New Hope Community Development Corporation (NHCDC). NHCDC owns and operates a State RHCP project and a commercial building.

YCH has entered into an agreement with the Housing Authority of the City of Dixon to administer their only program - a Migrant Center funded by the California Department of Housing and Community Development. This program owns no real property and carries no long-term debt. YCH used its staff and other resources to operate this program during the current fiscal year. The operations of this program are considered by management to be, in substance, part of YCH's and as such are reported as part of this Agency-wide financial statement.

C. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about YCH as a whole. They include all funds of YCH and a column for discretely presented component units. YCH has no fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. YCH's activities are strictly business-type.

Fund Financial Statements:

Fund financial statements of YCH are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses/expenditures as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. YCH considers all of its funds to be proprietary. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of YCH or if total assets, liabilities, revenue, or expenses/expenditures of the individual fund are at least 10 percent of YCH-wide total. Beginning July 1, 2006, YCH considers all the activity of YCH to be housing related and therefore, considers all the financial activity of YCH to be one major fund, titled *Housing*. As such, YCH has no non-major funds.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 1 (continued)

PROPRIETARY FUND TYPES

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are also used when the governing body has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

D. Measurement Focus and Basis of Accounting

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

The Proprietary Fund Types are accounted for on an economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded at the time liabilities are incurred. Under this basis of accounting and measurement focus, YCH applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

When YCH incurs an expense for which both restricted and unrestricted resources may be used, it is YCH's policy to use restricted resources first and then unrestricted resources as needed.

E. Interfund Transactions

Interfund assets/liabilities:

Short-term amounts due between funds are classified as "Due from/to other funds". For the purpose of the Agency-Wide Statement of Net Assets, due from/to other funds, totaling \$718,008, have been eliminated. See also Note 4.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 1 (continued)

Interfund revenue/expenses:

For the purpose of the Agency-wide Statement of Activities, the following interfund revenue and expenses have been eliminated:

Office rent charged by the Public Housing Program to the Housing Choice Voucher Program	\$ 47,004
Management fees charged by the Business Program to the three Migrant Programs	137,847
Management fees charged by the Business Program to NHCDC RHCP Cottonwood Program	<u>19,320</u>
Total interfund revenue/expense	<u>\$ 204,171</u>

Interfund transfers:

Interfund transfers were made to close out programs and grants. A residual equity transfer of \$727,447 was made from the Capital Fund Program to the Public Housing Fund to facilitate the close out of three Capital Fund grants. An additional operating transfer of \$194,030 was made from the Capital Fund Program to the Public Housing Fund. Various small transfers totaling \$37,094 were made to close out a number of small inactive general ledgers. Interfund transfers of \$958,571 have been eliminated from the Agency-Wide Statement of Activities.

F. Cash and Investments

For the purpose of the cash flows, YCH considers all of their cash and investments, including restricted cash, to be cash and cash equivalents. YCH considers all of their investments to be highly liquid and, therefore, cash equivalents.

G. Capital Assets

Capital assets are valued at historical cost. Contributed fixed assets are recorded at fair market value at the time received. Interest expense incurred during the development period is capitalized.

Capital assets acquired for Proprietary Funds are capitalized in the respective funds to which they apply. Depreciation of exhaustible fixed assets used by Proprietary Funds is charged as an expense against operations, and accumulated depreciation is reported on the Proprietary Funds' Statement of Net Assets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. Buildings are being depreciated over a useful life of forty years, modernization and site improvements over fifteen years, and dwelling and other equipment over three to seven years, depending on the type of equipment.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 1 (continued)

H. Accounts Receivable

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

I. Inventory

Inventory is valued at the lower of cost or market on an average cost basis. Inventory consists of expendable maintenance supplies held for consumption. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as assets when purchased and expenditures as used. The value of the maintenance supplies inventory as of June 30, 2007 is \$82,269, net of an allowance for obsolete inventory of \$9,141.

J. Compensated Absences

It is YCH's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with YCH. All vacation pay is accrued when incurred and allocated to the appropriate proprietary fund. Total liability for YCH is \$95,381 based on year-end hourly rates. Of this amount \$23,841 is considered by YCH to be a current liability.

K. Net Assets

Net assets represents the differences between assets and liabilities. Net Assets consist of investment in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing used for acquisition, construction, or improvement of those assets (excluding interfund borrowing and including accrued interest). Net assets are reported as restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

L. Operating Revenue and Expenses

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 YCH's enterprise funds is dwelling rental income. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 1 (continued)

activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

M. Income Taxes

YCH is exempt from federal and state income taxes. YCH is also exempt from property taxes but normally and historically made payments in lieu of taxes on owned housing. The County of Yolo has allowed YCH to defer its payments in lieu of property taxes. See also Note 7.

N. Budgets and Budgetary Accounting

The Board of Commissioners adopts an operating budget no later than July 1. This budget is revised by the Board of Commissioners during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption.

O. 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.

P. Encumbrances

Encumbrance accounting is not employed by YCH.

Q. Grant Restrictions

YCH has received loans and grants from the U.S. Department of Housing and Urban Development, The U.S. Department of Agriculture, and the California Department of Housing and Community Development to build and improve housing projects. These grants require that only individuals and families that meet various income, age and employment standards be housed or aided.

R. Operating Leases

YCH has leased several administrative office machines, the majority of which are copiers. The machines are usually leased for 5 years. The Housing Choice Voucher Program has incurred costs of \$25,309 for these leases during the current fiscal year.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 2 - CASH AND INVESTMENT

Cash and investments as of June 30, 2007 are classified in the accompanying financial statement as follows:

Statement of net assets:	
Cash and investments	\$ 284,022
Restricted cash	<u>1,910,757</u>
Total Cash & Investments	<u>\$ 2,194,779</u>
Demand deposits	\$ 2,192,048
California LAIF	<u>2,731</u>
Total Cash & Investments	<u>\$ 2,194,779</u>

Investments Authorized by YCH's Investment Policy

Investments authorized by YCH are empowered by the HUD Notice 99-48 and its own investment policy to invest HUD funds in the following:

- United States Treasury Bills, Notes and Bonds;
- Obligations issued by Agencies or Instrumentalities of the U.S. Government;
- State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by County treasurers;
- Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by federal securities;
- Insured Money Market Deposit Accounts;
- Insured SUPER NOW accounts, provided that deposits in excess of the insured amount must be 100% collateralized by federal securities;
- Negotiable Certificates of Deposit issued by federally or state chartered banks or associations, limited to no more than 30% of surplus funds;
- Repurchase/Reverse Repurchase Agreements of any securities authorized by this section; securities purchased under purchase agreements shall be no less than 102% of market value;
- Sweep Accounts that are 100% collateralized by federal securities;
- Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds); Funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds;
- Funds held under the terms of a Trust Indenture or other contract or agreement including the HUD/PHA Annual Contributions Contract, may be invested according to the provisions of those indentures or contracts; and
- Any other investment security authorized under the provisions of HUD Notice PIH 97-41.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 2 (continued)

YCH is empowered by the California Government Code (CGC) Sections 5922 and 53601 et seq to invest non-HUD funds in the following:

- Bonds issued by the local entity with a maximum maturity of five years;
- United States Treasury Bills, Notes and Bonds;
- Registered state warrants or treasury notes or bonds issued by the State of California;
- Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurer, other local agencies or Joint Powers Agencies;
- Obligations issued by Agencies or Instrumentalities of the U.S. Government;
- Bankers Acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank;
- Prime Commercial Paper with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial papers does not exceed 31 days up to 30% of surplus funds can be invested in commercial papers.
- Negotiable Certificates of Deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds;
- Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section, securities purchased under these agreements shall be no less than 102% of market value. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.
- Medium term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds;
- Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds), limited to not more than 15% of surplus funds;
- Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements;
- Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations;
- Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment least-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds;
- Any other investment security authorized under the provisions of California Government Code Sections 5922 and 53601.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 2 (continued)

Disclosure Related to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market rates. Since essentially all of YCH's funds are in demand deposits, YCH has no exposure to interest rate risk.

Disclosures related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and YCH's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires California banks and savings and loan associations to secure YCH's deposits not covered by federal deposit insurance by pledging mortgages or government securities as collateral. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure YCH deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Such collateral must be held in the pledging bank's trust department in a separate depository in an account for YCH.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty (broker-dealer, etc) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and YCH's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF)

YCH has executed "General Depository Agreement" with the First Northern Bank. It states that "any portion of PHA funds not insured by a Federal insurance organization shall be fully

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 2 (continued)

(100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD.”

YCH’s exposure to custodial credit risk is as follows:

Demand deposits with banks, fully insured by FDIC	\$ 100,000
Demand deposits with banks, covered by depository agreements	2,092,048
Calif. Local Agency Investment Fund	<u>2,731</u>
Total demand deposits	<u>\$ 2,194,779</u>

Note 3 - RESTRICTED CASH

Restricted cash consists of funds that are held in escrow, replacement reserves required by the lender, and funds being held by YCH on behalf of its clients. The balances are as follows:

HUD funds restricted in use for HAP payments	\$ 851,199
Madison Migrant Center replacement reserve	470,742
Davis Migrant Center replacement reserve	148,940
Cottonwood (RHCP) replacement Reserve	139,659
Family Self Sufficiency Program participant’s escrow funds	111,026
Tenant security deposits	137,471
Rural Rental USDA Davis	51,181
Other	<u>539</u>
Total restricted cash	<u>\$ 1,910,757</u>

The amounts held for the replacement of USDA and the California Department of Housing and Community Development (RHCP and Migrant) Programs cannot be disbursed without the approval of the USDA Rural Economic and Community Development or the California Department of Housing and Community Development.

