

HOUSING AUTHORITY of the COUNTY OF CONTRA COSTA

CALENDAR FOR THE BOARD OF COMMISSIONERS

BOARD CHAMBERS ROOM 107, COUNTY ADMINISTRATION BUILDING
651 PINE STREET
MARTINEZ, CALIFORNIA 94553-1229

KAREN MITCHOFF, CHAIR
JOHN GIOIA, VICE CHAIR
CANDACE ANDERSEN
MARY N. PIEPHO
FEDERAL D. GLOVER

GENEVA GREEN (TENANT SEAT)

JOSEPH VILLARREAL, EXECUTIVE DIRECTOR, (925) 957-8000

The Board of Commissioners respects your time, and every attempt is made to accurately estimate when an item may be heard by the Board. All times specified for items on the Board of Commissioners agenda are approximate. Items may be heard later than indicated depending on the business of the day. Your patience is appreciated.

AGENDA February 25, 2014

1:30 P.M. Convene and call to order.

CONSIDER CONSENT ITEMS: (Items listed as C.1 through C. 7 on the following agenda) - Items are subject to removal from the Consent Calendar by request from any Commissioner or on request for discussion by a member of the public. Items removed from the Consent Calendar will be considered with the Short Discussion items.

DISCUSSION ITEMS:

- D.1 CONSIDER accepting report on the certificate of recognition received from the United States Department of Housing and Urban Development for special achievement in program management.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

- D.2 CONSIDER approving the Housing Authority of the County of Contra Costa's (HACCC) proposed Corrective Action Plan for submission to the U.S. Department of Housing and Urban Development (HUD), designed to improve performance in two areas and respond to one concern noted in HUD's confirmatory review of the HACCC's Section 8 Management Assessment Program certification for the fiscal year ending 2013.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

- D. 3 CONSIDER Consent Items previously removed.

There were no Consent Items removed from the Consent Calendar for discussion.

- D. 4 PUBLIC COMMENT (2 Minutes/Speaker)

There were no requests to speak at Public Comment.

ADJOURN

CONSENT ITEMS:

- C.1 DENY claims filed by Norene Thompson and Yvonne Baker, and an application to file a late claim by Daniel Flores.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

- C.2 APPROVE and AUTHORIZE the Executive Director of the Housing Authority of the County of Contra Costa, or designee, to execute a contract with Contra Costa County in an amount not to exceed \$115,000 to provide investigative services for housing fraud in the Housing Choice Voucher (HCV) and public housing assistance programs for the period July 1, 2014 through June 30, 2015. (Budgeted)

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

- C.3 RECEIVE the Housing Authority of the County of Contra Costa's investment report for the quarter ending December 31, 2013.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

- C.4 ACCEPT the 3rd Quarter (Unaudited) Budget Report for the period ending 12/31/13.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

- C.5 ACCEPT report on the award of Family Self-Sufficiency Coordinator grant funds to the Housing Authority of the County of Contra Costa from the U.S. Department of Housing and Urban Development.

District I Commissioner John Gioia	AYES
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District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

C.6 ACCEPT articles regarding affordable housing issues.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

C.7 CONSIDER accepting report on the certificate of appreciation received from the United States Department of Housing and Urban Development for Elizabeth Campbell's support of the Enterprise Income Verification Program.

District I Commissioner John Gioia	AYES
District II Commissioner Candace Andersen	AYES
District III Commissioner Mary N. Piepho	AYES
District IV Commissioner Karen Mitchoff	AYES
District V Commissioner Federal D. Glover	ABSENT
Tenant Seat Geneva Green	ABSENT

GENERAL INFORMATION

Persons who wish to address the Board of Commissioners should complete the form provided for that purpose and furnish a copy of any written statement to the Clerk.

All matters listed under CONSENT ITEMS are considered by the Board of Commissioners to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board or a member of the public prior to the time the Commission votes on the motion to adopt.

Persons who wish to speak on matters set for PUBLIC HEARINGS will be heard when the Chair calls for comments from those persons who are in support thereof or in opposition thereto. After persons have spoken, the hearing is closed and the matter is subject to discussion and action by the Board.

Comments on matters listed on the agenda or otherwise within the purview of the Board of Commissioners can be submitted to the office of the Clerk of the Board via mail: Board of Commissioners, 651 Pine Street Room 106, Martinez, CA 94553; by fax: 925-335-1913; or via the County's web page: www.co.contracosta.ca.us, by clicking "Submit Public Comment" (the last bullet point in the left column under the title "Board of Commissioners.")

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 335-1900; TDD (925) 335-1915. An assistive listening device is available from the Clerk, Room 106. Copies of taped recordings of all or portions of a Board meeting may be purchased from the Clerk of the Board. Please telephone the Office of the Clerk of the Board, (925) 335-1900, to make the necessary arrangements.

Applications for personal subscriptions to the monthly Board Agenda may be obtained by calling the Office of the Clerk of the Board, (925) 335-1900. The monthly agenda may also be viewed on the County's internet Web Page: www.co.contra-costa.ca.us

The Closed session agenda is available each month upon request from the Office of the Clerk of the Board, 651 Pine Street, Room 106, Martinez, California, and may also be viewed on the County's Web Page.

<p>PERSONS WHO WISH TO ADDRESS THE BOARD MAY BE LIMITED TO THREE (3) MINUTES</p>

AGENDA DEADLINE: Thursday, 12 noon, 12 days before the Tuesday Board meetings.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

ACCEPT report on the certificate of recognition received from the United States Department of Housing and Urban Development (HUD) for special achievement in program management.

Background

On January 27, 2014 the Housing Authority (HACCC) was honored by HUD for " special achievement in program management." This award was given in recognition of the many improvements the agency has made in both the public housing and housing choice voucher programs over the past several years, particularly in light of ongoing budget cuts and severe staff reductions.

Attached is a copy of the certificate of recognition from HUD.

Fiscal Impact

None. Informational item only.

Consequence of Negative Action

None. Informational item only.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Certificate of Recognition

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

APPROVE for submission to the U.S. Department of Housing and Urban Development (HUD), the Housing Authority of the County of Contra Costa's (HACCC) proposed Corrective Action Plan (CAP) designed to improve performance in two areas and respond to one concern noted in HUD's confirmatory review of the HACCC's Section 8 Management Assessment Program (SEMAP) certification for the fiscal year ending 2013.

Background

HUD conducted an onsite confirmatory review of HACCC's SEMAP submission for fiscal year ending 2013. HUD's examination showed that HACCC's rating had improved to 78% and thus HACCC is now considered a standard performer under SEMAP. In a letter that confirms HACCC's standard rating, HUD also identified two findings and one concern that must be addressed by HACCC in a CAP format to HUD. Specifically, HUD did not award HACCC any points on the SEMAP Indicators for Selection from the Waiting List and Determination of Adjusted Income. While HACCC received full points for the Lease-up Indicator, HUD noted a significant gap between the agency's budget utilization (the percent of allocated subsidy dollars spent on voucher subsidies), which is quite high at 98%, and unit utilization (the percent of allocated units under contract), which is relatively low at 94% in November 2013.

Attached is the confirmatory review follow-up letter provided by HUD and staff's proposed CAP. Staff will review these with the Board at the meeting.

Fiscal Impact

None. Information item only.

Consequence of Negative Action

Should the Board of Commissioners elect not to approve the proposed Corrective Action Plan, or a modified version, HACCC would be in jeopardy of HUD sanctions.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Letter from HUD

SEMAP CAP

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Board of Supervisors

Information

Recommendations

DENY claims filed by Norene Thompson and Yvonne Baker, and an application to file a late claim by Daniel Flores.

Background

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Fiscal Impact

No fiscal impact.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

No file(s) attached.

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

APPROVE and AUTHORIZE the Executive Director of the Housing Authority of the County of Contra Costa, or his designee, to execute a contract with Contra Costa County in an amount not to exceed \$115,000 to provide investigative services for housing fraud in the Housing Choice Voucher (HCV) and public housing assistance programs for the period beginning July 1, 2014 and ending June 30, 2015.

Background

In order to continue to enhance HACCC's efforts to reduce fraud in the HCV and Public Housing Programs, HACCC wishes to enter into an Interagency Agreement with the District Attorney's office to provide investigative services for suspected owner and tenant housing fraud cases. HACCC has an existing contract with the District Attorney's office for these services that expires on June 30, 2014, with a not to exceed amount of \$95,000. Thus far HACCC has spent \$45,463.25 on the existing contract. Under the existing contract, an Investigator from the District Attorney's Office is assigned up to HACCC for an average of 32 hours per week. The new contract will provide an average of 40 hours per week of service. The Inspector has been very productive, completing 243 cases between May 2012 and December 2013.

Fiscal Impact

The Housing Authority's (HACCC) total payments to the County under this Agreement shall not exceed \$115,000. The funding for this position is included in HACCC's current budget. Primary funding for this position comes from HCV administrative fees and recovered fraud amounts. Public housing operating subsidy will be used to pay for any time spent on public housing fraud cases.

Consequence of Negative Action

If the Board of Commissioners does not approve this contract, the District Attorney's office will not have sufficient resources to continue providing fraud investigative services to HACCC.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

No file(s) attached.

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

RECEIVE the Housing Authority of the County of Contra Costa's investment report for the quarter ending December 31, 2013.

Background

California Government Code (CGC) Section 53646 requires the Housing Authority of the County of Contra Costa (HACCC) to present the Board of Commissioners with a quarterly investment report that provides a complete description of HACCC's portfolio. The report is required to show the issuers, type of investments, maturity dates, par values (equal to market value here) and the current market values of each component of the portfolio, including funds managed by third party contractors. It must also include the source of the portfolio valuation (in HACCC's case it is the issuer). Finally, the report must provide certifications that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and; (2) HACCC will meet its expenditure obligations for the next six months. (CGC 53646(b)).

The state-mandated report has been amended to indicate the amount of interest earned and how the interest was allocated. The amended report is attached.

In summary, HACCC had \$21,743.96 in interest earnings for the quarter ending December 31, 2013. That interest was earned within discrete programs and most of the interest earned is available only for use within the program which earned the interest. Further, interest earnings may be restricted to specific purposes within a given program.

