

Yolo County Housing
Yolo County, California

July 14, 2011

MINUTES

Yolo County Housing met on the 14th day of July, 2011 in regular session in its Chambers in the Erwin Meier Administration Center, 625 Court Street, Woodland, California at 2:00 p.m. Present were Commissioners Saylor, Rexroad, Provenza, Chamberlain, and Toney. Commissioners McGowan and Garnes were absent. Chair Provenza presided. Lisa A. Baker, Executive Director and Sonia Cortés, Agency Counsel, were present.

Agenda Item No. 1.01
Pledge of Allegiance

This meeting of the Board of Commissioners commenced with the Pledge of Allegiance.

Agenda Item No. 1.02
Approval of the Agenda

Minute Order No. 11-29: Approved the agenda for this meeting as submitted.

MOTION: Provenza. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Provenza, Toney.
ABSENT: McGowan, Rexroad, Garnes.

Agenda Item No. 1.03
Public Comment

The Chair invited individuals of the public to make statements on matters relating to Yolo County Housing business. There was none.

Agenda Item No. 2.01
Presentations

2,01 Executive Director Lisa Baker presented Certificates of Appreciation to Agencies that sponsored YCH 2011 Wait List Application Centers.

The Board of Commissioners recessed at 2:17 p.m. for cake to welcome the Board of Governors and reconvened at 2:32 p.m. All members were present except for Commissioners McGowan, Rexroad and Garnes. Chair Provenza presided.

2.02 Received presentation from Monighan Design, AIA, regarding the playground equipment designs for Woodland complexes.

Agenda Item No. 3.01
Consent Agenda

Minute Order No. 11-30: Acted on the Consent Agenda as follows:

3.01 Approved the minutes from the meeting of June 9, 2011.

3.02 Received and filed correspondence from the U.S. Department of Housing and Urban Development (HUD) confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs.

3.03 Received and filed correspondence from the Housing Authority of the City of Oakland on its tour of West Village and YCH properties.

3.04 Reviewed and approved updated policies pertaining to the Housing Code Voucher Re-inspection and to the Housing Assistance payment policies; and authorized the Executive Director to implement.

3.05 Approved increased authorized limits to \$1,000,000 for the Executive Director and Finance Director to authorize ACH payments to landlords.

MOTION: Saylor. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Provenza, Toney. ABSENT: McGowan, Rexroad, Garnes.

Commissioner Rexroad arrived at the dais at 2:47 p.m.

Agenda Item No. 4.01
Audit Corrective Action Plan

Minute Order No. 11-31: Reviewed and accepted the Audit Corrective Action Plan (CAP), which represents the YCH work plan for audit improvements.

MOTION: Rexroad. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Rexroad, Provenza, Toney. ABSENT: McGowan, Garnes.

Agenda Item No. 4.02
Executive Director Comments

Executive Director Lisa Baker presented the following remarks on Agency accomplishments:

ACCOMPLISHMENTS – July 2011

Operations

- We have been working Fridays and Saturdays to qualify families at Anderson Place. We will begin briefing families and issuing Vouchers tomorrow, July 15, 2011
- We are currently preparing for SEMAP and PHAS certification. Those certifications are expected to come before the Board in August 2011.
- We held our inaugural quarterly resident meeting scheduled for June 29, 2011 for Cottonwood Meadows. The meeting was well received and we were able to present information.
- PIC scores for LIPH are 99.29%. PIC scores for Vouchers is 98.58%
- LIPH occupancy is 97.5%
- We are preparing to assume management duties for Pacifico. We will begin managing Pacifico at COB on Monday, July 18, 2011. We have been awarded \$200,000 in predevelopment funds from the City of Davis for the rehabilitation – to be paid in two (2) phases based on funding availability from the City.

Facilities

- Started construction of the Davis Well Project.
- Submitted a CalEMA grant application for funding for the back-up generator for the Emergency Ops Center at the main administration building.
- Finalized the design for the Yolano-Donnelly playgrounds and ADA upgrades with the architect. Held two additional resident meetings on the final proposed design.

Finance and Administration

- Had the consultant from Tenmast on-site to work through initial set up problems with Tenmast system and to fine tune the Corrective Action Plan for audit issues.
- Started the 2011 audit in July – earliest audit start in approximately 6 years.
- Completed a draft article for the National Association of Housing and Redevelopment Officials (NAHRO) nation Journal of Housing and Community Development. Articles are at printers now.

- Executive Director Baker was recently named to Chair NAHRO's national Working Group on Sustainable Legislation and Policy. The group is developing a White Paper on sustainability for PHS's for October 2011.

Human Resources and Resident Services

Services

- The West Sacramento Riverbend Manor flag raising event on June 30th was very successful. Along with approximately 30 residents, City of West Sacramento Council Member Mark Johannessen, Yolo County Veterans Service Officer Billy Wagster, Bryte and Broderick Community Action Network (BBCAN) Member Charlotte Dorsey and YCH staff enjoyed the sunny morning as the resident volunteers raised the flag. Refreshments were donated by staff. BBCN posted an article and pictures on their website.
- The theatrical event "Salud O Adios" will take place at the Dixon Migrant Center on Saturday, July 30th at 7 p.m. Partners in the presentation include Campeones del Cambio, UC Davis TANA, California Health Education Council theatrical performance on stage along with healthy refreshments and nutritional cooking information. UC Davis TANA created posters to commemorate the event.
- Christmas in July will take place on the 16th at all three Migrant Centers. Included in this year's event will be soccer balls donated to the YCH soccer league.
- Speaking of soccer, the YCH Soccer League will hold their first games in Winters and Madison on Sunday, July 24th. Donations from throughout the community have enabled the league to enhance the project and staff have established Soccer Coaches Handbooks to help formalize the rules and regulations. YFRC provides the leagues referees through their programming.