The excess HAP funds and the replacement reserves are also reported as restricted net assets (See Note 10). The amounts held by YCH on behalf of program participants and tenants are reported as payable from restricted assets. The tenant security deposit liability exceeds the corresponding restricted cash by \$46,991.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 4 - INTERFUND BALANCES

YCH utilizes a few cash accounts to make payments to vendors and for payroll. Costs are accrued to appropriate funds, which necessitates the use of interfund accounts. Costs are reimbursed on a periodic basis. The interfund receivable/payable balance of \$718,008 was eliminated in Agency-Wide Statement of Net Assets.

The interfund receivable balances are as follows:

Public Housing		\$ 467,939
Housing Choice Vouchers		221,866
Business Activities		<u>28,203</u>
Total interfund receivable		<u>\$ 718,008</u>

The interfund payables are as follows:

Capital Fund Program		\$ 138,697
Rental Rural Davis Housing (USDA)		15,093
Davis Migrant Housing Center (HCD)	\$ (73,676)	
Madison Migrant Housing Center (HCD)	438,561	
Dixon Migrant Housing Center (HCD)	(232,767)	
Migrant Housing Rehabilitation (HCD)	3,449	
Esparto (Joe Serna Grant)	<u>57,997</u>	
Total State and Local programs		193,564
NHCDC - Kentucky Commercial Building	1,274,283	
NHCDC - Cottonwood RHCP	<u>(903,629)</u>	
Total blended component unit NHCDC		<u>370,654</u>
Total interfund payables		<u>\$ 718,008</u>

These interfund payables/receivables have been recorded as current assets and liabilities on YCH's Statement of Net Assets-Proprietary funds. A number of YCH's program general ledgers have significant liabilities, but few liquid assets. This may make the repayment of these interfund liabilities on a timely basis problematic.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 5 - CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2007.

	June 30, 2006	Prior Period Adjustment	Additions	Deletions	Transfers	June 30, 2007
Capital assets, not being depreciated:						
Land	\$ 4,626,298	\$ -	\$ -	\$ -	\$ -	\$ 4,626,298
Construction In Progress	839,359	(102,340)	32,819	-	(727,447)	42,391
Total	<u>5,465,657</u>	<u>(102,340)</u>	<u>32,819</u>	<u>-</u>	<u>(727,447)</u>	<u>4,668,689</u>
Capital assets depreciated:						
Buildings and improvements	31,466,933	102,340	585,793	(610,332)	727,447	32,272,181
Equipment	1,093,171	-	-	-	-	1,093,171
Construction In Progress	192,631	-	-	(17,200)	-	175,431
Total capital assets being depreciated	<u>32,752,735</u>	<u>102,340</u>	<u>585,793</u>	<u>(627,532)</u>	<u>727,447</u>	<u>33,540,783</u>
Grand total capital assets	<u>38,218,392</u>	<u>-</u>	<u>618,612</u>	<u>(627,532)</u>	<u>-</u>	<u>38,209,472</u>
Accumulated depreciation:						
Total accumulated depre	(16,393,379)	-	(1,159,762)	67,433	-	(17,485,708)
Total capital assets depre, net	<u>16,183,925</u>	<u>102,340</u>	<u>(573,969)</u>	<u>(560,099)</u>	<u>727,447</u>	<u>15,879,644</u>
Total capital assets, net	<u>\$21,825,013</u>	<u>\$ -</u>	<u>\$ (541,150)</u>	<u>\$ (560,099)</u>	<u>\$ -</u>	<u>\$20,723,764</u>

The changes by project are as follows:

	June 30, 2006	Prior Period Adjustment	Additions	Deletions	Transfers	June 30, 2007
TOTAL CAPITAL ASSETS:						
Public Housing	\$ 32,290,913	\$ 102,340	\$ 574,646	\$ (14,625)	\$ 727,447	\$ 33,680,721
Capital Fund Grant	839,359	(102,340)	32,819	-	(727,447)	42,391
Housing Choice Voucher	28,800	-	-	-	-	28,800
Business Activity	374,875	-	-	-	-	374,875
Cottonwood (RHCP)	1,689,095	-	-	-	-	1,689,095
Esparto	369,851	-	-	(17,200)	-	352,651
Kentucky Commercial	2,284,560	-	11,147	(595,707)	-	1,700,000
Rural Rental	340,939	-	-	-	-	340,939
Total capital assets	<u>38,218,392</u>	<u>-</u>	<u>618,612</u>	<u>(627,532)</u>	<u>-</u>	<u>38,209,472</u>
DEPRECIATION:						
Public Housing	(15,557,326)	-	(1,096,187)	-	-	(16,653,513)
Capital Fund Grant	-	-	-	-	-	-
Housing Choice Voucher	(28,800)	-	-	-	-	(28,800)
Business Activity	(314,875)	-	-	-	-	(314,875)
Cottonwood (RHCP)	(203,979)	-	(45,329)	-	-	(249,308)
Esparto	(18,419)	-	(10,743)	-	-	(29,162)
Kentucky Commercial	(67,433)	-	-	67,433	-	-
Rural Rental	(202,547)	-	(7,503)	-	-	(210,050)
Total depreciation	<u>(16,393,379)</u>	<u>-</u>	<u>(1,159,762)</u>	<u>67,433</u>	<u>-</u>	<u>(17,485,708)</u>
Net	<u>\$21,825,013</u>	<u>\$ -</u>	<u>\$ (541,150)</u>	<u>\$ (560,099)</u>	<u>\$ -</u>	<u>\$20,723,764</u>

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 6 - LONG TERM DEBT

The following is a schedule of the changes in long-term debt for the current fiscal year:

	Balance 6/30/06	Loans Issued	Payments	Balance 6/30/07	Short-term Portion	Long-term Portion
Office Mortgage 1	\$ 2,218,770	\$ -	\$ (43,935)	\$ 2,174,835	\$ 45,587	\$ 2,129,248
Office Mortgage 2	180,000	-	-	180,000	-	180,000
Office Mortgage 3	480,000	-	(160,000)	320,000	160,000	160,000
Esparto FWHsg	331,269	-	-	331,269	-	331,269
Esparto CDBG	34,464	-	(2,255)	32,209	2,323	29,886
USDA Davis Note	4,944	-	(886)	4,058	896	3,162
NHDC:						
Cottonwood RHCP	368,800	-	-	368,800	-	368,800
Cottonwood Mortg	1,879,890	-	(37,381)	1,842,509	41,089	1,801,420
Kentucky Mortgage	1,321,087	-	(21,905)	1,299,182	24,913	1,274,269
Totals	<u>\$ 6,819,224</u>	<u>\$ -</u>	<u>\$ (266,362)</u>	<u>\$ 6,552,862</u>	<u>\$274,808</u>	<u>\$ 6,278,054</u>

Following is a schedule of debt payment requirements to maturity for the mortgages and loans noted above except for the two deferred loans (RHCP and FWHsg):

Year ending	Office Mortgages		Government Loans		NHDC Mortgages		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 208,193	\$ 150,038	\$ 3,216	\$ 977	\$ 65,962	\$ 194,781	\$ 623,167
2009	300,942	133,464	3,296	897	70,172	190,572	699,343
2010	143,847	117,725	3,377	816	74,655	186,088	526,508
2011	56,919	110,979	3,461	732	79,431	181,313	432,835
2012	60,165	107,732	3,048	647	84,516	176,227	432,335
2013-2017	356,390	483,100	14,328	1,986	511,290	792,428	2,159,522
2018-2022	470,306	369,184	5,541	168	698,793	604,925	2,148,917
2023-2027	620,634	218,856	-	-	956,710	347,008	2,143,208
2028-2030	457,439	39,755	-	-	600,162	49,359	1,146,715
	<u>\$ 2,674,835</u>	<u>\$ 730,833</u>	<u>\$ 36,267</u>	<u>\$ 6,223</u>	<u>\$ 3,141,691</u>	<u>\$2,722,701</u>	<u>\$ 10,312,550</u>

On November 23, 2005, YCH obtained three loans as follows:

- Office Mortgage 1 - \$2,240,000 borrowed at an initial rate of 5.560% per annum from the First Northern Bank. This note is collateralized by YCH's main office building at 147 Main Street, Woodland, California. The loan matures on December 15, 2030 and requires monthly payments of \$13,991.
- Office Mortgage 2 - \$180,000 borrowed at a variable interest rate of 1.25% below the First Northern Bank Base Commercial Loan Rate, from the First Northern Bank. The note is collateralized by YCH's facility at 1212 L Street, Davis, California. The note requires monthly interest only payments, with an average rate of 7%, for the current fiscal year. Loan principal payments of \$90,000 are due on January 15, 2009 and 2010.
- Office Mortgage 3 - \$480,000 borrowed at a variable rate of 1.25% below the First Northern Bank Base Commercial Loan Rate, from the First Northern Bank. This note is collateralized by YCH's main office building at 147 Main Street in Woodland. The note

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 6 (continued)

requires monthly interest only payments, with an average rate of 7%, for the current fiscal year. Loan principal payments of \$160,000 are due on January 15, 2007, 2008, and 2009. A \$160,000 principal payment was made in January 2007.