For example, interest earned on excess housing choice voucher (Section 8) housing assistance payments (HAP) funds constituted 6.63% of the total interest earned last quarter. The use of these funds is not only restricted for use within the Section 8 program, but is further limited to the funding of future HAP costs. HUD regulations do not permit HACCC to utilize this money for any other purpose. Non-restricted interest earnings within both the voucher and public housing programs must be used solely within those programs, but such interest earnings can be used for a wider range of purposes within the individual programs. The interest earned in the State and Local fund can be used for any purpose within HACCC's scope of operations.

The interest earned for the quarter ending December 31, 2013 is shown below. A more detailed report is attached.

Public Housing	Housing Choice Voucher Fund		Rental Rehabilitation Fund	State & Local
Non-Restricted Interest Earned	Restricted Interest Earned	Non-Restricted Interest Earned	Restricted Interest Earned	Non-Restricted Interest Earned
\$2,822.49	\$1,441.99	\$14,403.34	\$440.95	\$2,635.19

Fiscal Impact

None. For reporting purposes only.

Consequence of Negative Action

Should the Board of Commissioners elect not to accept the investment report it would result in an audit finding of non-compliance and could ultimately affect future funding from the U.S. Department of Housing and Urban Development (HUD).

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Investment Report 12-31-13

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

ACCEPT the 3rd Quarter (Unaudited) Budget Report for the period ending 12/31/13.

Background

This report is intended to provide the Board of Commissioners with an overview of the financial position of the Housing Authority of the County of Contra Costa (HACCC) for the 3rd quarter period ending 12/31/13. The report begins with a summary of HACCC's overall fiscal standing at the end of the quarter. The overall numbers are then broken down by individual funds. Each fund overview includes a brief program summary and an explanation of the variance between budgeted and actual performance.

AGENCY OVERVIEW: Budget Report

Changes in HACCC's overall budgeted position for the third quarter are shown in the chart below. Major changes in Section 8 voucher program (HCV) funding had the most significant impact on HACCC's budget.

Revenue is down \$1,704,252 versus projected primarily due to an ongoing reduction in housing assistance payments (HAP), or subsidy, received from HUD. Until recently, housing authorities kept excess HAP received from HUD in a locally controlled reserve fund. These reserves are used to cover any shortfalls in HAP funding from HUD. However, as funding shortfalls have become common in the voucher program, and the impact of these shortfalls has varied dramatically among housing authorities, HUD has had to take money from housing authorities with excess reserves to distribute to agencies with too little money on hand to pay their monthly HAP costs. Therefore, HUD has decided to centralize HAP reserves in order to speed-up this redistribution process in the future. In order to deplete each housing authority's reserves, HUD sends less HAP each month than is needed to fully pay all owners on the HCV program, thus forcing housing authorities to spend down their local HAP reserves. HUD's current goal is that each housing authority will retain approximately two weeks worth of HAP locally. HACCC lost nearly \$1,761,087 in revenue during this quarter because of this change.

Expenditures continued to decrease during this quarter in response to HACCC's efforts over the past couple of years to cut voucher subsidy costs. The variance of \$2,461,463 in the agency's budgeted costs versus projected is primarily attributable to savings in HAP costs.

HACC Agency Summary	Annual Budget	3rd Quarter Actual 12/31/13	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 95,851,617	\$ 70,184,461	\$23,962,904	\$94,147,365	\$(1,704,252)
Expenditures	<u>\$100,936,725</u>	<u>\$ 73,241,081</u>	<u>\$25,234,181</u>	<u>\$98,475,262</u>	\$ 2,461,463
	\$ (5,085,108)	\$ (3,056,620)	\$ (1,271,277)	\$ (4,327,897)	

Analysis of Agency Reserves

Program	Beginning Balance 4/1/13 (Audited)	3rd Quarter ending 12/31/13 (Unaudited)	Reserve Balance period ending 12/31/13 (Unaudited)
<u>Restricted Reserves</u>			
Housing Choice Vouchers	\$5,102,811	\$ (2,097,151)	\$ 3,005,660
Public Housing & Cap. Funds	\$ -0-	\$ -0-	\$ -0-
State & Local Programs	\$ 174,045	\$ (54,363)	\$ 119,682
Housing Certificates Programs	<u>\$ 6,762</u>	<u>\$ 727</u>	<u>\$ 7,489</u>
Total Restricted Reserves	\$ 5,283,618	\$ (2,150,787)	\$ 3,132,831
<u>Unrestricted Reserves</u>			
Housing Choice Vouchers	\$ 2,932,292	\$ (312,019)	\$ 2,620,273
Public Housing & Cap. Funds	\$ 1,652,868	\$ (486,928)	\$ 1,165,940
State & Local Programs	\$ 1,817,900	\$ (37,276)	\$ 1,780,624
Housing Certificates Programs	<u>\$ 109,264</u>	<u>\$ (69,610)</u>	<u>\$ 39,654</u>
Total Unrestricted Reserves	\$ 6,512,324	\$ (905,833)	\$ 5,606,491
Total Reserves	\$ 11,795,942	\$ (3,056,620)	\$ 8,739,322

As a reminder, almost all reserves are restricted for use within each program. The designation of restricted or unrestricted reserves merely indicates that the funds are obligated for special use within the program (restricted) or that they can be used for any purpose tied to the program (unrestricted). The only reserves that can be used freely are unrestricted reserves within the State and Local Programs that are not tied to the tax credit properties. These reserves can be used to support any of HACCC's programs.

FUNDS OVERVIEW:

Housing Choice Vouchers

Program Summary - The HCV program provides assistance to families in the private rental market. HACCC qualifies families for the program based on income. These families find a home in the private rental market and HACCC provides them with a subsidy via a HAP contract with the property owner. HAP is paid by HACCC directly to the owner. Through its HCV program, HACCC is authorized to provide affordable housing assistance to a maximum of 6,781 families. However, due to funding constraints, the program is only able to support approximately 6,300 families currently.

Summary of Difference Between Budgeted and Year-End Annual Estimate:

Revenue –As discussed in the overview, HACCC lost \$2,097,151 in projected revenue due to HUD's decision to maintain HAP reserves in the future. Housing authorities with local HAP reserves will receive decreased HAP funding until their local reserves are reduced to HUD's satisfaction.

Expenditures –The projected variance of \$2,768,996 is due primarily to reduced HAP expenditures of \$2,695,347 as HACCC's cost saving measures of the past two years continue to take effect. There was also a slight decrease in the number of vouchers under contract, which led to further reductions in HAP costs. A reduction of \$73,649 in general administrative expenses also occurred.

Housing Choice Vouchers	Annual Budget	3rd Quarter Actual 12/31/2013 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$77,678,861	\$ 56,498,059	\$19,419,715	\$75,917,774	\$(1,761,087)
Expenditures	\$82,234,965	\$ 58,907,228	\$20,558,741	\$79,465,969	\$ 2,768,996
	\$ (4,556,104)	\$ (2,409,169)	\$ (1,139,026)	\$ (3,548,195)	

Analysis of Program Reserves:

Housing Choice Vouchers	Beginning Balance 4/1/13 (Audited)	3rd Quarter 12/31/2013 (Unaudited)	ReserveBalance period ending 12/31/13 (Unaudited)
Restricted Reserves	\$ 5,102,811	\$ (2,097,151)	\$ 3,005,660
Unrestricted Reserves	\$ 2,932,292	\$ (312,019)	\$ 2,620,273
Total Reserves	\$ 8,035,103	\$ (2,409,170)	\$ 5,625,933

Public Housing Operating and Capital Funds

Program Summary - HACCC owns and manages 1,179 public housing units at 16 different sites throughout the County. Operating funds for these properties come from tenant rents as well as an operating subsidy received from HUD that is designed to cover the gap between rents collected from the low-income tenants and annual operating expenses. HUD allocates the Capital Fund annually via formula to approximately 3,200 housing authorities. Capital Fund grants may be used for development, financing, modernization, and management improvements within public housing.

Summary of Difference Between Budgeted and Year-End Annual Estimate:

Revenue –The \$113,071 increase in revenue is primarily attributable to the increase in public housing occupancy and higher tenant rents. Net tenant rental income is up roughly \$203,410 but HUD funding, in the form of Operating Subsidy and Capital Fund Grants, is down by \$90,339.

Expenditures – The \$469,407 projected jump in actual costs versus budgeted, is primarily attributable to the additional costs that accompany improved occupancy rates. Increased utility expenditures added \$131,232 to the budgeted amount, while maintenance costs were up \$168,953. Legal fees were also higher than expected, up \$80,953 versus budgeted. Finally, HUD recently

issued a new/clarified capital fund rule that disallows funding for police/security in a capital fund account that HACCC and many other agencies had been using for years. This change/clarification is retroactive to January 1, 2013. As a result, budgeted expenditures for the quarter increased by \$106,229 so that security costs could be paid for out of operations.

Public Housing Operating and Capital Fund	Annual Budget	3rd Quarter Actual 12/31/13 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 9,558,091	\$ 7,281,639	\$ 2,389,523	\$ 9,671,162	\$ 113,071
Expenditures	\$ 9,732,214	\$ 7,768,567	\$ 2,433,054	\$ 10,201,621	\$ (469,407)
	\$ (174,123)	\$ (486,928)	\$ (43,531)	\$ (530,459)	

Analysis of Program Reserves:

Public Housing & Capital Fund	Beginning Balance 4/1/13 (Audited)	3rd Quarter 12/31/13 (Unaudited)	Reserve Balance period ending 12/31/13 (Unaudited)
Restricted Reserves	\$ -0-	\$ -0-	\$ -0-
Unrestricted Reserves	\$ 1,652,868	\$ (486,928)	\$ 1,165,940
Total Reserves	\$ 1,652,868	\$ (486,928)	\$ 1,165,940

State and Local Programs

Program Summary -HACCC administers a variety of programs and activities that are either not funded by HUD or that involve non-restricted HUD funds. Currently, HACCC is the managing general partner for two tax credit projects (DeAnza Gardens & Casa Del Rio) and also has a contract with the City of Antioch to run their rental rehabilitation program. HACCC receives management fees for administering the Public Housing and HCV programs under HUD's asset-management model.