Resources

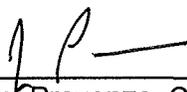
- YCH Annual Retreat was on June 22 at the Bryte Park in West Sacramento. In addition to formal meeting topics such as status of the agency, safety, and emergency services; each division established their annual goals for the coming year.
- Recruitment for four open positions is underway including Housing Specialist I for the Housing Assistance Division, Client Services Coordinator and two part-time Resident Managers for the Real Estate Services Division.
- The UC Davis Agriculture and Natural Resources department held their UC Small Farm Program at YCH on June 29th with 38 attendees. The YCH Conference Room is becoming a "go-to" Venue for partners throughout the County

Agenda Item No. 4.04
Board of Commissioners Comments

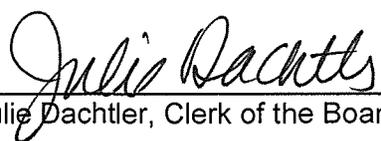
Commissioner Provenza expressed his appreciation to staff and auditors for audit.

Adjournment

Adjourned this meeting of the Yolo County Housing at 3:03 p.m.



Jim Provenza, Chair
Yolo County Housing



Julie Dachtler, Clerk of the Board

YOLO COUNTY HOUSING

AGENDA

REGULAR MEETING

JULY 14, 2011

YOLO COUNTY HOUSING

MICHAEL H. MCGOWAN, DISTRICT 1

DON SAYLOR, DISTRICT 2

MATT REXROAD, DISTRICT 3

JIM PROVENZA, DISTRICT 4

DUANE CHAMBERLAIN, DISTRICT 5

MARLENE GARNES, TENANT COMMISSIONER

BERNITA TONEY, TENANT COMMISSIONER

BOARD OF SUPERVISORS CHAMBERS

625 COURT STREET, ROOM 206

WOODLAND, CALIFORNIA 95695

LISA A. BAKER
EXECUTIVE DIRECTOR

SONIA CORTES
AGENCY COUNSEL

Reminder: Please turn off cell phones.**2:00 P.M. CALL TO ORDER (ITEMS 1.01 - 1.03)**

- 1.01 Pledge of Allegiance
- 1.02 Consider approval of agenda
- 1.03 Public Comment: Opportunity for members of the public to address the Housing Authority on subjects not otherwise on the agenda relating to Housing Authority business. The Board reserves the right to impose a reasonable limit on time afforded to any topic or to any individual speaker.

PRESENTATIONS (ITEMS 2.01– 2.02)

- 2.01 Presentation of Certificates of Appreciation to Agencies that Sponsored YCH 2011 Wait List Application Centers (Jiménez-Perez and Krager)
- 2.02 Presentation by Architect of Final Design for Playgrounds at Yolano and Donnelly in Woodland (Ichtertz and Baker)

CONSENT AGENDA (ITEMS 3.01 – 3.05)

- 3.01 Approval of Minutes from the meeting of June 9, 2011 (Baker)
- 3.02 Receive and File Correspondence from the U.S. Department of Housing and Urban Development (HUD) confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs (Baker)
- 3.03 Receive and File Correspondence from the Housing Authority of the City of Oakland on its tour of West Village and YCH properties (Baker)
- 3.04 Review and Approve Proposed Changes to Yolo County Housing's Administration Plan to Update Policies Pertaining to Housing Choice Voucher Reinspection and Housing Assistance Payments Policies (Jiménez-Perez, Krager and Baker)
- 3.05 Review, Approve and Authorize Increased Limits for ACH Payments to \$1,000,000 (Stern)

REGULAR AGENDA (ITEMS 4.01 – 4.03)

- 4.01 Review and Accept the Revised Audit Corrective Action Plan (Stern, Krager and Baker)
- 4.02 Receive Comments from Executive Director
- 4.03 Receive Comments from Commissioners

ADJOURNMENT**ADJOURN TO YCH BOARD OF GOVERNORS MEETING**

Next meeting scheduled for August 11, 2011.

I declare under penalty of perjury that the foregoing agenda was posted July 8, 2011 by 5:00 p.m. at the following places:

1. On the bulletin board at the east entrance of the Erwin Meier Administration Center, 625 Court Street, Woodland, California; and
2. On the bulletin board on the kiosk outside the Board of Supervisors Chambers, Room 206, in the Erwin Meier Administration Center, 625 Court Street, Woodland, California.
3. On the bulletin board of Yolo County Housing, 147 West Main Street, Woodland, California.

I declare under penalty of perjury that the foregoing agenda will be posted no later than July 11, 2011 by 2:00 p.m. as follows:

4. On the Yolo County website: www.yolocounty.org.

Julie Dachtler, Clerk of the Board

By: _____
Clerk

NOTICE

If requested, this agenda can be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Clerk of the Board for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting should telephone or otherwise contact the Clerk of the Board as soon as possible and at least 24 hours prior to the meeting. The Clerk of the Board may be reached at (530) 666-8195 or at the following address:

Clerk of the Board of Supervisors
County of Yolo
625 Court Street, Room 204 Woodland, CA 95695

Yolo County Housing
Yolo County, California

Meeting Date: July 14, 2011

To: County Counsel ✓
Yolo County Housing ✓

Agenda Item No. 2.01
Presentations

2,01 Executive Director Lisa Baker presented Certificates of Appreciation to Agencies that sponsored YCH 2011 Wait List Application Centers.

2.02 Received presentation from Monighan Design, AIA, regarding the playground equipment designs for Woodland complexes.



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

Woodland: (530) 662-5428
Sacramento: (916) 444-8982
TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Games
Michael H. McGowan
Jim Provenza
Matt Rexroad
Don Saylor
Bernita Toney

DATE: July 14, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Fred Ichtertz, Facilities Administrator
SUBJECT: **Presentation of Selected Playground Equipment Designs for Woodland Complexes by Monighan Design, AIA**

RECOMMENDED ACTION:

That the Board of Commissioners receive the presentation from Monighan Design, AIA regarding the playground equipment designs for Woodland complexes.