- Loan costs of \$44,303 were paid to obtain these three loans. The entire amount is being amortized over 25 years. The unamortized amount of \$41,497 is reported as prepaid expenses.

On October 2, 2003, YCH received a Joe Serna Jr. Farmworker Housing Grant from the State of California. The grant, totaling \$600,000, was issued by the State to assist in the acquisition and development of real property located in Esparto, California. Between March 2004 and October 2005, YCH requisitioned and received \$331,269 of this grant. The property was purchased and the building permits pulled. No further activity has occurred. YCH has reported this grant as a long-term liability. This presentation is the most conservative, until the project is complete and the State is satisfied with the manner in which their funds were spent. No interest has been paid or accrued in relation to this grant.

On May 25, 2004, the County of Yolo, Planning and Public Works Department loaned YCH \$38,250. The loan was made from the County's Community Development Block Grant (CDBG) to aid in the funding of the development located in Esparto, California. The loan earns interest at a rate of 3% per annum and requires quarterly payments of \$816.

The USDA note accrues interest at a rate of 1% per annum and requires monthly payments of \$77.50. YCH made payments totaling \$930 during the fiscal year ended June 30, 2007.

YCH administers three Migrant Housing Centers on behalf of the State of California, Department of Housing and Community Development (HCD). These Migrant Centers typically sit on land owned by the County, but the buildings are owned by the State. On an annual basis, YCH receives operating and rehabilitation grants to operate and maintain these centers. Two of the centers have been extensively remodeled using grants and loans from the U.S. Department of Agriculture (USDA). These loans are obligations of the State. However, the annual operating grant contains a value for the servicing of this debt. This amount is requisitioned from HCD, paid to USDA and posted as interest expense in YCH's books of accounts. Neither the capital assets nor the long-term debt is reported in YCH's financial statements.

On October 23, 2001, the New Hope Community Development Corporation (NHCDC), a California non-profit public benefit corporation, purchased property known as the Cottonwood Meadows Apartments (47 units). These apartments were originally built with funding from the California Department of Housing and Community Development (HCD) under the Rental Housing Construction Program (RHCP). To acquire this property, YCH was required to assume the RHCP regulatory agreement and a \$368,800 note with HCD.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 6 (continued)

Among other things, the regulatory agreement restricts the occupancy of 14 of the apartments to tenants with certain specified income levels and requires the establishment and maintenance of replacement and operating reserves, including annual deposits into each. The HCD note is deferred until 2017 at which time the principal balance of \$368,800 is due.

On December 22, 2005, NHCDC refinanced the property known as Cottonwood Meadows Apartments. NHCDC borrowed \$1,900,000 from First Northern Bank and paid off the \$1.2 million loan with Yolo Community Bank. This loan is amortized over 25 years, requires monthly payments of \$11,868 and earns interest at a rate of 5.56% per annum. Loan fees of \$29,437 were paid to acquire this loan. These fees are being amortized over the life of the loan. The unamortized amount of \$27,670 is reported as prepaid expenses.

On November 30, 2004, NHCDC borrowed \$1,350,000 to purchase commercial property located in Woodland, California. This loan requires monthly payments of \$9,861 and earns interest at a rate of 7.25% per annum. Subsequent to fiscal year end, on November 30, 2007, this property was sold and the loan paid off.

During the fiscal year ended June 30, 1999, HUD directed YCH to remove all HUD-guaranteed debt from their books of accounts. This debt included \$6,847,600 of HUD permanent notes and \$6,590,186 of interest accrued on these notes, \$103,720 of outstanding Federal Financing Bank notes, and \$205,000 of outstanding New Housing Bonds. These HUD-guaranteed notes and bonds have not been forgiven by HUD. The Public Housing Program's Annual Contributions Contract (ACC) states that all debt service requirements related to these notes will be HUD's responsibility. Therefore, it is management's opinion that YCH is not liable for this debt unless the federal government fails to honor the ACC. Accordingly, these amounts have been removed from YCH's books of accounts.

Interest activity for the loans are as follows:

	<u>Expensed</u>	<u>Paid</u>	<u>Payable Current</u>
Mortgage 1	\$ 128,701	\$ 123,963	\$ 8,411
Mortgage 2	13,621	12,758	863
Mortgage 3	30,887	29,353	1,534
USDA Davis Note	44	44	-
Esparto CDBG	1,009	1,009	-
Migrant - Davis Housing Center	59,779	59,779	-
Migrant - Madison Housing Center	88,136	88,136	-
NHCDC - Cottonwood Mortgage	107,719	105,032	7,028
NHCDC - Kentucky Mortgage	102,271	96,425	9,143
Totals	<u>\$ 532,167</u>	<u>\$ 516,499</u>	<u>\$ 26,979</u>

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 7 - PAYMENT IN LIEU OF TAXES

In connection with the Public Housing Program, YCH is obligated to make annual payments in lieu of property taxes to the County of Yolo based on the lesser of the assessable value of owned housing, times the current tax rate; or 10% of the dwelling rents collected, net of utilities expense.

During the year ended June 30, 2007, \$147,275 was expensed for payment in lieu of taxes. This amount is shown as a current liability, "Due to Other Governments" as of June 30, 2007. A liability of \$428,576 existed for payments in lieu of taxes at June 30, 2006. At the January 16, 2007, meeting of the Yolo County Board of Supervisors, The Supervisors agreed to allow YCH to defer payment of this obligation until at least July 1, 2008. The pre July 1, 2006 obligation of \$428,576 has been included in "Other Noncurrent Liabilities".

Note 8 - UNEARNED REVENUE

In August 2006, YCH executed a lease with a chiropractic practice (the tenant). Under the terms of this 10 year lease, YCH has agreed to rent approximately 2,800 square feet of YCH's office building located at 147 West Main Street in Woodland. The stated rent in the lease is \$2,520 per month. YCH has agreed to credit the tenant for \$220,300 of tenant improvements in the form of free rent. YCH's acceptance of these tenant improvements resulted in a \$220,300 increase in book value of the building in the Public Housing Program and a \$220,300 credit to unearned revenue. As of June 30, 2007, \$197,620 of unearned revenues still exists, including \$30,240 of unearned revenue classified as a current liability.

Note 9 - OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities consist of:

Payments in lieu of taxes (Note 7)	\$ 428,576
Unearned rent (Note 8)	167,380
Funds due HUD-Capital Fund Program	<u>1,765,000</u>
Total Noncurrent Liabilities	<u>\$ 2,360,956</u>

During the year ended June 30, 2006, YCH recorded a \$1,765,000 liability to HUD. The \$1,765,000 was YCH's best estimate of the amount of ineligible costs funded by HUD as part of YCH's Capital Fund Program (CFDA # 14.872). Currently, HUD is withholding certain additional Capital Fund Program revenues that would normally accrue to YCH. YCH's current management is actively working with HUD to resolve this matter.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 10 - NET ASSETS

A. Investment in Capital Assets, Net of Related Debt

Investment in capital assets, net of related debt consists of the following:

Fixed assets, net of depreciation (Note 5)	\$ 20,723,764
Long term debt (Note 6)	(6,278,054)
Current portion of long term debt (Note 6)	(274,808)
Accrued interest on long term debt (Note 6)	(26,979)
Investment in capital assets, net of related debt	<u>\$ 14,143,923</u>

B. Restricted Net Assets

Net assets are reported as restricted when constraints placed on the net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. YCH has reported the following as restricted net assets:

Excess HAP funding - Housing Choice Voucher	\$ 851,199
Madison Migrant Center Replacement Reserve	470,742
Davis Migrant Center Replacement Reserve	148,940
Cottonwood RHCP Replacement Reserves	139,659
Migrant program operating reserve	76,721
USDA Davis Replacement Reserve	51,181
Business Activities - employment reserve	539
	<u>\$ 1,738,981</u>

C. Deficit Net Assets

Several of YCH's programs have either deficit net assets or deficit unrestricted net assets. A schedule of all YCH's programs' net assets is as follows:

	Capital assets, Net of debt	Restricted Net assets	Unrestricted Net Assets	Total Net Assets
Public Housing	\$ 14,341,566	\$ -	\$ (2,413,610)	\$ 11,927,956
Housing Choice Vouchers	-	851,199	235,287	1,086,486
Capital Fund	42,391	-	-	42,391
USDA - Davis Solar	126,831	51,181	(11,304)	166,708
Business	60,000	539	(21,803)	38,736
Migrant -Madison Housing Center	-	490,538	(393,831)	96,707
Davis Housing Center	-	152,053	-	152,053
Dixon Housing Center	-	53,812	-	53,812
Esparto Development	(39,990)	-	(57,997)	(97,987)
NHCDC - RHCP - Cottonwood	(778,550)	139,659	935,819	296,928
Kentucky Commercial Bldg	391,675	-	(1,355,182)	(963,507)
Totals	<u>\$ 14,143,923</u>	<u>\$ 1,738,981</u>	<u>\$ (3,082,621)</u>	<u>\$ 12,800,283</u>

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 11 - PRIOR PERIOD ADJUSTMENTS

As noted in footnote 9, HUD has questioned YCH's use of a portion of the Capital Fund Grants received over the past few years. During the current fiscal year, YCH decided to transfer \$456,686 of capital additions from the Capital Fund Program to the Public Housing Program, due to the uncertainty of the receivable from HUD. Of these funds, \$102,340 was incurred prior to July 1, 2006.