Summary of Difference between Budgeted and Year-End Annual Estimate:

Revenue–The\$160,395 growth in revenue compared to the budget is primarily related to the increase in allowable management fees (\$121,526) from the public housing and HCV programs. The remaining increased revenue of \$38,869 is related to our tax credit properties.

Expenditures - The \$11,369 increase in expenditures reflect costs associated with the elimination of the County's rental rehabilitation loan program along with HACCC's contract to manage that program.

State & Local Programs	Annual Budget	3rd Quarter Actual 12/31/13 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 5,173,102	\$ 4,040,221	\$ 1,293,276	\$ 5,333,497	\$ 160,395
Expenditures	\$ 5,493,988	\$ 4,131,860	\$ 1,373,497	\$ 5,505,357	\$ (11,369)
	\$ (320,886)	\$ (91,639)	\$ (80,222)	\$ (171,860)	

Analysis of Reserves:

State & Local Programs	Beginning Balance 4/1/13 (Audited)	3rd Quarter 12/31/13 (Unaudited)	Reserve Balance Period ending 12/31/13 (Unaudited)
Restricted Reserves	\$ 174,045	\$ (54,363)	\$ 119,682
Unrestricted Reserves	<u>\$ 1,817,900</u>	<u>\$ (37,276)</u>	<u>\$ 1,780,624</u>
Total Reserves	\$ 1,991,945	\$ (91,639)	\$ 1,900,306

Housing Certificate Programs

Program Summary - HACCC administers two separate Housing Certificate Programs; Shelter Plus Care and Moderate Rehabilitation (Mod Rehab). The Shelter-Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program. HACCC assists approximately 285 clients under this program. The Mod Rehab program was designed in 1978 as an expansion of the rental certificate program. Mod Rehab was designed to provide low-cost loans for the rehabilitation of rental units in an effort to upgrade and preserve the nation's housing stock. In return, the owner agreed to provide long-term affordable housing for low income families. The program was repealed in 1991 and no new projects are authorized for development. HACCC administers 28 Mod Rehab units.

Summary of Difference Between Budgeted and Year-End Annual Estimate:

Revenue - The reduction in revenue is related to a slight drop in Shelter Plus Care funding for both HAP and administration.

Expenditures - Most of the reduction in expenditures is tied to decreased HAP funding for the Shelter Plus Care program.

Housing Certificate Programs	Annual Budget	3rd Quarter Actual 12/31/13 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 3,441,563	\$2,364,543	\$ 860,391	\$ 3,224,934	\$ (216,629)
Expenditures	<u>\$ 3,475,559</u>	<u>\$2,433,426</u>	<u>\$ 868,890</u>	\$ 3,302,316	\$ 173,243
	\$ (33,996)	\$ (68,883)	\$ (8,499)	\$ (77,382)	

Analysis of Reserves:

	Beginning	3rd Quarter	Reserve Balance
February 25, 2014			

Housing Certificate Programs	Beginning Balance 4/1/13 (Audited)	3rd Quarter 12/31/13 (Unaudited)	period ending 12/31/13 (Unaudited)
Restricted Reserves	\$ 6,762	\$ 727	\$ 7,489
Unrestricted Reserves	\$ 109,264	\$ (69,610)	\$ 39,654
Total Reserves	\$ 116,026	\$ (68,883)	\$ 47,143

Fiscal Impact

None. Information item only.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

No file(s) attached.

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

ACCEPT report on the award of Family Self-Sufficiency (FSS) Coordinator grant funds to the Housing Authority of the County of Contra Costa (HACCC) from the U.S. Department of Housing and Urban Development (HUD).

Background

HUD's FSS program encourages housing authorities to develop local strategies aimed at helping voucher families obtain employment that will lead to economic independence. Housing authorities work with welfare agencies, schools, businesses, and other local partners to link program participants to the supportive services, schools, training and job opportunities they need to obtain employment that pays a living wage.

Each FSS participant family signs a 5-year contract that specifies the unique goals and services required by them to reach independence. Family members must fulfill all of the 5-year contract's requirements in order to graduate from the program. In addition to each family's specific goals, the FSS contract requires that the family comply with the lease, that all family members become independent of welfare, and that the head of the family seek and maintain suitable employment. An interest-bearing FSS escrow account is established by HACCC for each FSS family. Funds are placed in this account by HACCC based on increases in earned income of the family. A portion of this escrow account may be made available to the family during the term of the contract to enable the family to pay for interim goals required for independence such as completing a degree program.

If the family completes the contract and meets all requirements, the full amount of the FSS escrow account is paid to the head of the family. If HACCC terminates the FSS contract for any reason, or if the family fails to complete the contract before its expiration, the family's FSS escrow funds are forfeited and become part of HACCC's restricted Section 8 reserves.

HACCC has graduated over 266 families from its FSS program. Currently, approximately 146 families participate in the program.

Fiscal Impact

HUD has awarded HACCC \$135,678 under the Department's FY 2013 FSS Coordinator Program. These funds will be used to pay for a portion of the salaries associated with this program in 2013/2014.

Consequence of Negative Action

None. Informational item only.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

No file(s) attached.

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

ACCEPT articles regarding affordable housing issues.

Background

For the Board's information only.

Fiscal Impact

This is for informational purposes only and has no fiscal impact.

Consequence of Negative Action

None.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Articles

Minutes Attachments

No file(s) attached.



CC Housing Authority Board of Commissioners

Meeting Date: 02/25/2014

Official Body: Housing Authority Bd of Commissioners

Information

Recommendations

ACCEPT report on the certificate of appreciation received from the United States Department of Housing and Urban Development (HUD) for Elizabeth Campbell's support of the Enterprise Income Verification Program.

Background

Elizabeth (Beth) Campbell is the Housing Authority's (HACCC) Director of Managed Housing Programs. On January 27, 2014 Ms. Campbell was honored by HUD for her leadership in the public housing community, her expertise and her support of HUD as they seek to train other housing authorities in the use of HUD's Enterprise Income Verification Program (EIV).

The purpose of HUD's EIV System is to make integrated income data available from one source, via the Internet, for PHAs to use for income verification during required income reexaminations. EIV provides the following information:

1. Monthly employer new hires
2. Quarterly wages (including employer information), Federal wages are available
3. Quarterly unemployment compensation
4. Monthly social security (SS) and supplement security income (SSI) benefits

All housing authorities nationwide are required to use and implement the EIV system in their day-to-day operations. Ms. Campbell has both led trainings on her own and assisted HUD at local and regional trainings. She has also provided direct trainings to local housing authorities. HUD previously awarded Ms. Campbell a certificate of appreciation in August 2012 for her support of the EIV program.

Attached is a copy of the certificate of appreciation from HUD.

Fiscal Impact

None. Informational item only.

Consequence of Negative Action

None. Informational item only.

Budget Information

Information about available funds

Budgeted: ☐

Funds Available: ☐

Adjustment: ☐

Amount Available:

Unbudgeted: ☐

Funds NOT Available: ☐

Amendment: ☐

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Certificate of Appreciation

Minutes Attachments

No file(s) attached.



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Certificate of Recognition

**2013 Special Achievement
Program Management**

This certificate is awarded to:

**Housing Authority of the
County of Contra Costa**

Presented By

A stylized signature of Jesse Wu is written over a horizontal line.

Jesse Wu, Acting Director



U.S. Department of Housing and Urban Development
San Francisco Regional Office – Region IX
600 Harrison Street
San Francisco, California 94107-1387
www.hud.gov
espanol.hud.gov

JAN 08 2014

Mr. Joseph Villarreal
Executive Director
Housing Authority of the County of Contra Costa
3133 Estudillo Street
P. O. Box 2759
Martinez, CA 94553

Dear Mr. Villarreal:

SUBJECT: SEMAP Confirmatory Review for FYE 3/31/2013

The Housing Authority of the County of Contra Costa (PHA) has reached standard performance in its HCV/SEMAP Program for FYE 3/31/2013. An onsite SEMAP Confirmatory review was conducted September 23 – 25, 2013 by the San Francisco local PIH staff. As a result, the PHA's confirmed SEMAP score has been increased to 78%, which is a Standard Performer.

We wish to express our sincere appreciation for the cooperation shown by your staff during the review. We recognize the concerted effort that has been made by this dedicated staff to enhance the management of the Housing Choice Voucher Program.

The findings of the review are in the enclosed SEMAP Confirmatory Review Report. Please note that a Corrective Action Plan (CAP) is required. The PHA is required to prepare the CAP in accordance with 24 CFR §985.107 (c) and have it adopted by the Board of Commissioners. The CAP is not limited to the recommended corrective actions in the attached report. The CAP is due to HUD for approval within 30 days of the date of this letter.

While the confirmatory review had a successful outcome, there were two (2) findings and a concern that we would like to address in the attached report.

Should you have any concerns and/or need technical assistance, please do not hesitate to contact Carol Joseph, Public Housing Revitalization Specialist, at (415) 489-6455.

Sincerely,

Jesse Wu
Acting Director
Office of Public Housing

Enclosure

9APH Official File: SEMAP—Contra Costa FYE 3/31/2013

9APH CHRON

9APH Joseph

Originator: CMJ/cmj PHRS 1/7/2014 (415) 489-6455

File: J: /Reading/ Contra Costa- SEMAP- Confirmatory Review Report September 2013

Concurrence:

9APH

JOSEPH

9APH

WINDT


1/7/14

Section Eight Management Assessment Program (SEMAP) Confirmatory Review 2013 Report

Contra Costa Housing Authority - CA011

September 23 – 25, 2013



OFFICE OF PUBLIC HOUSING, REGION IX

San Francisco, CA

SEMAP Confirmatory Review Report Fiscal Year End 3/31/ 2013

Executive Summary

The purpose of the Section Eight Management Assessment Program (SEMAP) Confirmatory Review is to determine whether the Housing Authority of the County of Contra Costa (PHA) is in compliance with the SEMAP certification process as required by 24 CFR §985. The PHA was designated SEMAP trouble in Fiscal Year Ending 2006. A SEMAP Assessment was performed in 2007 that confirmed the housing authority's troubled designation. After the housing authority self-certified that it was a standard performer, a SEMAP Confirmatory review was conducted in 2010. At that time the housing authority did not meet the minimum SEMAP requirements and the field office could not change its SEMAP score.