BACKGROUND / DISCUSSION:

YCH for many years had leased the Rick Gonzalez Park land to the City of Woodland (City). As a result of diminishing resources and the development of the new Community Center, the City ultimately returned the park to YCH. At this time, the restrooms and the playground equipment were determined to have exceeded their useful life and were demolished. This left the residents of the community without a playground for the children. As a result, capital planning by staff at YCH determined that the Yolano-Donnelly communities would actually benefit from two (2) playgrounds, in order to ensure that children did not have to cross a street to play and to put the playground closer to where residents actually live.

The Board approved this strategy and set aside Capital Fund monies for the construction. However, there were insufficient funds to complete both and YCH applied to the City of Woodland for a Community Development Block Grant (CDBG) in order to fund the construction of the playground replacing the demolished one. Capital Funds are being used to construct the additional new playground. Both playgrounds will be sited so that children playing on the equipment will be more visible to parents and residents.

The design process was carried out by Facilities and Management staff, along with resident input. The team has met three times with residents to look at design and make recommendations. As a result, the final designs for both playgrounds have been selected and are being presented to you today.

FISCAL IMPACT:

None - Funding for projects are from CDBG Grant and YCH Capital Fund

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.11-30, Item No. 3.01, of the Yolo County Housing meeting of July 14, 2011.

MOTION: Saylor. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Provenza, Toney. ABSENT: McGowan, Rexroad, Games.

3.01 Approved the minutes from the meeting of June 9, 2011.

3.02 Received and filed correspondence from the U.S. Department of Housing and Urban Development (HUD) confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs.

3.03 Received and filed correspondence from the Housing Authority of the City of Oakland on its tour of West Village and YCH properties.

3.04 Reviewed and approved updated policies pertaining to the Housing Code Voucher Re-inspection and to the Housing Assistance payment policies; and authorized the Executive Director to implement.

3.05 Approved increased authorized limits to \$1,000,000 for the Executive Director and Finance Director to authorize ACH payments to landlords.

Yolo County Housing
Yolo County, California

June 9, 2011

MINUTES

Yolo County Housing met on the 9th day of June, 2011 in regular session in its Chambers in the Erwin Meier Administration Center, 625 Court Street, Woodland, California at 2:00 p.m. Present were Commissioners Saylor, Provenza, Chamberlain, Toney and Garnes. Commissioners McGowan, and Rexroad were absent. Vice-Chair Chamberlain presided. Lisa A. Baker, Executive Director and Dan Cederborg, substituting for Sonia Cortés, Agency Counsel, were present.

Agenda Item No. 1.01
Pledge of Allegiance

This meeting of the Board of Commissioners commenced with the Pledge of Allegiance.

Agenda Item No. 1.02
Approval of the Agenda

Minute Order No. 11-26: Approved the agenda for this meeting as submitted.

MOTION: Garnes. SECOND: Saylor. AYES: Saylor, Chamberlain, Garnes, Toney. ABSENT: McGowan, Rexroad, Provenza.

Agenda Item No. 1.03
Public Comment

The Chair invited individuals of the public to make statements on matters relating to Yolo County Housing business. There was none.

Agenda Item No. 2.01
Consent Agenda

Minute Order No. 11-27: Acted on the Consent Agenda as follows:

2.01 Approved the minutes from the meeting of May 19, 2011.

2.02 Moved to Regular.

MOTION: Saylor. SECOND: Garnes. AYES: Saylor, Chamberlain, Garnes, Toney. ABSENT: McGowan, Rexroad, Provenza.

Agenda Item No. 3.01
Presentations

- 3.01 Resource Administrator Janis Holt introduced new employee, Temporary Dixon Migrant Center Coordinator, Miguel Ramos.
- 3.02 Resource Administrator Janis Holt presented Housing Choice Voucher Specialist Certification to Celia Marquez and to Beatrice Lopez.
- 3.03 Resource Administrator Janis Holt presented Certificate of Completion of FEMA ICS 300 and 400 to Fred Ichtetz, Brenda Lomeli, Marianne Krager, Jorge Almeida and Certificate of Completion of FEMA ICS 300 to Mark Stern.

Agenda Item No. 4.02
2011/12 Annual Budget

Minute Order No. 11-28: Took the following actions:

- A. Approved and authorized the Chair sign **Resolution No. 11-07**, the fiscal year 2011/12 budget for Yolo County Housing (YCH).
- B. Authorized adding and hiring an HS I Position in the HCV department
- C. Authorized adding and hiring a part-time Resident Manager at Cottonwood Meadows.

MOTION: Saylor. SECOND: Garnes. AYES: Saylor, Chamberlain, Garnes, Toney. ABSENT: McGowan, Rexroad, Provenza.

Agenda Item No. 4.03
Executive Director Comments

Executive Director Lisa Baker presented the following remarks on Agency accomplishments:

ACCOMPLISHMENTS – June 2011

Operations

- We received the award letter from HUD to administer housing assistance for the Anderson Place opt out in Davis. We submitted the application for 240 enhanced vouchers to continue to provide affordable housing to existing tenants of the complex. Staff will be continuing to work on weekends on this project. The final date for conversion is not final at this time, but it is anticipated that the project may convert as early as August 1, 2011. Final date of conversion will be determined by when the owner pays off the loan and prepays the FHA Mortgage Insurance.

- The Wait Lists were opened from May 16 through May 26, including all 3 Housing Voucher lists. We received applications from 4,850 families. We had a total of 29 application centers, 26 of them run by our sister agencies and non-profit organizations - it ran extremely well and we are extremely grateful to all who helped out.
- We are currently preparing for SEMAP and PHAS certification. Those certifications are expected to come before the Board in August 2011.
- There is an inaugural quarterly resident meeting scheduled for June 29, 2011 for Cottonwood Meadows.
- AMPS: Winters is 97% occupied, Woodland is 98% and West Sacramento is 99%.
- Real Estate Services staff attended Unit Turnaround Training to continue to improve staff skills in unit turnaround.
- LIPH PIC scores are at 98.5%

Facilities

- Held the pre-construction conference on June 8, 2011 for the Davis Water System Improvements. The contractor is slated to start the project on or before June 22, 2011.
- We are preparing a CalEMA grant application for funding for the back-up generator for the Emergency Ops Center at the main administration building. The application is due Monday, June 13, 2011.
- We are finalizing the design for the Yolano-Donnelly playgrounds and ADA upgrades with the architect. The design should go back to the resident design committee in June.
- We are completing the labor compliance for Rochdale Grange.
- We completed the roof replacement at the 3 manager's units at Dixon.
- We have completed the initial stabilization of the Pacifico property. The City is schedule to take the draft Exclusive Negotiating Agreement and Management Agreement to the Davis City Council on June 21, 2011.