During the year ended June 30, 2006, YCH expended \$159,847 pursuant to California Department of Housing and Community Development (HCD) Migrant Housing Rehabilitation contracts. Although, the \$159,847 was an allowable charge under these HCD contracts, YCH neither requisitioned nor accrued these revenues that were earned during the year ended June 30, 2006. This caused the net assets of YCH to be understated by \$159,847 at June 30, 2006.

The accrued liabilities recorded in the general ledger of the Madison Migrant Housing Center at June 30, 2006, were overstated by \$160,955. This caused the net assets of YCH to be understated by \$160,955 at June 30, 2006.

These three events caused YCH to recognize prior period adjustments totaling \$218,462, as of July 1, 2006.

Note 12 - LOSS ON DISPOSAL OF FIXED ASSETS

During the year ended June 30, 2007, NHCDC decided to sell its Commercial Building on Kentucky Street in Woodland. Based on observations while this property was on the market and a market analysis, NHCDC determined that the net book value of this capital asset was significantly higher than its market value. Further, although the sale of this building did not take place during the year ended June 30, 2007, prior to the preparation of the financial statements, NHCDC received and accepted an offer for the Kentucky Commercial Building that was \$528,275 less than the net book value of the building. Fees associated with the sale of the building were estimated at \$93,000. Accordingly, NHCDC wrote down the net book value of the Kentucky Commercial Building and accrued liabilities associated with the sale of the property for a total reduction to Net Assets of \$621,275, as of June 30, 2007. YCH also wrote off \$14,625 of indirect Capital Fund Program costs that were capitalized in prior years.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 13 - DEFINED BENEFIT PENSION PLAN

A. Plan Description

YCH contributes to the California Public Employees Retirement System (PERS), an agent multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statutes within the Public Employees' Retirement Law. PERS issues a separate comprehensive annual financial report. Copies of the PERS' annual financial report may be obtained from their executive office - 400 P Street - Sacramento, CA 95814.

B. Funding Policy

Participants are required to contribute 7.0% of their annual covered salary. YCH makes the contribution required of the employees on their behalf and for their account. YCH is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2007 was 8.121% of annual covered payroll. The current contribution rate is 8.46%, while the contribution rate for the fiscal year ending June 30, 2009, is expected to increase to 8.917%. The contribution requirements of plan members and YCH are established and may be amended by PERS.

C. Annual Pension Cost

For the fiscal year ended June 30, 2007, YCH's annual pension cost of \$135,599 for PERS was equal to YCH's required contributions. Contributions made to PERS by YCH on behalf of its employees were \$112,503. Total payments to PERS totaled \$248,102. The required contribution for the fiscal year ended June 30, 2007, was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen year period (smoothed market value). PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 13 (continued)

D. Three-Year Trend Information for PERS

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/04	\$ 0	100%	\$ 0
6/30/05	45,892	100%	0
6/30/06	118,155	100%	0

E. Required Supplementary Information

YCH is a participant in the PERS 2% at 55 Risk Pool. PERS makes certain annual valuations for the Risk Pool as a whole rather than valuations for YCH specifically. The required supplementary information for YCH's Risk Pool in thousands is as follows:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability/ (Excess) Assets</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Payroll</u>
6/30/04	\$2,746,095	\$2,460,944	\$ 285,151	89.6%	\$ 743,692	38.3%
6/30/05	2,891,460	2,588,713	302,747	89.5%	755,046	40.1%
6/30/06	2,754,396	2,492,226	262,170	90.5%	699,897	37.5%

F. YCH's Side Fund With PERS

YCH is a participant in the PERS 2% at 55 Risk Pool. At the time YCH joined the Risk Pool, a Side Fund was created to account for the difference between the funded status of the Risk Pool and the funded status of YCH's plan. As of June 30, 2006, YCH's Side Fund had a negative balance of \$320,349, which will cause YCH's required employer's contribution rate to be increased by the amortization of the Side Fund. PERS intends to amortize the negative balance in the Side Fund over the next 29 years.

G. Hardship Extension of Funding Period

YCH requested and received a hardship extension (from 18 to 30 years) of the funding of the negative balance in YCH's Side Fund in September, 2007. The result of the extension agreement is to lower YCH's contribution rate to PERS from 8.762% to 8.430% for the year ending June 30, 2008. The hardship extension will also cause YCH's contribution rate to PERS to be slightly higher for the next 29 years.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 14 - RETIREE'S BENEFITS

YCH offers its retired employees health insurance through CALPERS. To be eligible for this benefit, the former employee must be fifty years of age and have five years of credited service. YCH expended \$34,374 on health insurance for nine retired employees during the fiscal year ended June 30, 2007.

Also, YCH offers health insurance coverage for its commissioners who have been on the Board of Commissioners for at least five years. The benefit is extended to retired commissioners as well as current commissioners who are at least fifty-five years of age. Sixty percent of the health insurance paid by YCH is reimbursed by each covered commissioner. YCH expended \$4,392 on commissioners health insurance premiums during the fiscal year ended June 30, 2007.

Note 15 - DEFERRED COMPENSATION PLAN

YCH offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the ICMA Retirement Corporation. The plan, available to all regular employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries.

A total of \$227,051 is being held by the ICMA Retirement Corporation on behalf of YCH's employees. These funds are not recorded as assets of YCH since they are held in trust for the exclusive benefit of participants and their beneficiaries and are not subject to claims of YCH's general creditors.

Note 16 - CONTINGENT LIABILITIES

A. Grants

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

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 16 (continued)

B. Prior Year Single Audit Report

In a letter dated May 15, 2007, the HUD Regional Office in San Francisco informed YCH that YCH's Single Audit for the year ended June 30, 2006, will remain "open" until further notice. The letter from HUD stated that, "We also have concerns regarding the quality of the audit and will bring these concerns to the attention of the Quality Audit Assurance Division in Headquarters for review." Further, the letter stated that YCH's Single Audit for the year ending June 30, 2005, also remained "open." Although the ultimate resolution of this matter is not determinable at this time, YCH does not expect this matter to have a material affect on the financial statements.

C. Litigation

YCH is a defendant in various matters of employment litigation. The outcome of this litigation cannot be determined at this time.

Note 17 - RISK MANAGEMENT

Workers Compensation Insurance: YCH participates in a joint venture under a Joint Powers Agreement (JPA) with the California Housing Workers' Compensation YCH (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2006, there were thirty-one members. The relationship between YCH and CHWCA is such that CHWCA is not a component unit of YCH for financial reporting purposes.

Condensed CHWCA audited financial information for the year ended December 31, 2005 and 2006 are as follows:

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
Total assets	\$ 21,069,317	\$ 17,791,407
Total liabilities	<u>(11,427,502)</u>	<u>(12,394,949)</u>
Net assets	<u>\$ 9,641,815</u>	<u>\$ 5,396,458</u>
Total revenues	\$ 6,568,300	\$ 7,167,982
Total expenses	<u>(2,322,943)</u>	<u>(2,584,185)</u>
Net change in net assets	<u>\$ 4,245,357</u>	<u>\$ 4,583,797</u>

CHWCA had no long-term debt outstanding at December 31, 2006. YCH's share of year end assets, liabilities, or retained earnings has not been calculated. YCH's annual premium is based on covered payroll. Premium paid for the fiscal year ended June 30, 2007, was

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 17 (continued)

\$111,496. The premium for the calendar year 2007 decreased 19% over what was charged in the prior calendar year. YCH also made payments for adjustments to the 2003, 2004, and 2005 calendar years in the amount of \$9,827. CHWCA issues a separate comprehensive annual financial report. Copies of this report may be obtained by contacting Bickmore Risk Services, 6371 Auburn Boulevard, Suite B, Citrus Heights, California, 95621.

Property and Liability Insurance: YCH participates in a joint venture under a Joint Powers Agreement (JPA) with the California Housing YCH Risk Management Agency (CHARMA). CHARMA was formed to provide property and liability coverage to its members. At May 31, 2006, there were six members other than YCH. YCH's property insurance deductible varies by location, however in no case is it more than \$25,000 per occurrence. YCH's liability insurance has a \$50,000 deductible per occurrence. YCH's automobile insurance has no deductible for comprehensive damage and collision damage. YCH paid premiums to CHARMA of approximately \$270,000 during the fiscal year. The relationship between CHARMA is such that CHARMA is not a component unit of YCH for financial reporting purposes.

CHARMA's governing board controls the operations of the JPA, including selection of management and approval of operating budgets independent of any influence by member authorities beyond their representation on the board. Each member pays a premium commensurate with the level of coverage requested, and shares surpluses and deficits proportionately to its participation in CHARMA.