The PHAs most recent SEMAP certification for FYE March 31, 2013, indicated that it is no longer SEMAP troubled. This SEMAP Confirmatory review was scheduled and completed the week of September 23-25, 2013. Prior to this SEMAP Confirmatory Review the Nelrod Company was retained under a Technical Assistance Contract under the PHARS recovery plan, which included the HCV Program. As a result, the Nelrod Company conducted a SEMAP assessment review and determined that the housing authority had recovered from its troubled designation to Standard Performance for FYE March 31, 2013. This SEMAP Confirmatory review and report supports Nelrod's report that the housing authority has made significant efforts and improvements in its Housing Choice Voucher Program and SEMAP requirements. The PHA earned 100 SEMAP points (78%) – Standard Performance.

The housing authority was under a SEMAP Corrective Action Plan (CAP), which the housing authority completed March 12, 2012, in compliance with the prior SEMAP Confirmatory Review.

This Confirmatory Review found a total of two (2) findings and (1) concern. Only the outstanding deficiencies and concern is addressed in this report. The PHA is required to prepare a Corrective Action Plan (CAP) in accordance with 24.CFR §985.107 (c) and have it adopted by the Board of Commissioners. The CAP is due to HUD for its approval within 30 days of the date of this letter. Should you need technical assistance, please contact our office.

Summary of SEMAP Score:

SEMAP Indicators		Self-Certified Rating	Maximum Score	Review Score
Indicator 1	Selection from the Waiting List	15	15	0
Indicator 2	Rent Reasonableness	15	20	20
Indicator 3	Determination of Adjusted	0	20	0
Indicator 4	Utility Allowance Schedule	5	5	5
Indicator 5	Housing Quality Standards Q.C.	0	5	5
Indicator 6	Housing Quality Standards Enforcement	0	10	10
Indicator 7	Expanding Housing Opportunities	5	5	5
Indicator 8	Payment Standards	5	5	5
Indicator 9	Annual Reexamination	10	10	10
Indicator 10	Correct Rent Calculation	0	5	5
Indicator 11	Pre-Contract HQS Inspections	5	5	5
Indicator 12	Annual HQS Inspections	10	10	10
Indicator 13	Lease Up	0	20	20
Indicator 14	FSS Enrollment and Escrow Accounts	0	n/a	n/a
Indicator 15	Deconcentration Bonus	5	5	5

Summary of Findings:

Finding #1 - Indicator 1 Selection from the Waiting List

Criteria

In accordance with 24 CFR 985 (c) Determination of Adjusted Income, (1) This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list. (24 CFR 982.54(d) (1) and 982.204(a)). In addition, based on the PHA's quality control samples, drawn separately for applicants reaching the top of the waiting list and for admissions, documentation shows that at least 98 percent of the families in both samples of applicants and admissions were selected from the waiting list for admission in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection

Condition

The PHA has not selected any qualified families from its HCV waiting list in quite some time. The PHA has been absorbing incoming portability clients from other housing authorities, which does not require selection from the waiting list. However, the housing authority demonstrated to reviewers that it has process in place to ensure that it would be able to correctly select applicants from its waiting list in the future. While the housing authority self-certified to the points for this indicator, as a result of review and with the lack of actual applicant files and waiting list snapshots of families drawn from the waiting list, the PHA could not fully and properly demonstrate full compliance with this indicator.

Cause

The housing authority has not selected any new applicants from its HCV waiting list due to what it perceives to be lack of federal funding in its HCV Program. Therefore, there was no proper documentation and supporting evidence on file at the housing authority to support this indicator.

Consequences

Due to the housing authority's inability to admit new applicant families from its wait list, and the housing authority's previous determination to demonstrate effectively under this indicator, the housing authority did not demonstrate that it could properly select applicants from its waiting list in accordance with its written policy. In addition, the housing authority could not effectively demonstrate that it had the proper quality control samples for both families reaching the top of the waiting list and families that were admitted to its HCV Program.

Corrective Action

The housing authority should look at cost saving measures to reduce per unit costs in its HCV Program (see PIH Notice 2011-28). While the PHA has implemented some cost saving measures the field office is recommending that other costs saving measures be reviewed by the housing authority and possibly implemented. This will allow the housing authority to save money and to potentially house new applicants from its waiting list, therefore, meet the SEMAP quality control requirements.

An action plan is required to:

- 1) Identify a number of applicants to house from its current waiting list.
- 2) A time frame (deadline) for housing the applicants.
- 3) Implementation of its written quality control plan for this indicator.

Finding #2 - Indicator 3 Determination of Adjusted Income

Criteria

In accordance with 24 CFR 985 (c) Determination of Adjusted Income, this indicator shows whether, at the time of admission and annual reexamination, the PHA verifies and correctly determines adjusted annual income for each assisted family and, where the family is responsible for utilities under the lease, the PHA uses the appropriate utility allowances for the unit leased in determining the gross rent. (24 CFR part 5, subpart F and 24 CFR 982.516). In addition, the housing authority obtains verification of reported family annual income, the value of assets totaling more than \$5,000, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income, and uses the verified information in determining adjusted income, and/or documents tenant files to show why third party verification was not available

Condition

The PHA complied with the SEMAP rating method and conducted a Quality Control sampling of files. As a result of their review the PHA did not claim any points for this indicator. The confirmatory review agreed with the PHA's determination. Numerous errors were found in the files that did or could result in incorrect determination of income and of rent calculation. Reviewers found a lack of proper file documentation which could have resulted in a correct determination of adjusted income.

Cause

There were discrepancies in the files resulting in a lack of proper file documentation to substantiate the deductions applied or not applied affecting the determination of adjusted income in several files reviewed. There was a lack in proper file documentation. Staff lacks proper training and supervisor of their work.

Consequences

Failure to accurately determine the families' adjusted income may result in the improper Housing Assistance Payments (HAP). Improper HAP is a disallowed cost and the PHA would be responsible for the repayment of all disallowed cost to HUD. If the error resulted in underpayment of HAP the PHA must reimburse the family's overpayment of rent. The HAP would be paid to the owner and the owner would credit the family.

Corrective Action

A corrective action plan is required to:

- 1) Provide staff with proper training to ensure that all staff follows proper procedures and documentation of the files when determining adjusted income.
- 2) Supervisory review of additional files to ensure a greater quality control method.
- 3) Implementation of a quality control plan that requires an increase in the number of files reviewed, showing a cross section of staff files to address errors made by staff.

Concern #1 - Indicator 13 Lease Up

Criteria

Federal Register / Vol. 77, No. 105 / Thursday, May 31, 2012 / Rules and Regulations revised § 985.3(n) as follows: (n) *Lease-up*. The provisions of this paragraph (n) apply to the first SEMAP certification due after July 2, 2012. (1) *The indicator*: This indicator shows whether the PHA enters into HAP contracts for the number of the PHA's baseline voucher units (units that are contracted under a Consolidated ACC) for the calendar year that ends on or before the PHA's fiscal year or whether the PHA has expended its allocated budget authority for the same calendar year. Allocated budget authority will be based upon the PHA's eligibility, which includes budget authority obligated for the calendar year and any portion of HAP reserves attributable to the budget authority that was offset from reserves during the calendar year. Litigation units and funding will be excluded from this indicator, and new increments will be excluded for 12 months from the effective date of the increment on the Consolidated ACC. Units assisted under the voucher homeownership option and units occupied under a project-based HAP contract are included in the measurement of this indicator.

Condition

The PHA utilized 98% of their funding but housed less than 95% of their ACC. The PHA is entitled maximum the points for this indicator. However such high utilization of funding for less than 95% utilization indicates cost saving measure should be reviewed to more efficient use of funds. In addition to the ongoing technical assistance HUD provides, technical assistance was provided to the PHA during the confirmatory. The PHA is implementing cost saving measure, such as reducing the subsidy standards, and reduction in utility allowance based upon the most recent utility study.

Cause

PHA asserts that funding impacts the number of families that can be leased up in its jurisdiction.

Consequences

Effective management of utilization results in less families being serviced. The PHA earns less administrative fees because the administrative fees earned are based on the number of units leased. The sustainability of the PHA is impacted when it earns less administrative fees. This indicator also coincides with Indicator 1 Selection from the Waiting List. There are no new families being admitted to its program.

The housing authority has 6,783 units under its Annual Contribution Contract (ACC). As of November 2013 it has 6,188 families leased up in its HCV Program. The September 2013 monthly utilization report submitted to the local field office from HUD headquarters reports that the housing authority has enough dollars to support 6,272 Unit Months Leased or a 92% lease up rate, which the housing authority is already maintaining. It has less than a 1% leasing potential, but that is still some leasing potential, and Net Restricted Assets could be taken into account towards housing additional families.

Corrective Action

- 1) Develop and implement a leasing plan.
- 2) Develop reports for management and the board to monitor lease up.

Distribution

SEMAP Corrective Action Plan
In Response to SEMAP Confirmatory Review for FYE 3/31/13
Housing Authority of the County of Contra Costa (HACCC)

Finding # 1 - Indicator 1: Selection from Waiting List

In accordance with 24 CFR 985.3(a) This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list. (24 CFR 982.54(d) (1) and 982.204(a). In addition, based on the PHA's quality control samples, drawn separately for applicants reaching the top of the list and for admissions, documentation shows that at least 98 percent of the families in both samples of applicants and admissions were selected from the wait list for admission in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection.

HACCC did not score any points in this indicator because no families were called from the wait list during the period reviewed, thus documentation did not exist to support a score for this Indicator.

Corrective Action Plan for Finding #1 (in accord with 24 CFR §985.107)

HACCC has three new project-based voucher (PBV) buildings scheduled to complete construction in 2014. Since all PBV units will be filled from HACCC's Site-Based Project Based Voucher waiting lists, HACCC expects to score points in this Indicator in the next SEMAP rating period. Additionally, HACCC expects to call families for tenant-based vouchers in the coming year as well. Staff will document that the process to call applicants from the wait lists is in accord with HACCC's administrative plan and HUD regulations.