Administration

- We toured West Village on May 26th to look at its energy and water features. City Councilman Harold Anderson from Winters and the Executive Director from Oakland, along

with its executive development team, joined us. It was an interesting experience and we provided lunch for all.

- The County of Tuolumne visited YCH this week to talk about Voucher programs as they consider the transition of the program from the State Housing Authority.
- We met with staff from Sacramento Housing and Redevelopment Agency here at YCH main administrative building to discuss the preliminary outline of the housing study component of SACOG's HUD Sustainable Communities grant. The grant covers housing and transportation in a 6 county collaboration, including the housing authorities from the 6 counties. This was one of only 2 grants funded in California by HUD.
- The housing authorities of the County of Butte and the Consolidated Authority of Sutter County met with staff at YCH in May 2011 to discuss the status of the Energy Performance Contract process. We are close to having a final document in hand to review and send on to HUD for approval.

Human Resources and Resident Services

- The West Sacramento Riverbend Manor flag pole has been painted and a new flag was donated by Yolo County Veterans' Services. Three Riverbend Manor residents, who are also veterans, have volunteered to take responsibility to raise and lower the flag according to required law. YCH in coordination with Veterans Services, BBCAN, and YCH West Sac residents will be hosting a Flag Raising Ceremony on Thursday, June 30th at 8:30am.
- Managed Health Network (MHN) provided free in house training on "Work-Life Balance" to staff on May 26th.
- Marianne Krager and Janis Holt attended free Fair Housing Training at the San Joaquin County Housing Authority presented by the HUD Fair Housing and Equal Opportunity Office.
- In addition to the many services already provided to residents through partnership agreements, three new partners will be providing informational presentations or workshops to YCH residents:
 - UC Davis Cal Agribility Program will be presenting workshops on arthritis, heat stress and injury prevention to the Migrant Center residents.
 - Communicare will be promoting health and wellness care services and participating in health fairs and events.
 - Opening Doors Inc. will be presenting information on human trafficking.
 - In addition, extended partnership agreements were executed with UC Regents-Yolo County 4-H Program, Narcotics Anonymous, and Yolo Family Resource Center.

- Legal Services of Northern California (LSNC) will be providing Social Cognition Training to all YCH staff on June 15th to help give staff additional tools to work with our diverse residents and staff.
- YCH Youth Soccer League Sign-Ups took place the first two weeks of June. Practices will be starting June 14th.
- Client Services Coordinator, Alicia Ruiz assisted several families with connecting to services throughout the County and enrolled two new FSS clients.
- YCH Annual Retreat is scheduled on June 22 at the Bryte Park in West Sacramento. Plans are underway for the meeting agenda including team building exercises, review of the YCH Emergency Operations Plan, and discussion and planning for 2011-2012 agency goals.
- YCH is working with UC Davis in expanding internship opportunities for individuals.

Agenda Item No. 4.04

Board of Commissioners Comments

There were no comments from the Board of Commissioners.

The Housing Commissioners recessed to Closed Session at 2:29 p.m. on the following matter:

Conference with Labor Negotiator: Lisa A. Baker, Executive Director; Janis Holt, Resource Administrator
 Dan Cederborg substituting for Sonia Cortés, Agency Counsel
 Bargaining Units: General Unit

The Housing Commissioners reconvened at 2:52 p.m. All members, including Commissioner Provenza, were present except for Commissioners McGowan and Rexroad. There were no reports from Closed Session. Chairman Provenza presided.

Agenda Item No. 2.02

Correspondence

Minute Order No. 11-29: Received and filed correspondence from the U.S. Department of Housing and Urban Development (HUD) regarding Independent Audit Report for 2010.

MOTION: Garnes. SECOND: Toney. AYES: Saylor, Provenza, Chamberlain, Garnes, Toney. ABSENT: McGowan, Rexroad.

Agenda Item No. 4.01
Audit

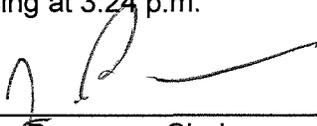
Minute Order No. 11-30: Took the following actions:

- A. Received and reviewed audit follow up.
- B. Appointed Commissioners Provenza and Chamberlain to the ad-hoc audit subcommittee and Commissioner Toney as the public member, to oversee development of a plan of action to address outstanding audit findings.
- C. Directed staff to add the delegation of authority issue and time table as an information item to the Consent calendar on a future Board of Supervisors agenda.

MOTION: Provenza. SECOND: Garnes. AYES: Saylor, Provenza, Chamberlain, Garnes, Toney.
ABSENT: McGowan, Rexroad.

Adjournment

Adjourned this meeting of the Yolo County Housing at 3:24 p.m.



Jim Provenza, Chair
Yolo County Housing



Julie Dachtler, Clerk of the Board

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.11-30, Item No. 3.02, of the Yolo County Housing meeting of July 14, 2011.

MOTION: Saylor. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Provenza, Toney. ABSENT: McGowan, Rexroad, Games.

3.01 Approved the minutes from the meeting of June 9, 2011.

3.02 Received and filed correspondence from the U.S. Department of Housing and Urban Development (HUD) confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs.

3.03 Received and filed correspondence from the Housing Authority of the City of Oakland on its tour of West Village and YCH properties.

3.04 Reviewed and approved updated policies pertaining to the Housing Code Voucher Re-inspection and to the Housing Assistance payment policies; and authorized the Executive Director to implement.

3.05 Approved increased authorized limits to \$1,000,000 for the Executive Director and Finance Director to authorize ACH payments to landlords.