Condensed CHARMA audited financial information for the year ended May 31, 2006 and 2005, are as follows:

	<u>May 31, 2006</u>	<u>May 31, 2005</u>
Total assets	\$ 5,067,460	\$ 4,559,551
Total liabilities	<u>(892,879)</u>	<u>(926,352)</u>
Retained earnings	<u>\$ 4,174,581</u>	<u>\$ 3,633,199</u>
Total revenues	\$ 3,138,135	\$ 3,102,413
Total expenses	<u>(2,596,753)</u>	<u>(2,730,115)</u>
Net increase in retained earnings	<u>\$ 541,382</u>	<u>\$ 372,298</u>

CHARMA has no long term debt outstanding at May 31, 2006. YCH's share of year-end assets, liabilities, or retained earnings has not been calculated.

**YOLO COUNTY HOUSING
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2007**

(Continued)

Note 18 - ADVERSE FINANCIAL TREND AND ADVERSE FINANCIAL CONDITION

The following are indications of adverse financial trends and conditions of YCH:

- During the year ended June 30, 2006, YCH's Net Assets dropped \$2.2 million (see YCH's audited financial statements for the year ending June 30, 2006). During the year ended June 30, 2007, YCH's Net Assets dropped an additional \$2.5 million.
- As of June 30, 2007, YCH's Unrestricted Net Assets were in deficit by \$3,082,621.
- In June 2007, HUD issued a report on YCH's Public Housing Assessment Systems indicators for the fiscal year ended June 30, 2006. HUD's report stated that YCH "is now considered financially troubled" and that due to cash liquidity issues YCH "is not considered financially viable." A copy of HUD's report, which was issued on June 29, 2007, can be obtained at the Yolo County Housing administrative offices.
- On June 6, 2007, HUD issued the final Section 8 Management Assessment Program score for YCH's Housing Choice Voucher Program for the year ended June 30, 2006. The score indicated an overall performance of "Troubled." Again, for the fiscal year ended June 30, 2007, HUD certified YCH as "Troubled".
- During the year ended June 30, 2007, PERS conducted an audit of YCH's payroll reporting and remittances to PERS. The audit identified some reporting deficiencies related to uniform allowances and other matters which have been corrected by YCH. The audit also indicated that YCH was not remitting its required contributions to PERS on a timely basis. YCH's response to this finding stated, "With respect to timely payment of contributions, we continue to encounter delays in submitting the required contributions due to severe cash flow problems."
- YCH's blended component unit known as New Hope Community Development Corporation (NHCDC) closed escrow on the Kentucky Commercial Building sale on November 30, 2007. This sale netted cash in the amount of \$291,026. NHCDC also owns the RHCP project known as Cottonwood Meadows. Together, these two projects owe YCH \$370,654. This amount exceeds the cash netted from the sale of the Kentucky Commercial Building by \$79,628. The Cottonwood Meadows RHCP project has limited unrestricted cash. Therefore, it is unlikely that YCH will be repaid the \$79,628, on a timely basis.

SUPPLEMENTAL INFORMATION

**YOLO COUNTY HOUSING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Housing and Urban Development (HUD):		
Direct Programs:		
Public and Indian Housing	14.850	130,641
Housing Choice Voucher Program	14.871	8,247,012 *
Public Housing - Capital Fund Program	14.872	<u>590,614</u> *
Total federal expenditures (HUD)		<u>\$ 8,968,267</u>

* Major federal program.

Notes to the schedule of expenditures of federal awards:

1. The above schedule of expenditures of federal awards includes the federal grant activity of Yolo County Housing, 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.
2. The Public and Indian Housing Program expenditures reported above consist only of the operating subsidy amount received from HUD for the fiscal year ended June 30, 2007. The expenditures reported above for the Housing Choice Voucher Program represent HUD funding to the extent that the funding has been expended by YCH. For the current fiscal year, the expenditures of federal awards agrees with the program's expenditures in their entirety. The program's expenditures are less than the awards received from HUD. All excess HAP funds are shown as restricted net assets. Expenditures for the Public Housing Capital Fund Program reported above agree with actual revenues and expenditures, including expenditures made for capital assets, for the fiscal year.
3. YCH also administers a USDA, Rural Economic and Community Development project. YCH received no rental subsidy for this project during the fiscal year ended June 30, 2007. Therefore no expenditures of federal awards are reported above.

The accompanying Independent Auditors' Report and notes are an integral part of this statement.

**YOLO COUNTY HOUSING
FINANCIAL DATA SCHEDULE (CA044)
JUNE 30, 2007
1 of 5**

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
111	Cash - Unrestricted	\$ -	\$ 6,521	\$ 39,967	\$ 34,381	\$ -	\$ 193,092	\$ 10,061	\$ 284,022
112	Cash - Restricted - Modernization and Development	-	51,181	-	-	-	619,682	-	670,863
113	Cash - Other Restricted	539	-	-	962,225	-	-	139,659	1,102,423
114	Cash - Tenant Security Deposits	-	458	90,676	-	-	25,059	21,278	137,471
100	Total Cash	539	58,160	130,643	996,606	-	837,833	170,998	2,194,779
121	Accounts Receivable - PHA Projects	-	-	-	504	-	-	-	504
122	Accounts Receivable - HUD Other Projects	-	-	42,438	-	138,697	-	-	181,135
124	Accounts Receivable - Other Government	-	-	-	-	-	149,239	-	149,239
126	Accounts Receivable - Tenants - Dwelling Rents	-	562	49,388	-	-	1,920	7,626	59,496
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	(15,000)	-	-	-	-	(15,000)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	-	562	76,826	504	138,697	151,159	19,707	387,455
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	-
143	Inventories	-	-	47,863	-	-	-	46,008	93,871
143.1	Allowance for Obsolete Inventories	-	-	91,410	-	-	-	-	91,410
144	Interprogram Due From	28,203	-	(9,141)	-	-	-	-	(9,141)
150	Total Current Assets	28,742	58,722	467,939	221,866	138,697	988,992	236,713	3,476,382
161	Land	-	-	805,540	1,218,976	-	-	-	-
162	Buildings	60,000	40,839	3,403,776	-	-	177,220	944,463	4,626,298
163	Furniture, Equipment & Machinery - Dwellings	314,875	300,100	29,289,684	-	-	-	2,367,522	32,272,181
164	Furniture, Equipment & Machinery - Administration	-	-	431,588	-	-	-	77,110	508,698
166	Accumulated Depreciation	-	-	555,673	28,800	-	-	-	584,473
167	Construction in Progress	(314,875)	(210,050)	(16,653,512)	(28,800)	-	(29,163)	(249,308)	(17,485,708)
160	Total Fixed Assets, Net of Accumulated Depreciation	60,000	130,889	17,027,209	-	42,391	175,431	-	217,622
180	Total Non-Current Assets	60,000	130,889	17,027,209	-	42,391	323,488	3,139,787	20,723,764
190	Total Assets	\$ 88,742	\$ 189,611	\$ 17,832,749	\$ 1,218,976	\$ 181,088	\$ 1,312,480	\$ 3,376,500	\$ 24,200,146

**YOLO COUNTY HOUSING
 FINANCIAL DATA SCHEDULE (CA044)
 JUNE 30, 2007
 2 of 5**

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
312	Accounts Payable <= 90 Days	\$ 23,687	\$ 3,032	\$ 516,550	\$ 253	\$ -	\$ 149	\$ -	\$ 543,671
322	Accrued Compensated Absences - Current Portion	5,445	-	7,480	5,303	-	5,293	320	23,841
325	Accrued Interest Payable	-	-	10,808	-	-	-	16,171	26,979
333	Accounts Payable - Other Government	-	-	147,275	-	-	97,852	31,182	276,309
341	Tenant Security Deposits	4,520	720	134,146	-	-	24,774	20,302	184,462
342	Deferred Revenues	-	-	30,240	-	-	-	-	30,240
343	Current Portion of Long-term Debt - Capital Projects	-	896	205,587	-	-	2,323	66,002	274,808
345	Other Current Liabilities	-	-	63	-	-	406,906	93,000	499,969
347	Interprogram Due To	-	15,093	-	-	138,697	193,564	370,654	718,008
310	Total Current Liabilities	33,652	19,741	1,052,149	5,556	138,697	730,861	597,631	2,578,287
351	Long-term Debt, Net of Current - Capital Projects	-	3,162	2,469,248	-	-	361,155	3,444,489	6,278,054
354	Accrued Compensated Absences - Non Current	16,354	-	22,440	15,908	-	15,879	959	71,540
353	Noncurrent Liabilities - Other	-	-	2,360,956	111,026	-	-	-	2,471,982
350	Total Noncurrent Liabilities	16,354	3,162	4,852,644	126,934	-	377,034	3,445,448	8,821,576
300	Total Liabilities	50,006	22,903	5,904,793	132,490	138,697	1,107,895	4,043,079	11,399,863
508.1	Invested in Capital Assets, Net of Related Debt	60,000	126,831	14,341,566	-	42,391	(39,990)	(386,875)	14,143,923
511.1	Restricted Net Assets	539	51,181	-	851,199	-	696,403	139,659	1,738,981
512.1	Unrestricted Net Assets	(21,803)	(11,304)	(2,413,610)	235,287	-	(451,828)	(419,363)	(3,082,621)
513	Total Equity/Net Assets	38,736	166,708	11,927,956	1,086,486	42,391	204,585	(666,579)	12,800,283
600	Total Liabilities and Equity/Net Assets	\$ 88,742	\$ 189,611	\$ 17,832,749	\$ 1,218,976	\$ 181,088	\$ 1,312,480	\$ 3,376,500	\$ 24,200,146