Goals to be achieved and Key Tasks to Achieve Goals:

- 1) Call applicants from wait list for lease-up of 45 PBV units in Lafayette. Key tasks are to call applicants from the wait list, verify they are eligible for the program, refer eligible applicants to PBV property manager for screening by property, brief eligible applicants, issue Statements of Family Responsibility and sign contracts with the property. Target is to notify applicants on the wait list beginning November 30, 2013 and to complete initial lease-up by March 31, 2014.
- 2) Call applicants from wait list for lease-up of 48 PBV units in Martinez. Key tasks are to call applicants from the wait list, verify they are eligible for the program, refer eligible applicants to PBV property manager for screening by property, brief eligible applicants, issue Statements of Family Responsibility and sign contracts with the property. Target is to notify applicants on the wait list beginning January 30, 2014 and to complete initial lease-up by September 30, 2014.
- 3) Call applicants from wait list for lease-up of 66 PBV units in Orinda. Key tasks are to call applicants from the wait list, verify they are eligible for the program, refer eligible applicants to PBV property manager for screening by property, brief eligible applicants, issue Statements of Family Responsibility and sign contracts with the property. Target is to notify applicants on the wait list beginning May 31, 2014 and to complete initial lease-up by October 31, 2014.
- 4) Review PIH Notice 2011-28 (and any other relevant information) to determine if all feasible cost-savings measures have been implemented by HACCC by March 31, 2014.
- 5) Meet with HUD to discuss HACCC review of PIH Notice 2011-28 (and any other relevant information) by June 30, 2014.
- 6) Provide result of review of PIH Notice 2011-28 (and any other relevant information) and follow-up discussion with HUD to the Board to determine if HACCC will take any further cost-savings

**SEMAP Corrective Action Plan
In Response to SEMAP Confirmatory Review for FYE 3/31/13
Housing Authority of the County of Contra Costa (HACCC)**

measures within 1-2 months after meeting with HUD, depending on the Board's schedule.

- 7) Determine if/when additional applicants can be called from wait list after discussing further cost savings measures (if any) with the Board within 1 month of that meeting. Key tasks will be to put in place any cost savings measures the Board directed staff to implement and the ongoing analysis of HACCC's budget authority and unit utilization data.
- 8) Implement existing QC process for this Indicator within 3 months of applicants being issued vouchers from the wait list.

Obstacles to goal achievement:

HACCC will continue to monitor budget utilization closely. If utilization continues to run high, HACCC may have to bill other housing authorities for incoming portable vouchers in order to provide enough applicants from the wait list to fill all upcoming PBV units.

Resources that will be used or sought to achieve goals:

Existing HACCC resources should be adequate to meet these goals.

Staff person with lead responsibility for completing each goal:

- 1) HCV Director
- 2) HCV Director
- 3) HCV Director
- 4) HCV Director, Executive Director
- 5) Executive Director
- 6) Executive Director
- 7) HCV Director, Executive Director
- 8) HCV Director

Key tasks to reach each goal:

See above.

Time frames for achievement of each goal:

See above.

Plan for regular evaluation of progress toward improvement:

HACCC will give HUD a quarterly update by the 15th of the month following the quarter (or the first working day thereafter if the 15th falls on a weekend, an HACCC day off or a holiday).

Finding # 2 - Indicator 3: Determination of Adjusted Income

In accordance with 24 CFR 985.3(c) Determination of Adjusted Income, "based on the PHA's quality control samples of tenant files, for at least 90 percent of families: (A) the PHA obtains third party

**SEMAP Corrective Action Plan
In Response to SEMAP Confirmatory Review for FYE 3/31/13
Housing Authority of the County of Contra Costa (HACCC)**

verification of reported family annual income, the value of assets totaling more than \$5,000, expenses related to deductions from annual income, and uses the verified information in determining adjusted income, and/or documents tenant files to show why third party verification was not available.”

HACCC failed to score points in this indicator because income was either calculated incorrectly or was not documented properly in the file.

Corrective Action Plan for Finding #2 (in accord with 24 CFR §985.107)

With the possible exception of new hires, all relevant staff are trained and certified on income calculations. The CAP will focus on retraining staff and adding extensive external quality control.

Goals to be achieved and Key Tasks to Achieve Goals:

- 1) Retrain all existing staff on income calculations and continue to train new staff. Primary training will occur onsite. Staff who cannot attend the onsite training will be sent to training as soon as possible. Key tasks are to procure onsite training services, conduct the onsite training and identify offsite training as necessary. Where practical, the same company will be used to provide offsite training. Procurement is targeted to be complete by April 2014. Training of existing staff will be completed by July 31, 2014.
- 2) Continue internal quality control at current level as existing practice provides for oversampling and has proven successful with other SEMAP Indicators.
- 3) Continue external review of internal quality control process, but increase frequency from quarterly reviews to monthly or bi-monthly. Key task will be to negotiate an affordable contract that increases the frequency. New contract should be in place by April 30, 2014.
- 4) Add external file review of up to 150 files per month. File review will focus on adjusted income, but may also include other SEMAP items. Key tasks will be to procure a vendor to conduct these reviews, incorporating the additional file reviews into the existing quality control schedule and developing a feedback process to ensure that all errors identified by the external file reviews are follow-up appropriately. The target to complete the procurement of an external file review vendor is May 31, 2014. The external file review process should begin within two months of contract approval.
- 5) Work with external file review vendor to review HACCC’s policies and procedures in order to identify opportunities to streamline the agency’s income calculation process. The target to complete this review is within three months of the vendor’s first set of file reviews.

Obstacles to goal achievement:

Ongoing administrative funding cuts will impact both staff workloads, which in-turn impact work quality, and the amount of external reviews that HACCC can afford. Resources are sufficient though to make significant progress on this goal.

Resources that will be used or sought to achieve goals:

HACCC will use its existing voucher administrative funding.

**SEMAP Corrective Action Plan
In Response to SEMAP Confirmatory Review for FYE 3/31/13
Housing Authority of the County of Contra Costa (HACCC)**

Staff person with lead responsibility for completing each goal:

- 1) HCV Director, HR and Training Officer
- 2) HCV Director
- 3) Executive Director
- 4) Executive Director
- 5) HCV Director, Executive Director

Key tasks to reach each goal:

See above.

Time frames for achievement of each goal:

See above.

Plan for regular evaluation of progress toward improvement:

HACCC will give HUD a quarterly update by the 15th of the month following the quarter (or the first working day thereafter if the 15th falls on a weekend, an HACCC day off or a holiday).

Concern # 1 - Indicator 13: Lease-Up

HACCC received maximum points for this Indicator by maintaining a 98% budget utilization rate. This means that HACCC was using 98% of the money provided to it by HUD to house families under the voucher program. However, if funding is available, HACCC is eligible to house up to 6,783 families. Per HUD, as of November 2013 HACCC was only housing 6,188 families for a 91% unit utilization rate. It should be noted that since HUD's review, VMS has been updated to show 6,347 contracts in place at the end of November for a unit utilization rate of 94%.

HACCC has implemented several cost-savings measures over the past two years in order to reduce per unit subsidy costs. As part of its response to this concern, HACCC will conduct a formal review of HUD's PIH Notice 2011-28 (and any other relevant information) to determine if all feasible cost-savings measures have been implemented by HACCC.

Corrective Action Plan for Concern #1

Goals to be achieved and Key Tasks to Achieve Goals:

- 1) Review PIH Notice 2011-28 (and any other relevant information) to determine if all feasible cost-savings measures have been implemented by HACCC by March 31, 2014.
- 2) Meet with HUD to discuss HACCC review of PIH Notice 2011-28 (and any other relevant information) by June 30, 2104.
- 3) Provide result of review of PIH Notice 2011-28 (and any other relevant information) and follow-up discussion with HUD to Board to determine if HACCC will take any further cost-

**SEMAP Corrective Action Plan
In Response to SEMAP Confirmatory Review for FYE 3/31/13
Housing Authority of the County of Contra Costa (HACCC)**

- savings measures within 1-2 months after meeting with HUD, depending on Board schedule.
- 4) Determine if/when additional applicants can be called from wait list after discussing further cost savings measures (if any) with Board within 1 month of meeting with Board. Key tasks will be to put in place any cost savings measures the Board directed the staff to implement and the ongoing analysis of HACCC's budget authority and unit utilization data.
 - 5) Update and implement leasing plan as appropriate based on policy decisions and funding levels.

Obstacles to goal achievement:

If any, these will be discussed after HACCC's review of all available options to decrease per unit subsidy costs.

Resources that will be used or sought to achieve goals:

Existing HACCC resources should be adequate to meet these goals.

Staff person with lead responsibility for completing each goal:

- 1) HCV Director, Executive Director
- 2) HCV Director, Executive Director
- 3) Executive Director
- 4) HCV Director
- 5) HCV Director

Key tasks to reach each goal:

See above.

Time frames for achievement of each goal:

See above.

Plan for regular evaluation of progress toward improvement:

HACCC will give HUD a quarterly update by the 15th of the month following the quarter (or the first working day thereafter if the 15th falls on a weekend, an HACCC day off or a holiday).

This proposed SEMAP Corrective Action Plan was approved by the Board of Commissioners on February 25, 2014.