Yolo County Housing

Lisa A. Baker, Executive Director

147 W. Main Street
WOODLAND, CA 95695

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TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Games
Michael H. McGowan
Jim Provenza
Matt Rexroad
Don Saylor
Bernita Toney

DATE: July 14, 2011

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

SUBJECT: **Receive and File Correspondence from the U.S. Department of Housing and Urban Development (HUD) Confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Receive and file the Correspondence

BACKGROUND/DISCUSSION:

The YCH has received correspondence from HUD regarding the score for its Public Housing Assessment Score Report for the Transition Year in PHAS. HUD is transitioning to an updated scoring method and the current report reflects that HUD is migrating between systems. Based on our score in public housing and finance components, YCH is considered a standard performing agency by HUD.

FISCAL IMPACT:

None at this time.

CONCLUSION:

Staff recommends that the Board receive and file the correspondence.

Attachment: Correspondence from HUD



U. S. Department of Housing and Urban Development
OFFICE OF PUBLIC AND INDIAN HOUSING
REAL ESTATE ASSESSMENT CENTER

Report Date: 6/17/2011

Public Housing Assessment System (PHAS) Score Report for the Transition Year

PHA Code:	CA044
PHA Name:	Housing Authority of the County of Yolo
Fiscal Year End:	6/30/2010

PHAS Indicators	Score	Maximum Score
Physical	24	30
Financial	25	30
Management	28	30
Resident	9	10
PHAS Total Score	86	100
PHAS Designation	Standard Performer	

Initial PHAS score issued date: 6/17/2011

Financial Sub-Indicators	Score	Maximum Score
Submission Type: Unaudited/A-133		
1. Current Ratio	7.92	9.00
2. Months Expendable Funds Balance	5.44	9.00
3. Tenant Receivable Outstanding	4.26	4.50
4. Occupancy Loss	4.50	4.50
5. Net Income	1.50	1.50
6. Expense Management	1.50	1.50
Less: Audit Penalties	0.00	
Total Financial Score	25.12	30.00

Notes:

1. The sum of the sub-indicator scores may not equal the overall score due to rounding.
2. PCNE adjustment will not display in REAC's on-line system.
3. REAC on-line system may display data which is more current than the data shown on this Score Report.

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.11-30, Item No. 3.03, of the Yolo County Housing meeting of July 14, 2011.

MOTION: Saylor. SECOND: Chamberlain. AYES: Chamberlain, Saylr, Provenza, Toney. ABSENT: McGowan, Rexroad, Garnes.

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3.04 Reviewed and approved updated policies pertaining to the Housing Code Voucher Re-inspection and to the Housing Assistance payment policies; and authorized the Executive Director to implement.

3.05 Approved increased authorized limits to \$1,000,000 for the Executive Director and Finance Director to authorize ACH payments to landlords.



Yolo County Housing

Lisa A. Baker, Executive Director

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WOODLAND, CA 95695

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TTY: (800) 545-1833, ext. 626

BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Games
Michael H. McGowan
Jim Provenza
Matt Rexroad
Don Saylor
Bernita Toney

DATE: July 14, 2011

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

SUBJECT: **Receive and File Correspondence from the Housing Authority of the City of Oakland on its tour of West Village and YCH properties**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Receive and file the Correspondence

BACKGROUND/DISCUSSION:

The YCH has received correspondence from the Oakland Housing Authority, thanking YCH for arranging the tour of the UC Davis West Village development and for our tour of a portion of YCH's housing stock. Oakland was impressed with the diversity of housing options provided by YCH, as well as our innovations and partnership in mental health housing and the quality of maintenance of our properties. YCH was pleased to host our larger housing "sister" agency and also appreciated the information exchange on development and sustainability.

FISCAL IMPACT:

None at this time.

CONCLUSION:

Staff recommends that the Board receive and file the correspondence.

Attachment: Correspondence from the Housing Authority of the City of Oakland



June 1, 2011

Lisa Baker
Executive Director
Yolo County Housing
147 W. Main Street
Woodland, CA 95695

RE: Yolo County Housing and Westlake Village Property Tour

LISA
Dear Ms. Baker:

Thank you so much for arranging the tour of West Village at U.C. Davis, and also taking the time to show us the incredibly diverse housing you develop and oversee in Yolo County. While I and my staff truly appreciated the green innovations UC Davis is pioneering at West Village, on the ride back we were all struck more profoundly with what Yolo Housing is providing.

Of particular note is your relationship and partnership in linking housing to mental health services. I know of nowhere in the country where anyone is doing more in this area, and feel you have lessons we could all learn in managing the housing and relationships that enable Yolo County Housing to reach so effectively this underserved population.

Anna Kaydanovskaya, our Acting Director of Property Operations, and I, were also both struck by how well maintained your conventional public housing is. As you know we both have years of public housing property management in our backgrounds, and know the challenges of keeping the sites and units in the condition that you do giving the never ending funding limitations. We also discussed the innovated reuse of the school into a senior site development, which is something we may want to replicate in the coming years in Oakland, as our school district begins to close schools and those properties become available to OHA for possible adaptive reuse.

Finally, I wanted to share how encouraged it was to see your community rooms and buildings being actively used by services providers and residents. At both

Lisa Baker
June 1, 2011
Page 2 of 2

Caesar Chavez Plaza and Eleanor Roosevelt Circle, I felt the minute I walked in that these community buildings were not just buildings, but the center of the community, and they felt like home. This is a testament to both your staff and your service providers that result in residents living healthier and more engaged lives within their communities.

Thank you again, and please share our gratitude with your staff and to UC Davis for making time to help us learn from your innovative work you both are doing.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Johnson". The signature is fluid and cursive, with the first letter "E" being particularly large and stylized.

Eric Johnson
Executive Director

cc: Patricia Ison
Anna Kaydanovskaya

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.11-30, Item No. 3.04, of the Yolo County Housing meeting of July 14, 2011.

MOTION: Saylor. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Provenza, Toney. ABSENT: McGowan, Rexroad, Garnes.

3.01 Approved the minutes from the meeting of June 9, 2011.

3.02 Received and filed correspondence from the U.S. Department of Housing and Urban Development (HUD) confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs.