**YOLO COUNTY HOUSING
FINANCIAL DATA SCHEDULE (CA044)
JUNE 30, 2007
3 of 5**

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
703	Net Tenant Rental Revenue	\$ -	\$ 35,668	\$ 1,924,040	\$ -	\$ -	\$ 658	\$ 382,511	\$ 2,342,877
704	Tenant Revenue - Other	-	-	73,900	-	-	-	2,204	76,104
705	Total Tenant Revenue	-	35,668	1,997,940	-	-	658	384,715	2,418,981
706	HUD PHA Operating Grants	-	-	130,641	8,448,435	557,795	-	-	9,136,871
706.1	Capital Grants	-	-	-	-	32,819	-	-	32,819
708	Other Government Grants	21,268	-	-	-	-	1,975,228	1,366	1,997,862
711	Investment Income - Unrestricted	6,877	1,142	3,707	6,685	-	670	1,483	20,564
714	Fraud Recovery	-	-	-	-	-	10	-	14,368
715	Other Revenue	242,440	428	97,794	6,139	-	2,320	2,638	351,759
716	Gain/Loss on Sale of Fixed Assets	-	-	(14,625)	-	-	-	(621,275)	(635,900)
720	Investment Income - Restricted	-	79	-	37,903	-	16,651	3,755	58,388
700	Total Revenue	\$ 270,585	\$ 37,317	\$ 2,215,457	\$ 8,513,520	\$ 590,614	\$ 1,995,637	\$ (227,318)	\$ 13,395,712

**YOLO COUNTY HOUSING
FINANCIAL DATA SCHEDULE (CA044)
JUNE 30, 2007
4 of 5**

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
911	Administrative Salaries	\$ 145,388	\$ -	\$ 474,918	\$ 396,525	\$ 150,962	\$ 423,524	\$ 43,474	\$ 1,634,791
912	Auditing Fees	4	-	30,017	24,675	-	3,992	809	59,497
915	Employee Benefit Contributions - Administrative	(10,726)	-	250,480	205,205	-	218,350	17,905	681,214
916	Other Operating - Administrative	54,175	1,640	253,887	242,780	100,847	197,988	58,026	909,343
921	Tenant Services - Salaries	-	-	(7,794)	-	84,028	-	-	76,234
923	Employee Benefit Contributions - Tenant Services	-	-	(4,072)	-	-	-	-	(4,072)
924	Tenant Services - Other	22,328	-	9,079	-	5,000	-	-	36,407
931	Water	210	2,262	105,118	-	-	230,948	10,812	349,350
932	Electricity	-	17	133,874	-	-	171,956	5,757	311,904
933	Gas	-	36	15,999	-	-	-	1,573	17,608
938	Other Utilities Expense	29	4,022	102,273	-	-	-	15,971	122,295
941	Ordinary Maintenance and Operations - Labor	-	-	390,673	-	-	-	-	390,673
942	Ordinary Maintenance and Operations - Materials and Other	-	-	140,522	1,717	22,928	5,528	1,100	171,795
943	Ordinary Maintenance and Operations - Contract Costs	-	10,709	313,710	3,653	-	61,165	39,084	428,321
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	206,049	-	-	-	-	206,049
953	Protective Services - Other	-	-	3,534	-	-	-	1,282	4,816
961	Insurance Premiums	1,065	2,344	193,065	23,593	-	112,175	24,924	357,166
962	Other General Expenses	35,852	-	(55,280)	-	-	440,994	32,359	453,925
963	Payments in Lieu of Taxes	-	912	147,275	-	-	-	14,101	162,288
964	Bad Debt - Tenant Rents	-	-	72,380	-	-	-	-	72,380
966	Bad Debt - Other	-	-	-	-	-	-	18,524	18,524
967	Interest Expense	-	44	173,209	-	-	148,924	209,990	532,167
969	Total Operating Expenses	248,325	21,986	2,948,916	898,148	363,765	2,015,544	495,691	6,992,375
970	Excess Operating Revenue over Operating Expenses	22,250	15,331	(733,459)	7,615,372	226,849	(20,007)	(723,009)	6,403,337
971	Extraordinary Maintenance	-	-	12,875	-	-	350,638	-	363,513
973	Housing Assistance Payments	-	-	-	7,348,864	-	-	-	7,348,864
974	Depreciation Expense	-	7,503	1,096,186	-	-	10,744	45,329	1,159,762
900	Total Expenses	248,325	29,489	4,057,977	8,247,012	363,765	2,376,926	541,020	15,864,514
1001	Operating Transfers In	-	-	194,030	-	-	-	23,342	231,124
1002	Operating Transfers Out	-	-	-	-	(194,030)	(37,094)	-	(231,124)
1010	Total Other Financing Sources (Uses)	13,752	-	194,030	-	(194,030)	(37,094)	23,342	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 36,012	\$ 7,828	\$ (1,648,490)	\$ 266,508	\$ 32,819	\$ (418,463)	\$ (744,996)	\$ (2,468,802)

**YOLO COUNTY HOUSING
 FINANCIAL DATA SCHEDULE (CA044)
 JUNE 30, 2007
 5 of 5**

Line Item No.	Account Description	Business Activities	Rural Rental Assistance Payments	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	State/Local	Component Units	Total
1103	Beginning Equity	\$ 1,661,303	-	\$ 13,120,034	\$ 912,015	\$ 883,383	\$ 489,971	\$ 112,340	\$ 17,199,046
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ (1,678,579)	\$ 158,880	\$ 456,412	\$ (92,037)	\$ (873,811)	\$ 133,097	\$ (33,923)	\$ (1,929,961)
1120	Unit Months Available	-	84	5,172	15,246	-	1,892	636	23,030
1121	Number of Unit Months Leased	-	83	5,107	15,192	-	1,559	629	22,560
1117	Administrative Fee Equity	-	-	-	-	-	-	-	-
1118	Housing Assistance Payments Equity	-	-	-	\$ 235,287	-	-	-	\$ 235,287
					\$ 851,199				\$ 851,199

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

To the Board of Commissioners
Yolo County Housing
Woodland, California

We have audited the financial statements of the business-type activities and the major fund of Yolo County Housing (formally known as the Housing Authority of the County of Yolo, California), as of and for the year ended June 30, 2007, which collectively comprise Yolo County Housing's basic financial statements and have issued our report thereon dated March 26, 2008. 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 Yolo County Housing'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 Yolo County Housing's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Yolo County Housing's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Yolo County Housing's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Yolo County Housing's financial statements that is more than inconsequential will not be prevented or detected by Yolo County Housing's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. The items are numbered III-2007-2 and III-2007-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Yolo County Housing's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

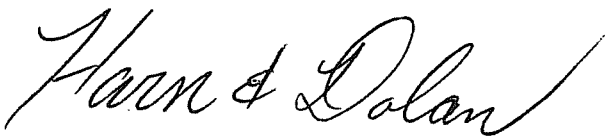
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yolo County Housing's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item III-2007-2.

We noted certain matters that we have reported to management of Yolo County Housing, in a separate letter dated March 26, 2008.

Yolo County Housing's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit these responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



March 26, 2008

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Yolo County Housing
Woodland, California

Compliance

We have audited the compliance of Yolo County Housing (formally known as the Housing Authority of the County of Yolo, California), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Yolo County Housing'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 Yolo County Housing's management. Our responsibility is to express an opinion on Yolo County Housing'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, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 Yolo County Housing'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 on Yolo County Housing's compliance with those requirements.

In our opinion, Yolo County Housing complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items III-2007-1, III-2007-4, and III-2007-5.

Internal Control Over Compliance

The management of Yolo County Housing is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Yolo County Housing's internal control over compliance with 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, 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 Yolo County Housing's internal control over compliance.

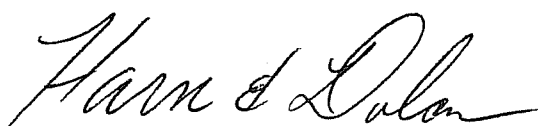
Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in Yolo County Housing's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in the internal control over compliance described in the accompanying schedule of findings and questioned costs as items III-2007-1, III-2007-2, III-2007-3, III-2007-4, and III-2007-5 to be a significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. The significant deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item III-2007-1, we consider to be a material weakness.

Yolo County Housing's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Yolo County Housing's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, and the U.S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.