Karen Mitchoff, Chair

Joseph Villarreal, Executive Director

HOUSING AUTHORITY OF CONTRA COSTA COUNTY

INVESTMENT REPORT : PORTFOLIO HOLDINGS BY TYPE

For Period Ending: 12/31/2013

Issuer	Investment Type	Amount Invested	Yield	Investment Date	Maturity Date	Estimated Value@ Maturity Date
Cantella & Company						
Prime Fund Capital Reserves (Cash)	Money Market	14,433.40	0.0100%	ongoing	ongoing	14,433.40
Invesco AIM - Premier Institutional	Money Market	139.10	0.0100%	ongoing	ongoing	139.10
First Bank Puerto Rico	Certificate of Deposit	100,000.00	1.250%	12/14/12	12/14/17	106,253.42
State Bank of India	Certificate of Deposit	216,000.00	1.200%	1/17/13	1/25/18	229,023.91
Discover Bank	Certificate of Deposit	248,000.00	1.050%	2/06/13	2/06/18	261,027.13
First Bank Puerto Rico	Certificate of Deposit	147,000.00	1.150%	2/08/13	2/18/18	155,503.45
Mid First Bank, OKH	Certificate of Deposit	105,000.00	0.800%	2/13/13	1/30/18	109,170.08
Safra National Bank	Certificate of Deposit	200,000.00	1.000%	2/28/13	2/28/18	210,005.48
Goldman Sachs	Certificate of Deposit	149,000.00	1.200%	3/27/13	3/27/18	157,944.90
American Express Centurian	Certificate of Deposit	168,000.00	1.050%	4/25/13	4/25/18	176,824.83
C I T Bank	Certificate of Deposit	105,000.00	1.100%	4/24/13	4/24/18	110,778.16
GE Capital Bank	Certificate of Deposit	110,000.00	1.000%	5/03/13	5/03/18	115,503.01
J.P. Morgan Chase	Certificate of Deposit	200,000.00	0.600%	5/14/13	4/30/18	205,957.26
GE Capital Bank	Certificate of Deposit	102,000.00	1.200%	6/14/13	6/14/18	108,123.35
BMW-Bank of North America	Certificate of Deposit	150,000.00	1.650%	6/28/13	6/28/18	162,381.78
Sandhills Bank	Certificate of Deposit	100,000.00	1.500%	7/26/13	7/26/18	107,504.11
G.E Retail Bank	Certificate of Deposit	100,000.00	2.000%	9/13/13	9/13/18	110,005.48
BBVA Compass Bank	Certificate of Deposit	235,000.00	2.000%	9/25/13	9/25/18	258,512.88
Sallie Mae Bank	Certificate of Deposit	100,000.00	2.050%	10/23/13	10/23/18	110,255.62
Bank Of Baroda	Certificate of Deposit	125,000.00	2.050%	10/29/13	10/29/18	137,819.52
Sallie Mae Bank	Certificate of Deposit	100,000.00	2.150%	10/30/13	10/30/18	110,755.89
CIT Bank	Certificate of Deposit	120,000.00	2.050%	11/14/13	11/14/18	132,306.74
G.E Retail Bank	Certificate of Deposit	100,000.00	2.000%	12/06/13	12/06/18	110,005.48
Bangor Savings Bank	Certificate of Deposit	120,000.00	1.850%	12/20/13	12/20/18	131,106.08
Cantella & Company Totals		3,114,572.50				3,331,341.08
Financial Northeastern Co.						
Alliance Institutional Reserves Inc	Money Market	867.00	0.0100%	ongoing	ongoing	867.00
First Republic Bank (BOFA)	Certificate of Deposit	100,000.00	3.1600%	5/06/2010	5/06/2015	115,808.66
Queensborough National Bank	Certificate of Deposit	99,000.00	2.3000%	7/30/2010	7/30/2015	110,391.24
Cole Taylor Bank	Certificate of Deposit	99,000.00	2.0500%	12/30/2010	12/30/2015	109,153.06
BMW-Bank of North America	Certificate of Deposit	99,000.00	2.1000%	1/28/2011	1/28/2016	109,400.70
Goldman Sachs Bank	Certificate of Deposit	99,000.00	1.7500%	3/28/2012	3/28/2017	107,667.25
Bank Of Baroda	Certificate of Deposit	100,000.00	1.250%	3/08/13	3/08/18	106,253.42
Financial Northeastern Co. Totals		596,867.00				659,541.32
L.A.I.F. (Acct # 25-07-003)	Liquid Account	3,527,366.21	0.2600%	ongoing	ongoing	3,527,366.21
De Anza Gardens, LP	Loan	1,000,000.00	3.0000%			1,000,000.00
GRAND TOTALS		8,238,805.71				8,518,248.61

HOUSING AUTHORITY OF CONTRA COSTA COUNTY

INVESTMENT REPORT BY FUND

For Period Ending 12/31/2013

Issuer	Amount Invested	Amount Invested by Fund:				
		Public Housing	Management	Rental Rehabilitation	Housing Choice Voucher	Housing Voucher FSS Escrow
Cantella & Company						
Prime Fund Capital Reserves (Cash)	14,433.40	4,900.32	4,611.66	2,830.16	2,091.26	
Invesco AIM - Premier Institutional	139.10				139.10	
First Bank Puerto Rico	100,000.00		100,000.00			
State Bank of India	216,000.00		106,000.00		110,000.00	
Discover Bank	248,000.00		120,000.00		128,000.00	
First Bank Puerto Rico	147,000.00				147,000.00	
Mid First Bank, OKH	105,000.00	105,000.00				
Safra National Bank	200,000.00		200,000.00			
Goldman Sachs	149,000.00			149,000.00		
American Express Centurian	168,000.00		168,000.00			
CIT Bank	105,000.00	105,000.00				
GE Capital Bank	110,000.00		110,000.00			
J.P. Morgan Chase	200,000.00	200,000.00				
GE Capital Bank	102,000.00	102,000.00				
BMW-Bank of North America	150,000.00	150,000.00				
Sandhills Bank	100,000.00	100,000.00				
G.E Retail Bank	100,000.00				100,000.00	
BBVA Compass Bank	235,000.00				235,000.00	
Sallie Mae Bank	100,000.00	100,000.00	100,000.00			
Bank Of Baroda	125,000.00				125,000.00	
Sallie Mae Bank	100,000.00				100,000.00	
CIT Bank	120,000.00				120,000.00	
G.E Retail Bank	100,000.00					
Bangor Savings Bank	120,000.00				120,000.00	
Cantella & Company Totals	3,114,572.50	866,900.32	908,611.66	151,830.16	1,187,230.36	-
Financial Northeastern Co.						
Alliance Institutional Reserves Inc	867.00				867.00	
First Republic Bank (BOFA)	100,000.00				100,000.00	
Queensborough National Bank	99,000.00				99,000.00	
Cole Taylor Bank	99,000.00				99,000.00	
BMW-Bank of North America	99,000.00				99,000.00	
Goldman Sachs Bank	99,000.00				99,000.00	
Bank Of Baroda	100,000.00				100,000.00	
Financial Northeastern Co. Totals	596,867.00	-	-	-	596,867.00	-
L.A.I.F. (Acct # 25-07-003)	3,527,366.21	592,413.27	594,235.48	-	2,065,527.22	275,190.24
De Anza Gardens, LP	1,000,000.00				1,000,000.00	
GRAND TOTALS	8,238,805.71	1,459,313.59	1,502,847.14	151,830.16	4,849,624.58	275,190.24

HOUSING AUTHORITY OF CONTRA COSTA COUNTY

Report per CGC 53646 CURRENT MARKET VALUE

For Period Ending 12/31/2013

Issuer	Investment Type	Maturity Date	Amount Invested	Current Market Value (at 12/31/13)	Yield
Cantella & Company					
Prime Fund Capital Reserves (Cash)	Money Market	ongoing	14,433.40	14,433.40	0.0100%
Invesco AIM - Premier Institutional	Money Market	ongoing	139.10	139.10	0.0100%
First Bank Puerto Rico	Certificate of Deposit	12/14/2017	100,000.00	100,457.00	1.2500%
State Bank of India	Certificate of Deposit	1/25/2018	216,000.00	214,158.00	1.2000%
Discover Bank	Certificate of Deposit	2/06/2018	248,000.00	245,146.00	1.0500%
First Bank Puerto Rico	Certificate of Deposit	2/18/2018	147,000.00	145,002.00	1.1500%
Mid First Bank, OKH	Certificate of Deposit	1/30/2018	105,000.00	104,154.00	0.8000%
Safra National Bank	Certificate of Deposit	2/28/2018	200,000.00	193,502.00	1.0000%
Goldman Sachs	Certificate of Deposit	3/27/2018	149,000.00	146,382.00	1.2000%
American Express Centurian	Certificate of Deposit	4/25/2018	168,000.00	164,682.00	1.0500%
C I T Bank	Certificate of Deposit	4/24/2018	105,000.00	102,937.00	1.1000%
GE Capital Bank	Certificate of Deposit	5/03/2018	110,000.00	106,127.00	1.0000%
J.P. Morgan Chase	Certificate of Deposit	4/30/2018	200,000.00	196,568.00	0.6000%
GE Capital Bank	Certificate of Deposit	6/14/2018	102,000.00	98,964.00	1.2000%
BMW-Bank of North America	Certificate of Deposit	6/28/2018	150,000.00	146,151.00	1.6500%
Sandhills Bank	Certificate of Deposit	7/26/2018	100,000.00	99,751.00	1.5000%
G.E Retail Bank	Certificate of Deposit	9/13/2018	100,000.00	99,930.00	2.0000%
BBVA Compass Bank	Certificate of Deposit	9/25/2018	235,000.00	234,436.00	2.0000%
Sallie Mae Bank	Certificate of Deposit	10/23/2018	100,000.00	99,662.00	2.0500%
Bank Of Baroda	Certificate of Deposit	10/29/2018	125,000.00	124,256.00	2.0500%
Sallie Mae Bank	Certificate of Deposit	10/30/2018	100,000.00	99,667.00	2.1500%
CIT Bank	Certificate of Deposit	11/14/2018	120,000.00	119,732.00	2.0500%
G.E Retail Bank	Certificate of Deposit	12/06/2018	100,000.00	99,447.00	2.0000%
Bangor Savings Bank	Certificate of Deposit	12/20/2018	120,000.00	119,192.00	1.8500%
Cantella & Company Totals			3,114,572.50	3,074,875.50	
Financial Northeastern Co.					
Alliance Institutional Reserves Inc	Money Market	ongoing	867.00	867.00	0.0100%
First Republic Bank (BOFA)	Certificate of Deposit	5/06/2015	100,000.00	102,982.00	3.1600%
Queensborough National Bank	Certificate of Deposit	7/30/2015	99,000.00	101,887.00	2.3000%
Cole Taylor Bank	Certificate of Deposit	12/30/2015	99,000.00	101,134.00	2.0500%
BMW-Bank of North America	Certificate of Deposit	1/28/2016	99,000.00	101,153.00	2.1000%
Goldman Sachs Bank	Certificate of Deposit	3/28/2017	99,000.00	100,101.00	1.7500%
Bank Of Baroda	Certificate of Deposit	3/08/2018	100,000.00	98,302.00	1.2500%
Financial Northeastern Co. Totals			596,867.00	606,426.00	
L.A.I.F. (Acct # 25-07-003)					
	Liquid Account	ongoing	3,527,366.21	3,527,366.21	0.2600%
De Anza Gardens, LP					
	Loan		1,000,000.00	1,000,000.00	3.0000%
GRAND TOTALS			8,238,805.71	8,208,667.71	

This report includes all investment actions executed since the last report made in full compliance with Investment Policy.