○.03 Received and filed correspondence from the Housing Authority of the City of Oakland on its tour of West Village and YCH properties.

○3.04 Reviewed and approved updated policies pertaining to the Housing Code Voucher Re-inspection and to the Housing Assistance payment policies; and authorized the Executive Director to implement.

3.05 Approved increased authorized limits to \$1,000,000 for the Executive Director and Finance Director to authorize ACH payments to landlords.



Yolo County Housing

Lisa A. Baker, Executive Director

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BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene Games
Michael H. McGowan
Jim Provenza
Matt Rexroad
Don Saylor
Bernita Toney

DATE: July 14, 2011

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

PREPARED BY: Marianne Krager, Director of Operations

SUBJECT: REVIEW AND APPROVE PROPOSED CHANGES TO YOLO COUNTY HOUSING'S ADMINISTRATION PLAN TO UPDATE POLICIES PERTAINING TO HOUSING CHOICE VOUCHER (HCV) REINSPECTION AND HOUSING ASSISTANCE PAYMENTS POLICIES

RECOMMENDED ACTIONS

That the Board of Commissioners:

1. Review and approve Updated policies pertaining to the HCV Re-inspection;
2. Review and approve Updated policies pertaining to Housing Assistance Payment policies;
and
2. Authorize the Executive Director to implement.

BACKGROUND / DISCUSSION

The purpose of the HCV program is to provide rental assistance to eligible families through assistance provided by the federal government. Regulations for the program come from three (3) sources – the statutory requirements approved by Congress and authorized by the President, program regulations created by the U.S. Department of Housing and Urban Development (HUD) and local regulations adopted by the Public Housing Authority, in this case Yolo County Housing (YCH). YCH's local regulations are set out in the YCH Administrative Plan.

To continue to provide good program delivery, while streamlining and maintaining program accountability, two changes are proposed to the YCH Administrative Plan, which are discussed in the following sections.

Housing Assistance Payment Policies

As part of the requirements of the HCV program, units that receive subsidy are required to pass an inspection using Housing Quality Standards protocols. Units that fail inspection are given 30-days to make repairs, in accordance with those requirements. If repairs are not made within the time period, YCH must take steps to abate rent. Rent abatement is a permanent daily rent loss for each day over

the 30 day period in which the landlord fails to make repairs. If the rent is abated for 30 days, YCH must take steps to terminate the contract with the property owner.

Currently, our Policy states, *"YCH will make all HAP abatements effective the first of the month after the second failed HQS inspection. During any abatement period, the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction."*

Staff proposes the following revision, *"YCH will make all HAP abatements effective as of the first day following the expiration of the PHA specified correction period (including any extension). During any abatement period, the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction."*

This will ensure program integrity and increase compliance with federal requirements by enforcing the requirement to abate after 30-days in instances where no extension of time to make repairs has been granted.

Re-inspection Policy

Per federal regulations, each unit under HAP contract must have an annual inspection no more than 365 days after the most recent inspection. Additionally, each unit must pass its annual inspection. Currently, if the unit has failed its annual inspection, the unit will be rescheduled within 30 days for a follow up inspection by YCH staff.

Due to declining administrative fees to implement service and in order to streamline the process for landlords, staff recommends amending the Administrative Plan to allow YCH to accept Owner third party certification that the repairs have been completed as required. This is allowed by federal regulation. Third party certification would include completed work order or receipt of repairs that have been completed.

The proposed language addition is as follows, *"YCH may accept an owner's certification that required repairs were made (accomplished with a work order or receipt of repairs that have been completed). This will be reviewed on a case-by-case basis and will require Supervisor approval. Repairs made must be verified at the subsequent annual inspection. If required repairs were not made, HAP is immediately abated in accordance requirements and the 30 day repair is waived."*

FISCAL IMPACT

No impact anticipated with respect to Housing Assistance Payment Policies. Unknown savings in staff time due reduced inspection workload.

CONCLUSION

As a way to improve HCV processes by streamlining and improving accountability staff recommends that the Board adopt the proposed Administrative Plan changes. Because the proposed language change is a clarification of policy and not a substantial amendment to the Agency Plan, no public hearing is required for adoption.

Yolo County Housing
Yolo County, California

To: Co. Counsel ✓
Yolo County Housing ✓

CONSENT CALENDAR

Excerpt of Minute Order No.11-30, Item No. 3.05, of the Yolo County Housing meeting of July 14, 2011.

MOTION: Saylor. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Provenza, Toney. ABSENT: McGowan, Rexroad, Games.

3.01 Approved the minutes from the meeting of June 9, 2011.

3.02 Received and filed correspondence from the U.S. Department of Housing and Urban Development (HUD) confirming that YCH is a Public Housing Assessment System (PHAS) Standard Performer for its Public Housing and Finance Programs.

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3.04 Reviewed and approved updated policies pertaining to the Housing Code Voucher Re-inspection and to the Housing Assistance payment policies; and authorized the Executive Director to implement.

3.05 Approved increased authorized limits to \$1,000,000 for the Executive Director and Finance Director to authorize ACH payments to landlords.



Yolo County Housing

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BOARD OF COMMISSIONERS

Duane Chamberlain
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Matt Rexroad
Don Saylor
Bernita Toney

DATE: July 14, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
Mark Stern, Finance Director
SUBJECT: **Review and Approve Proposed Increased Authorized Limits for ACH Payments to \$1,000,000.**

RECOMMENDATION:

Staff recommends that the Board approve increased limits for the Executive Director and Finance Director to authorize ACH payments to landlords.

BACKGROUND/DISCUSSION:

The Finance Director and Executive Director are currently authorized to approve ACH payments to landlords of up to an aggregate total of \$500,000. Since ACH landlord payments were instituted in May of 2009, participation has increased from 93 landlords and \$115,000 rent to 157 landlord rent payments totaling \$250,000. Now that the Landlord Access portal is open and YCH is requiring payment to be made via ACH effective in September, the authorized limit for ACH payments needs to be increased to a sufficient amount to cover our full monthly HCV voucher cost of over \$825,000 and 560 landlords. With the addition of 240 vouchers for Anderson Place, staff anticipates voucher cost will approach \$1,000,000 and asks the Board to approve the increased authorization limit.