March 26, 2008

**YOLO COUNTY HOUSING
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2007**

The previous audit report for the year ended June 30, 2006, contained an audit finding. A brief description of the prior year audit findings and its resolution is as follows:

Finding 06-1 Public Housing Capital Fund (CFDA #14.872)

During the prior audit, the auditors noted that \$1,765,000 of Public Housing Capital Fund funds were spent on the acquisition and reconstruction of the administration building. In connection with this project, YCH entered into loan agreements with the previous owner and with banking institutions without the knowledge or preapproval of HUD. Because HUD funds were used for the Administration building, a "Declaration of Trust" to protect HUD's interest in the building should have been filed before any other liens were filed on the building and HUD approval of any such loans was required. Further, it was found that HUD was not fully informed of the total costs involved in the purchase and reconstruction of the building. For these reasons, HUD is considering the entire \$1,765,000 of HUD funding spent on the building as a potential ineligible cost.

YCH is currently in negotiations to resolve this matter with HUD and is actively developing the Capital Fund Financial Plan and Development Proposal. The \$1.7 million continues to be a liability on YCH's financial statements.

**YOLO COUNTY HOUSING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2007**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified not considered to be material weaknesses?	yes
Noncompliance material to financial statements noted?	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified not considered to be material weaknesses?	yes
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required to be reported in accordance with A-133, Section .510(a)?	yes
Identification of major programs:	
Housing Choice Voucher Program	14.871
Public Housing - Capital Fund Program	14.872
Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
Auditee qualified as low-risk auditee?	no

Other Issues

Management letter issued?	yes
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**YOLO COUNTY HOUSING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2007**

(Continued)

Section II - Financial Statement Findings

II-2007- 1 Financial Status of YCH - Troubled

Criteria - YCH has various contractual obligations that require the payment of invoices on a timely basis. In order to comply with these various contractual obligations, YCH must maintain working capital and operate in a manner that provides an adequate balance in its unrestricted net assets account.

Condition - YCH's Public Housing Program is now considered financially troubled by HUD. YCH's financial statements at June 30, 2007, indicate a deficit of \$3,082,621 in unrestricted net assets. Because of cash flow difficulties, YCH has been cited by CalPERS for late payments of its monthly obligation for its retirement plan. Also, because of cash flow difficulties, YCH has not remitted the rents received from the tenants of the three Migrant Housing Centers to the California Department of Housing and Community Development (HCD) on a timely basis as required by contract. During the year ended June 30, 2006, YCH recognized \$1,765,000 as a liability to HUD for the expenditure of HUD capital fund monies in violation of HUD requirements.

Questioned Costs - None

Cause - During the years ended June 30, 2004, 2005, and 2006, YCH's financial position deteriorated significantly. In November 2005, YCH obtained three mortgages totaling \$2,900,000. During the year ended June 30, 2004, 2005, and 2006, YCH appears to have put too much emphasis on financing and building an administration building and buying other properties, and inadequate attention on operating YCH's established housing programs and services.

Effect - A negative financial trend.

Recommendation - YCH has taken a number of steps to cut its operating costs. We recommend that YCH continue to work diligently to improve its financial position.

YCH's Response - We agree with this Finding and Recommendation. Cost cutting measures have been put in place, key new staff members have been hired to continue this process, the accounting department has been reorganized, and a balanced budget was approved by the board for the 2007-2008 fiscal year.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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II-2007- 2 Migrant Housing Programs Accounting (State Grants)

Criteria - Each year YCH enters into three contracts with the California Department of Housing and Community Development (HCD) to operate Migrant Housing Centers in Davis, Madison, and Dixon. The Migrant Housing Centers in the Cities of Davis and Madison are within the County of Yolo. The third Housing Center, located in the City of Dixon, is outside the County of Yolo. On March 4, 1997, YCH contracted with the Housing Authority of the City of Dixon to administer its Migrant Center on its behalf. These Centers are used to house migrant farm workers for six months each year.

The operating contracts with HCD provide YCH with funds to operate each Center for six months and to maintain each center during the time in which the Center is not in operation. Any rents or other receipts collected at each Center are required to be returned to HCD. Therefore, these Centers are not meant to accumulate net assets. An exception exists when a Center has been remodeled or rebuilt using loans and grants from the U.S. Department of Agriculture (USDA). In these cases, the USDA requires YCH to establish, and annually contribute to, a replacement reserve. These contributions and any debt service on the USDA loans are funded through the operating contract with HCD. Precedence has been set by HCD, over the past few years, to allow authorities to retain unused operating contract balances and PG&E CARE credits to be used in future periods for operating expenses.

On a monthly basis, YCH is required to prepared rental income reports for each Center. The purpose of these reports is to inform HCD regarding the amounts of receipts collected by each Center and due to HCD.

The Independent Auditors' report for the fiscal year ended June 30, 2004, stated "...we have not been able to audit whether grant monies received or requested for the Migrant Farm Labor Program have been spent for program purposes."

Condition - During our audit, we noted the following conditions:

- 1) The Davis and Dixon Migrant Housing Centers' general ledgers have unsupported miscellaneous liabilities of \$175,808 and \$231,098 respectively. The Madison Migrant Housing Center has a deficit unrestricted net assets balance of \$393,831. The net of these three amounts comes close to zero. One possible explanation for this condition is that, in the past, costs have not been charged to each Migrant Center accurately or that the costs of one Migrant Center were covered by the operating contract of another Migrant Center.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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- 2) The Authority has not accounted for the CARE credits received from PG&E accurately since the inception. Costs paid from the CARE credits have not been accurately recorded during the current fiscal year. All posting errors to the current and prior year were netted and reported as current year general expense.

Questioned Costs - None

Cause - These general ledger balances generally indicate that either YCH ran these Migrant Housing Centers significantly out of compliance with their contracts with HCD in prior years or that a significant accounting error was made in prior years. YCH has not established adequate procedures to ensure that the Migrant Housing Centers are being accounted for in accordance with their contracts with HCD.

Effect - The liabilities and/or net assets may be materially misstated. The revenue and expenses for the current year are immaterially misstated. The exact amount of the misstatement will be based on the results of the research into past accounting practices and correspondence with HCD. We are unable to determine the full effect of this finding until YCH has come to an agreement with HCD regarding their suggestion to remedy the negative effects of the prior accounting practices. The possible outcomes could range from no funds due back to HCD, with adjustments made between the three Centers' general ledgers, to the reimbursement of over \$400,000 to HCD.

Recommendation - We recommend that YCH thoroughly research its accounting records from July 1, 2003, through the present, and attempt to determine how these unusual, material account balances were generated. Further, YCH should communicate in writing all aspects of this situation with HCD. Finally, we recommend that, in the future, all operating expenditures be recorded as current year expenses and any CARE credits be posted as current year revenue. The end result being to bring the program into compliance with the contract agreements entered into with HCD and generally accepted accounting procedures.

YCH's Response - We agree with the finding and recommendation. We will bring the program into compliance with HCD's contract requirements and generally accepted accounting principles.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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II-2007-3 Segregation of Duties - Cash Receipts Handling (CFDA #14.850)

Criteria - YCH maintains housing offices in Winters, Woodland, and West Sacramento. Each office is staffed with a Housing Specialist/Property Manager. The Housing Specialist/Program Manager accepts rents from the tenant of the Public Housing units. This same staff member also posts the rents to the tenant ledgers and has the ability to post non-cash credits to the tenant ledgers. This appear to be a long standing practice.

Condition - This lack of segregation of duties in the maintenance of the tenant ledgers is a significant deficiency in internal control.

Questioned Costs - None

Cause - YCH has not established effective internal controls over the collection of tenant rents, including the segregation of duties, to ensure that tenant ledgers are being maintained accurately and in an unbiased manner.

Effect - A significant internal control weakness exists in YCH's system of collecting tenant rents and the maintenance of tenant ledgers.

Recommendation - We recommend that YCH establish effective controls over the collection of cash receipts and the maintenance of tenant ledgers and segregate duties to the extent practical under the circumstances.

YCH's Response - We agree with the finding and recommendation. Procedures have been implemented requiring all non-cash credits to the tenant ledger be submitted to the accounting department with supporting documentation for processing. In addition, we are working with our IT consultant to see if it is feasible to "turn off" this feature within the software program for all users outside of the accounting department.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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Section III - Federal Award Findings

III-2007- 1 Administration of Family Self Sufficiency Escrow Accounts (CFDA #14.871)

Criteria - YCH has been awarded Housing Choice Vouchers by HUD that must be used exclusively for participants in the Family Self Sufficiency (FSS) Program. Generally, FSS participants are entitled to deposits and interest on escrow accounts if the participant's earned income increases after they enter the FSS program. HUD's rules for administering FSS escrow accounts are promulgated in 24 CFR 984. HUD's rules require FSS participants to complete certain program goals in five years, although a two year extension is allowed under certain circumstances. 24 CFR 984.305 requires YCH to annually provide a written accounting to each program participant of their escrow account, which includes the beginning balance, additions, withdrawals, interest earnings, and ending balance.

Condition - YCH did not provide each FSS program participant with an escrow account statement as required. Many escrow accounts were misstated. YCH continued to record deposits into escrow accounts after participants' FSS contracts had expired. In one case, YCH attempted to grant a two year extension to a participant's FSS contract after the FSS contract had expired. YCH was unable to reconcile its FSS escrow accounts to the liability in the general ledger. These problems and noncompliance with HUD's regulations appear to have existed for many years.

Questioned Costs - None. Any forfeited FSS escrow would be reported by YCH as excess HAP funding in restricted net assets.

Cause - Due professional care was not exercised in the administration of the FSS program.