HOUSING AUTHORITY OF CONTRA COSTA COUNTY

Investment Interest Earnings Report

For Period Ending 12/31/2013

Issuer	Amount Invested	Interest Earned this Qtr	Interest Earned this Quarter by Fund				
			Public Housing	Management	Rental Rehabilitation	Housing Choice Voucher Fund	
			Unrestricted	Unrestricted	Restricted	Restricted	Unrestricted
Cantella & Company						0%	100%
Prime Fund Capital Reserves (Cash)	14,433.40	0.36	0.11	0.12	0.07	-	0.05
Invesco AIM - Premier Institutional	139.10	-	-	-	-	-	-
First Bank Puerto Rico	100,000.00	308.22	-	308.22	-	-	-
State Bank of India	216,000.00	639.12	-	313.64	-	-	325.48
Discover Bank	248,000.00	642.08	-	310.68	-	-	331.40
First Bank Puerto Rico	147,000.00	416.84	-	-	-	-	416.84
Mid First Bank, OKH	105,000.00	207.12	207.12	-	-	-	-
Safra National Bank	200,000.00	493.15	-	493.15	-	-	-
Goldman Sachs	149,000.00	440.88	-	-	440.88	-	-
American Express Centurian	168,000.00	434.96	-	434.96	-	-	-
CIT Bank	105,000.00	284.79	284.79	-	-	-	-
GE Capital Bank	110,000.00	271.23	-	271.23	-	-	-
J.P. Morgan Chase	200,000.00	295.89	295.89	-	-	-	-
GE Capital Bank	102,000.00	301.81	301.81	-	-	-	-
BMW-Bank of North America	150,000.00	610.27	610.27	-	-	-	-
Sandhills Bank	100,000.00	369.86	369.86	-	-	-	-
G.E Retail Bank	100,000.00	493.15	-	-	-	-	493.15
BBVA Compass Bank	235,000.00	1,158.90	-	-	-	-	1,158.90
Sallie Mae Bank	100,000.00	387.53	387.53	-	-	-	-
Bank Of Baroda	125,000.00	442.29	-	-	-	-	442.29
Sallie Mae Bank	100,000.00	365.21	-	-	-	-	365.21
CIT Bank	120,000.00	316.77	-	-	-	-	316.77
G.E Retail Bank	100,000.00	136.99	-	136.99	-	-	-
Bangor Savings Bank	120,000.00	66.90	-	-	-	-	66.90
Cantella & Company Totals	3,114,572.50	9,084.31	2,457.38	2,268.99	440.95	-	3,916.99
Financial Northeastern Co.							
Alliance Institutional Reserves Inc	867.00	0.03	-	-	-	-	0.03
First Republic Bank (BOFA)	100,000.00	779.18	-	-	-	-	779.18
Queensborough National Bank	99,000.00	561.45	-	-	-	-	561.45
Cole Taylor Bank	99,000.00	500.42	-	-	-	-	500.42
BMW-Bank of North America	99,000.00	512.63	-	-	-	-	512.63
Goldman Sachs Bank	99,000.00	427.19	-	-	-	-	427.19
Bank Of Baroda	100,000.00	308.22	-	-	-	-	308.22
Financial Northeastern Co. Totals	596,867.00	3,089.09	-	-	-	-	3,089.09
L.A.I.F. (Acct # 25-07-003)	3,527,366.21	2,173.30	365.11	366.20	-	1,441.99	-
De Anza Gardens, LP	1,000,000.00	7,397.26	-	-	-	-	7,397.26
GRAND TOTALS	8,238,805.71	21,743.96	2,822.49	2,635.19	440.95	1,441.99	14,403.34

Overview of Articles February, 2014

Report: Rising Rents Hurting California's Affordability - Highlights the results of a recent report showing that almost 1 million California households lack affordable, habitable homes. Surprisingly, the study shows the problem is significantly more pronounced in Southern California than in the North.

*1-In-3 People Experienced Poverty From 2009 To 2011;
One In Three Americans Slipped Below The Poverty Line
Between 2009 And 2011* - These two blogs discuss a new report by the U.S. Census Bureau that tracks poverty data from 2009-2011 and compares that data to trends from 2005-2007.

REPORT: RISING RENTS HURTING CALIFORNIA'S AFFORDABILITY

Los Angeles Times – 2/11/2014 -- by Andrew Khouri

A combination of rising rents and falling government aid for affordable housing has dealt a blow to California's lower-income residents, according to a new study.

Nearly 1 million extremely-low-income California households lack affordable, habitable homes, a need most pronounced in Southern California, a report released Tuesday found.

The foreclosure crisis displaced many homeowners, driving up demand and prices in the rental market. As the crisis eased over the last year, the housing recovery sent home prices soaring.

Incomes have failed to keep pace. The state's median rent rose more than 20% from 2000 to 2012, while median incomes fell 8%, the report from the California Housing Partnership Corp. said.

Meanwhile, state and federal funding for below-market housing plunged 79% over the last five years, the study said.

"It's creating a rapid change in our housing stock -- away from providing affordable, low-income housing toward housing the rich," said Matt Schwartz, president of the California Housing Partnership.

Diminished government funds have reduced the production of new affordable units, stalling projects, he said.

"It has dramatically lowered the number of developments that can proceed," Schwartz said.

Particularly hurtful, the study said, was the loss of redevelopment funds after local redevelopment agencies shut down two years ago. The agencies, which kept a portion of local property taxes, generated about \$1 billion annually for affordable housing across California, but the state shuttered them to help ease its budget crisis.

The nonprofit, created by state lawmakers to preserve affordable units, proposed several policy recommendations to ease housing burdens for Californians, including an immediate injection of dollars from the general fund to focus on housing those at-risk of homelessness because of rising rents.

The report also urged passage of a bill that would create a permanent state source for affordable housing funding. The bill, SB-391, would impose additional fees on recorded real estate documents, except for those involved in a sale. Last year, the state Senate passed the bill and it is currently in the Assembly.

The bill has drawn opposition from the California Assn. of Realtors.

"In a state where housing affordability is low, the last thing government should do is to enact an arbitrary new real estate tax on real estate recordings," the Realtors group said in a statement. "The

call for renewed support for affordable housing is laudable, but Senate Bill 391 is the wrong approach.”

The shortage of affordable units for very low-income Californians is especially pronounced in Southern California, despite the region’s relative affordability compared to the tech-flush San Francisco Bay Area.

Schwartz said he didn’t know the reasons behind the disparity, but said a greater number of lower-income residents in the Southland could play a role.

There were 19 affordable units available per every 100 extremely-low-income renter households in Los Angeles County, the study said, citing an analysis of five-year Census Bureau estimates from 2006 to 2010. In San Francisco, there were 37. Orange and San Diego counties each had 18 available affordable units for every 100 poor households.

If the current trends continue, Schwartz said it would be devastating for lower-income households and California as a whole.

"At some point we are going to run out of available, low-income workers because no one is going to have a place to live," he said.

1-IN-3 PEOPLE EXPERIENCED POVERTY FROM 2009 TO 2011

Wall Street Journal Blog by Neil Shah – 1/7/2014

Americans often see poverty in stark terms — you're either poor, and likely to remain so, or you're not. But the latest government numbers show how much people slip in and out of poverty, and highlight a startling truth: A great many of us become poor at some point.

Roughly one in three Americans (31.6%) was living in poverty for at least two months from 2009 to 2011, according to a new report by the **U.S. Census Bureau** that covers the tail-end of the recession, which began in December 2007 and ended in June 2009, and immediately after. In 2005 to 2007, only 27.1% of Americans experienced poverty for two or more straight months.

Not only did more Americans slip into poverty in the recession's aftermath — those who did had a tougher time. The typical length of a "poverty spell" was 6.6 months, up from 5.7 months in 2005-2007. And "chronic" poverty, or the share of Americans poor for the entire period studied, rose to 3.5% from 3% in 2005-2007.

America's official poverty rate, which Census said last September was unchanged in 2012 at 15% of the U.S. population — well above the 12.5% level in 2007 — comes from a government study called the Current Population Survey. This survey showed some 46.5 million Americans were below the official poverty line of \$23,492 for a family of four. (A more comprehensive, supplemental measure put poverty at 16% in 2012.)

But these measures offer only a snapshot of poverty in time, one based on the size of the respondent's family at a given point — and don't capture how much Americans are moving into and out of poverty, often within a single year.

Indeed, according to Tuesday's figures, which are based on a separate Survey of Income and Program Participation, 44% of Americans' "poverty spells" in 2009 to 2011 ended within just four months.

"A small fraction of people are in poverty for more than one year, while a larger percentage of people experience poverty for shorter time-periods," writes Census poverty analyst **Ashley Edwards**. "Most individuals experience relatively short spells of poverty."

Of course, these movements in and out of poverty may give a misleadingly rosy impression. Roughly half — 49.5% — of the people who escaped poverty within 2009 and 2011 continued to have an income that was less than 150% of the poverty threshold that applied to them given their family size. In other words, many of the poverty "escapees" remained fairly close to the poverty line.

Of the 37.6 million people who were poor in January and February 2009, just 26.4% stayed poor for the next 34 months; and 12.6 million people, or 35.4% of those poor in 2009, weren't poor in 2011. And yet, at the same time, 13.5 million people who weren't poor in 2009 fell into poverty by 2011.

In addition to tracing these movements, Census also has interesting findings on demographic groups. Hispanics were more likely than black Americans to enter poverty in 2009-2011—but also more likely to exit it.

While poverty among the elderly has fallen dramatically in recent years — the **New York Times** pointed out this past weekend that the poverty rate among older Americans has fallen to 9% from 35% in 1959 — the latest Census data show that once the elderly do slip into poverty, their “exit” rates aren’t that different from children. In fact, the typical length of their “poverty spells,” at 8.3 months, is longer than for both children and working adults.