The system contains checks and balances to protect YCH funds. New landlord paperwork is prepared and approved by HCV and submitted to Finance. The Finance Specialist II enters the landlords into the system and prepares monthly the ACH payment file but cannot authorize the transactions to be posted by First Northern Bank. The Finance Director authorizes the bank to post the transactions. The Executive Director is back up in the event the Finance Director is away from the office and unable to authorize the transactions. The Senior Accountant is authorized to approve up to \$250,000 only.

FISCAL IMPACT:

YCH currently mails over 400 landlord checks and 150 voucher stubs monthly at a cost of \$242. With the conversion to full ACH, we should realize a savings of over \$2,900 in postage alone and several hundred dollars of paper cost.

CONCLUSION:

Converting to full ACH will be more convenient for our landlords and reduce YCH costs. To complete this project, staff requests approval of the proposed authorization limit increase.

Yolo County Housing
Yolo County, California

Meeting Date: July 14, 2011

To: County Counsel ✓
Yolo County Housing ✓

Agenda Item No. 4.01
Audit Corrective Action Plan

Minute Order No. 11-31: Reviewed and accepted the Audit Corrective Action Plan (CAP), which represents the YCH work plan for audit improvements.

MOTION: Rexroad. SECOND: Chamberlain. AYES: Chamberlain, Saylor, Rexroad, Provenza, Toney.
ABSENT: McGowan, Garnes.



Yolo County Housing

Lisa A. Baker, Executive Director

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BOARD OF COMMISSIONERS

Duane Chamberlain
Marlene C. Games
Michael H. McGowan
Jim Provenza
Matt Rexroad.
Don Saylor
Bernita Toney

DATE: July 14, 2011
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
PREPARED BY: Mark Stern, Finance Director
SUBJECT: **Review and Accept Revised Audit Corrective Action Plan**

RECOMMENDATION:

That the Board of Commissioners review and accept the attached Audit Corrective Action Plan (CAP), which represents the YCH work plan for audit improvements.

BACKGROUND/DISCUSSION:

The 2009-2010 Audit contained five findings as follows:

- 2010-1 General Ledger Maintenance
- 2010-2 Segregation of Duties – Cash Receipts and Accounts Payable
- 2010-3 Public Housing Tenant File Review (CFDA #14.850)
- 2010-4 LIPH Intercompany Accounts Review (CFDA #14.850)
- 2010-5 HCV Intercompany Accounts (CFDA #14.871)

The Audit, when submitted, included a Corrective Action Plan (CAP). This revised plan further clarifies, refines and makes improvements to the CAP based on information from research, software consultants, suggestions from our auditors and follow-up training for staff.

The revised CAP has been reviewed by and discussed with our outside auditors. Auditors and staff acknowledge that due to the late implementation of the new procedures and systemic corrections, some of the findings will not be fully cleared in the 2010-2011 audit. With the addition of suggestions from the auditors for additional refinements, they concur that the revised CAP, when fully implemented and over time, will result in resolution of the 2009-2010 Audit Findings.

FISCAL IMPACT:

The new procedures for general ledger, accounts payable, cash receipts and file maintenance will lead to indeterminate savings in the long run in staff time needed to prepare for the audit and in daily operations. There will be some reduction in staff time on the management side in rent collection, but increased time in rent posting on the Finance side. Results of research into the interfund balances receivable by LIPH and HCV will have an unknown effect on resolution of Audit Findings 2010-4 and 2010-5.

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

CONCLUSION:

Changes in procedures and corrections to the original software program system set up will improve the way that YCH's system performs. Outstanding audit issues are expected to be resolved with implementation and over time. Staff recommends that the Board of Commissioners accept the revised Corrective Action Plan.

Attachment: Audit Corrective Action Plan

Audit Corrective Action Plan

A Corrective Action Plan (CAP) was included when the 2009-2010 Audit was issued and accepted by the Board of Commissioners at its April 2011 meeting. This plan update includes further clarifications, refinements and improvements based on information from research, software consultants and follow-up training for staff.

2010-1 General Ledger Maintenance

Condition 1:

Several general ledger accounts did not agree to or reconcile with supporting documentation. In addition, Inter-fund balances are not properly reconciled to ensure that account balances reflect the actual balances in each account.

Solution:

To prepare for the upcoming audit, supporting documentation for general ledger account balances will be prepared by one member of the Finance Department staff and reviewed by a second member to ensure detail matches balances.

Technical support from TenMast was on site June 27 through June 30, 2011 to assist in resolving the interfund issues. A portion of the balance is due to entries from 2006 and 2007 that have been identified as having been prepared incorrectly. Prior period corrections are being recorded. The TenMast consultant has identified accounts that were set up in the "Revolving (000)" account in error and interfund accounts that are incorrectly mapped. Staff is making the recommended corrections to repair these systemic flaws.

Condition 2:

YCH's system does not allow the accounts payable listing to be created automatically once the month end date has passed and staff does not print the listing as of the month end dates, causing them to be manually recreated.

Solution:

TenMast has recently enhanced the Accounts Payable Reports to include a "Payables As Of" report that reconciles to the general ledger.

Conclusion:

With the procedures that are either implemented or planned, staff believes that both conditions in finding 2010-1 General Ledger Maintenance will no longer be findings when the 2010-2011 audit is completed with the exception of interfund balances as discussed in finding 2010-4 and 2010-5.

After discussing the proposed or implemented procedural changes with the auditors, they concur that this finding should be resolved with the exception of the ongoing interfund research as discussed in finding 2010-4 and 2010-5.

2010-2 Segregation of Duties – Cash Receipts and Accounts Payable

Condition 1:

Lack of segregation of duties over the processing of cash receipts from the tenants.

Solution:

While best practice Segregation of Duties is difficult to achieve, due to the small number of staff members at YCH, nevertheless, YCH continues to strive to achieve the best practice possible given its limitations.