Effect - YCH has been administering this program significantly out of compliance with HUD regulations for many years.

Recommendation - We recommend that YCH conduct a comprehensive review of its FSS program and take the steps necessary to bring the program into compliance with HUD's regulations.

YCH's Response - We have begun the process to determine active participants, to determine escrow account balances and to close out files and escrow accounts for those whose contracts have expired. To this end, we retained a temporary specialist with FSS experience who has reviewed the files and made preliminary recommendations for each. In addition, with HUD's assistance, we have also determined the appropriate number of FSS slots required. We will continue to work through these issues in FY 2008 for a resolution.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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III-2007- 2 Public Housing Operating Subsidy (CFDA #14.850)

Criteria - Each calendar year, in order to receive operating subsidy for HUD, YCH's Public Housing Program is required to submit form HUD-52723 (*Operating Fund - Calculation of Operating Subsidy, PHA Owned Rental Housing*) to HUD on a timely basis.

Condition - YCH's Public Housing Program did not receive any operating subsidy for the year ended December 31, 2006. YCH did receive operating subsidy for the year ended December 31, 2007. On June 29, 2007, HUD's Recovery and Protection Corps completed a Public Housing Assessment System report which stated, "We reviewed YCHA subsidy payments for the past few years and noted that its 2004-2006 operating fund subsidy had decreased considerably. Upon further examination, it was determined that the entire subsidy had not been properly applied for and that, with further application, YCHA may be able to recoup some of these lost funds."

Questioned Costs - None

Cause - Since 2004, there has been considerable turnover in senior accounting personnel. Further, since 2004, YCH's senior accounting personnel have lacked prior experience in the public housing industry.

Effect - YCH may not have applied for and received operating subsidy for the calendar year ended December 31, 2006, for the Public Housing Program as allowed by HUD.

Recommendation - We recommend that YCH review carefully its applications for operating subsidies, for the Public Housing Program, from 2004 through the present.

YCH's Response - We agree with this Finding. This was also noted by the RPC in their report completed June 29, 2007. Our research subsequent to the RPC report found that the reduction in operating subsidy was due to rapidly increasing rent during the period and that any operating subsidy missed would be immaterial and unrecoverable.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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III-2007- 3 Public Housing Tenant File Review (CFDA #14.850)

Criteria -On an annual basis, or more often if necessary, YCH is required to calculate tenant rent based on a review of the family's income and composition. Therefore, the rents charged to each tenant change periodically based on each family's individual circumstances. YCH maintains a tenant ledger for each tenant to track rents charged and payments made during their tenancy.

Condition - We reviewed the leases of sixteen Public Housing Program tenants to determine if the rents posted to the tenant ledgers were in agreement with the leases and other support in the tenant files. Our review noted two cases in which the rent charged was not in agreement with the tenant lease or other documentation in the file. We noted one instance in which the amount of rent charged was understated \$54 per month due to a calculation error. We also noted an instance in which the determination of income used to calculate the rent was not clearly documented in the tenant file; therefore, we could not determine the accuracy of the rent charged.

Questioned Costs - None

Cause -Adequate controls have not been established to ensure that rent is accurately calculated and posted to the tenant ledgers.

Effect - Statistically, our sample shows that rent is not accurately posted to the tenant ledgers in 13% of the population, with rent for another 6% not being accurately calculated.

Recommendation - We recommend that YCH continue to improve controls to ensure that rent is calculated accurately and posted correctly to the tenant ledgers.

YCH's Response - Staff attends Enterprise Income Verification (EIV) training annually as recommended by the Department of Housing and Urban Development (HUD). The purpose of HUD's EIV System is to make integrated income data available from one source, via the Internet, for Public Housing Authorities to use to improve income verification during required income re-examinations. EIV provides the following information: Monthly employer new hires, quarterly wages (including employer information), quarterly unemployment compensation, monthly social security (SS), and supplement security income (SSI) benefits. Access to this information and training assists Housing Specialists to minimize rent calculation errors. One of the findings by the audit was an error that resulted from a misunderstanding of how the EIV system

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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calculates both gross and net payments in benefit income. This has been corrected through staff training in the EIV system.

At this time, all Housing Specialists are certified in Occupancy and Rent Calculation. Also during this past year, all Housing Specialists attended Project Based Management Essentials training with Nan McKay and associates, Inc. to ensure YCH compliance with new regulations. The staff also attended training in reasonable accommodation, 504 program requirements and time management.

YCH has also established policies and procedures for Applicant Screening, Criminal Activity Eviction, Information Security, Tracking Crime and Crime Related Problems, Rent Collection, Third Party Verification, and End of Tenant Participation.

YCH is required to submit information electronically to HUD monthly via the Public & Indian Housing Information Center (PIC). Management and staff must monitor rejected records regularly, correct errors, and re-submit. YCH has maintained an accuracy reporting rate of 95% or above for the past three (3 years).

YCH is also currently engaged in revision of the Admission and Continued Occupancy Policy (ACOP) which establishes policy and procedures to clarify federal requirements and to ensure consistency in program operations. Once completed, the ACOP will be available for public comment for 30 days, be reviewed by the Resident Advisory Board (RAB) and be adopted by the Board of Commissioners.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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III-2007- 4 Public Housing Capital Fund Program Reporting (CFDA #14.872)

Criteria -Each year YCH receives a Capital Fund grant from HUD. After the funds received have been expended, YCH is required to submit an *Actual Cost Certificate* to HUD. HUD requires that this *Actual Cost Certificate* be audited in order to facilitate HUD's "close-out" of each Capital Fund grant.

Condition - YCH was not able to provide us copies of the *Actual Cost Certificates* for the 2002 through 2007 Capital Fund grants. Further, on June 29, 2007, HUD's Recover and Protection Corps issued a report that stated that the *Actual Cost Certificates* had not been received for the 2002 through 2006 Capital Fund Programs.

Questioned Costs - None

Cause - Because of the considerable turnover in YCH's senior accounting personnel, we were unable to determine the cause.

Effect - YCH has not complied with HUD reporting requirements for the Capital Fund Program, and accordingly, HUD has not closed out the 2002 through 2007 Capital Fund Programs.

Recommendation - We recommend that YCH file *Actual Cost Certificates* for the 2002 through 2007 Capital Fund Programs as soon as possible.

YCH's Response - We agree with the Finding and Recommendation. We will file the *Actual Cost Certificates* required for "close-out" of these grants.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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III-2007- 5 Section 8 Management Assessment Program (SEMAP) (CFDA# 14.871)

Criteria – The Section 8 Management Assessment Program (SEMAP) provides for objective measurement of the performance of a public housing agency (PHA) in key areas of the Section 8 tenant based assistance program (Housing Choice Voucher Program). SEMAP enables HUD to ensure program integrity and accountability. PHAs can use the SEMAP performance analysis to assess their own operations. 24 CFR 985.3 states, “the method for selecting the PHA’s quality control sample...must leave a clear audit trail that can be use to verify that the PHA’s quality control sample was drawn in an unbiased manner.”

YCH’s SEMAP score for the fiscal year ended June 30, 2006 was “Troubled”. For the fiscal year ended June 30, 2007, YCH submitted its SEMAP scores to HUD on a timely basis. The score of 73% was high enough to rate YCH as a “Standard Performer”. 24CFR 985.105 states, “HUD must conduct an on-site confirmatory review of an PHA’s performance before changing any annual overall performance rating from troubled to standard or high performer.” On October 26, 2007, HUD responded to YCH and decreased their score to 34%, which rates YCH as “Troubled”. HUD gave YCH points only for the indicators that it could verify through its MTCS system.

Condition – During our review of YCH’s SEMAP working papers for the fiscal year ended June 30, 2007, we noted that considerable raw data had been collected and used to determine compliance with HUD regulations and to complete the SEMAP certification. However, this information did not contain narratives to explain the method for selecting the quality control sample for the following indicators, as required by HUD, (1) selection from the waiting list, (2) reasonable rent, (3) determination of adjusted income, and (4) HQS enforcement. YCH’s working papers lacked a clear audit trail that could be used to verify that the quality control sample was drawn in an unbiased manner. No narrative exists to explain the audit procedures applied to each sample selected. Further, no documentation could be found that summarized the testing done or that explained the conclusions reached for each indicator that must be reviewed by an independent auditor.

Questioned Costs – None

Cause – YCH has experienced numerous turnovers in the Section 8 Supervisor position over the past several years. The majority of the responsibility for the establishment of effective internal audit procedures would fall to this position. This has contributed to the lack of effective internal audit procedures being established to ensure compliance with HUD regulations and the SEMAP requirements.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

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Effect – Although YCH appears to have performed a self-assessment for SEMAP purposes, clear documentation does not exist to support its SEMAP Certification to HUD for the fiscal year ended June 30, 2007.

Recommendation – We recommend that YCH establish more effective controls to ensure compliance with HUD regulations and the SEMAP requirements.

YCH's Response - Staff agrees with the finding. YCH has worked diligently to improve SEMAP reporting in order to meet compliance testing and is continuing, in FY 2007-2008, to upgrade its documentation of SEMAP compliance, including improved documentation of methodologies on data collection.

Certain matters have been reported to management of Yolo County Housing in a separate letter dated March 26, 2008.