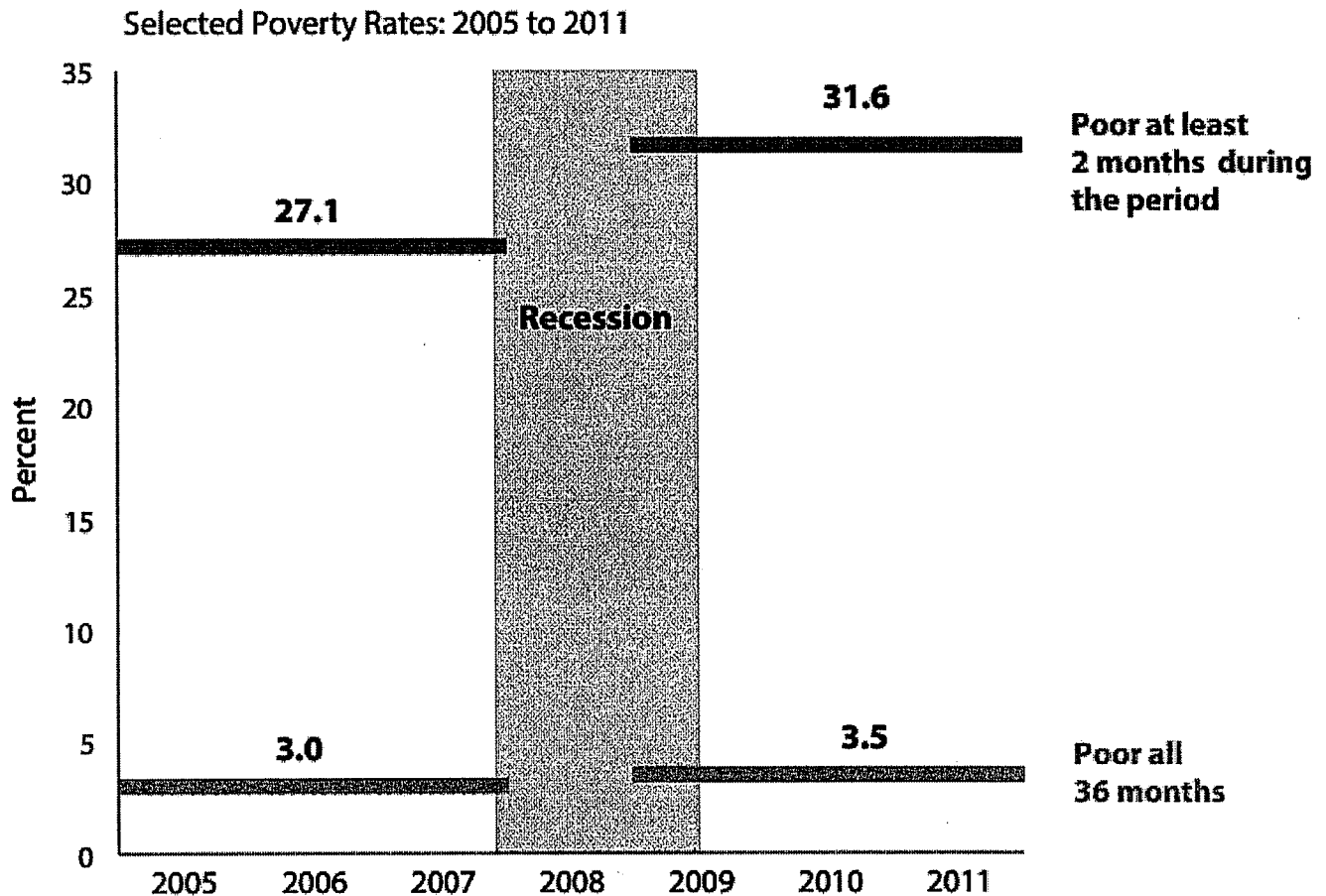
ONE IN THREE AMERICANS SLIPPED BELOW THE POVERTY LINE BETWEEN 2009 AND 2011

Washington Post Blog – 1/8/2014 – by Brad Plumer

How many people in the United States are poor? It's a surprisingly tricky question.

The "official" poverty rate was 15 percent in 2012. That number gives the impression that poverty is a bright line, that roughly one sixth of the country is poor and the rest are not poor. But that's a bit misleading. As a new report from the Census Bureau shows, a much, much larger subset of people slip in and out of poverty all the time.

For instance: Between 2009 and 2011, nearly one third of the country — 31.6 percent — fell below that official poverty line for at least two months. By contrast, only 3.5 percent of the U.S. population remained poor for that entire period. Both of those figures rose after the recession:



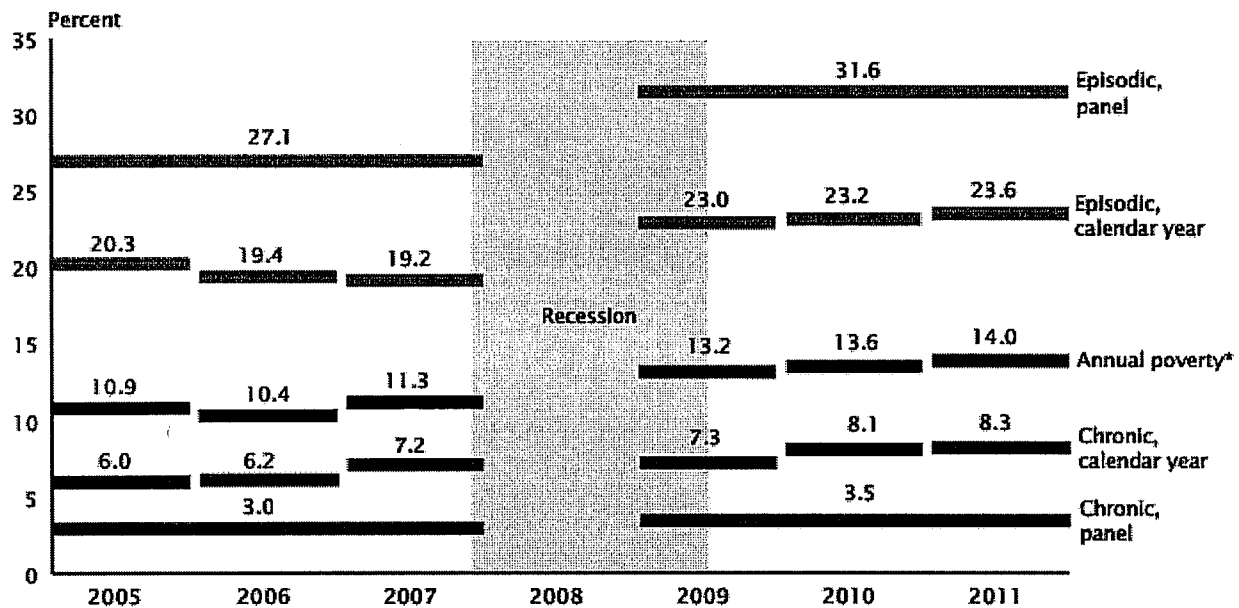
Source: Dynamics of Economic Well-Being: Poverty, 2009-2011

"A small fraction of people are in poverty for more than 1 year," writes Ashley Edwards, author of the census report, "while a larger percentage of people experience poverty for shorter time periods." In the years after the recession, the median length of time spent in poverty was 6.6 months.

The poverty rate we usually see quoted — the 15 percent figure — is the "annual poverty rate." That's calculated by "comparing the sum of monthly family income over the year to the sum of monthly poverty thresholds for the year." (The official poverty line is defined as \$23,492 per year for a family of four.) So a family that had very little income for four months and then earned more money the remaining eight months might not count as poor for the year, even though they went through a significant period of hardship.

Here are the different ways that the census measures poverty over the past few years:

**Figure 1.
Selected Poverty Rates: 2005 to 2011**



* Since the first reference month of the 2008 Panel was May 2008, calendar year estimates are not available for 2008.

Note: Panel and yearly estimates are based on different samples. The 3-year panel estimates include only respondents in the panel for 36 months whereas calendar year estimates include respondents in sample for 12 months. The numbers of respondents in each sample are as follows: 25,371 in the 2004 3-year panel, 48,937 in the 2008 3-year panel, 76,953 in 2005, 34,372 in 2006, 34,489 in 2007, 73,695 in 2009, 67,452 in 2010, and 62,841 in 2011. Calendar months October, November, and December of 2007 are missing for some rotation groups in the 2004 Panel. For longitudinal estimates covering these calendar months, a carry forward imputation method was applied.

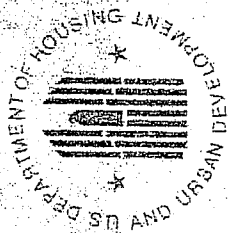
Source: U.S. Census Bureau, Survey of Income and Program Participation, 2004 and 2008 Panel. For information on confidentiality protection and sampling and nonsampling error, see <www.census.gov/sipp/source.html>.

By any count, the recession made poverty significantly worse. Persistent, chronic poverty rose from 3 percent to 3.5 percent. Many more Americans experienced brief spells of poverty. The median length of time spent below the poverty line also increased, from 5.7 months before the recession to 6.6 months after.

There was also a fair bit of churn. In the first two months of 2009, there were 37.9 million people in poverty. About one third of them, 12.6 million, managed to escape poverty by 2011 — although many were still hovering close to the poverty line. And that improvement was counterbalanced by the fact that 13.5 million people who *weren't* poor in 2009 became poor by 2011.

By the way, the Census study above is looking at the "official" poverty rate, a metric that comes in for plenty of criticism. But the Census has developed other "experimental" measures, too. There's also this alternative measure of poverty developed by researchers at Columbia University that tries to be more comprehensive and arrives at somewhat different results. That Columbia study also found that poverty rose during the recession — but that it would have risen much more sharply had it not been for safety net programs such as food stamps, unemployment insurance and Medicaid.

Related: Everything you need to know about the war on poverty



Certification of Appreciation

Is presented to

Elizabeth Campbell

In recognition of her leadership in the public housing community and her valuable contribution to the U. S. Department of Housing & Urban Development by her extraordinary support of the Enterprise Income Verification Program.

January 27, 2014

A handwritten signature in black ink, appearing to be "Jesse Wu", is written over a horizontal line.

Jesse Wu, Acting Director, San Francisco Office of Public Housing