Part of that process has involved research into alternate rent collection processes. Accordingly, staff contacted vendors regarding “lock box” rent collection services and found that the cost would be excessive. Due to funding constraints and the potential elimination of Operating Subsidy as proposed by HUD, instituting such a system is cost prohibitive at this time.

Site staff currently submits copies of deposits and checks to Finance for after the fact review. To increase segregation, the ability of the on-site staff that collect and deposit rents to post the rents to the Tenant Accounts Receivable will be eliminated effective July 1, 2011. Copies of deposits and checks will be submitted to the Finance Office for review prior to posting.

AMP staff will continue to receive copies of Tenant Account Receivable registers to verify for accuracy and preparation of adjustments as needed. Statements will be periodically mailed to tenants for their review. If they have any questions, they will be asked to call the Finance Department directly.

Condition 2:

There is no formal process of approving vendors and new vendors are entered into the accounting system by the same individual who receives the invoices and enters the invoices into the system, cuts the checks and mails the checks. The check stock prints out with the signatures and there is no consistent or formal review of the invoices by anyone else in the department. There is a review of the listing of the checks to be printed; however, there is no review of the checks issued.

Solution:

Since the audit noted this deficiency, procedures have been implemented to resolve the issues. New vendors are now being set up by the Senior Accountant rather than the Finance Specialist II who is responsible for Accounts Payable.

When the Senior Accountant is unavailable, the Finance Specialist II does the vendor set up with the approval signature of the Finance Director prior to writing any checks to the new vendor.

The Finance Specialist II verifies that invoices, other than utility bills, are approved by authorized program staff before being entered into Accounts Payable. There is no second review in the Finance Department of every invoice. Since the audit, a new procedure has been implemented. During review of the Pre-Check run, the Finance Director randomly chooses a few invoices for proper authorizations and approvals.

The Finance Director is now reviewing and approving the check register after checks have been issued and prior to mailing.

Conclusion:

The auditor concurs that the newly established procedures for segregating duties in cash receipts and accounts payable should resolve Audit Finding 2010-2. Sampling of 2010-2011 transactions will reveal that the findings noted in 2009-2010 still existed during the 2010-2011 year due to the late implementation of the new procedures but on an ongoing basis the finding will be fully resolved over time.

2010-3 Public Housing Tenant File Review (CFDA #14.850)

Condition 1:

The properly signed application was not retained in some of the files sampled and that is needed in order to show how the family was entered into the system or how the family was pulled from the waitlist.

Condition 2:

Certain files sampled did not contain documentation of a properly signed lease agreement with the current lease amount.

Condition 3:

Certain files sampled did not contain documentation of proper annual inspections.

Condition 4:

Documentation was not always retained in some of the tenant files sampled to describe the methods used to calculate the tenant income and the tenant rent.

Condition 5:

The EIV System was not systematically utilized to verify the income as required by HUD. In addition, verification from a third party or EIV was not completed or maintained in certain of the files sampled.

Solution:

Department Management has been performing Quality Control reviews of LIPH files with special attention to the common audit findings. Missing documents noted by the auditors have been located and added to the files. Additionally Program Staff have been sent a memorandum reminding them of their program responsibilities. That memorandum included the following:

Effective Immediately – The following steps are mandatory when completing initials, re-exams, interims etc.

1. All historical data is to remain with the current file (i.e. original app, 214 forms, birth certificates, i.d's – all documents originally used to verify family's eligibility at time of admission). Please copy documents and ensure they remain in previous and current file. **Reminder - historical documents only need to be received once (it is not necessary to have families fill out 214 forms every year [unless there is a new addition or their immigration status changes]).**
2. Calculator tape along with explanation of what form of verification is used to determine family's rent etc **must be in file** with all income, assets, etc. for each source (i.e. SSI, work, TANF – all should have their own tape showing how you annualized income)
3. Files must contain documentation (TENMAST AND INTERNAL LOG) showing annual inspections were completed. Documentation must not exist outside of the file.
4. EIV must be in file for every annual and at every interim where the change involves income and must be printed and placed in the file.

Management has developed a checklist to be included with every action (i.e., new move in, transfer, annual, interim etc.) to ensure Specialists have complete files. Management will be meeting with staff to discuss the "most common findings" and determine the best course of action to eliminate mistakes.

Consistency in file maintenance and organization will alleviate difficulties in locating documents from the files.

Management has developed an "Interim Request Form" for families to fill out when they have requested an interim that will serve as an indicator of the action and what was reported to allow for easier review of files.

Conclusion:

The auditor concurs that the revised procedures will resolve Finding 2010-3. Sampling of 2010-2011 files will reveal that the findings noted in 2009-2010 still existed during the 2010-2011 year due to the late implementation of the new procedures but on an ongoing basis the finding will be fully resolved over time.

2010-4 LIPH Intercompany Accounts Review (CFDA #14.850)

Condition:

As of June 30, 2010, the AMPs collectively had a net receivable from the COCC in the amount of \$1,582,716. Such net receivable increased by \$236,578 as compared to the prior year balance of \$1,346,138.

2010-5 HCV Intercompany Accounts (CFDA #14.871)

Condition:

As of June 30, 2010, the HCV Fund has a net receivable of \$633,863 from the COCC. The net receivable increased by \$217,173 as compared to the prior year balance of \$416,690; such increase includes an adjustment of \$133,658 to increase the Net Restricted Assets (NRA) that resulted from NRA negotiations between HUD and YCH.

Solution:

These two findings and conditions relate to a single issue of unreconciled interfund balances and have resulted from:

- Errors in setting up the interfund and general ledger accounts in 2006 when the system was implemented;
- Incidental manual entries to the interfund account that resulted from keying errors or selecting the wrong account number; and
- Deliberate entries that were made to correct prior errors or clear unsupported balances.

The TenMast consultant, who was on site the week of June 27- June 30, 2011 has identified transactions that fall into each of the three categories above. He has recommended creation of appropriate account numbers and the remapping of some accounts to correct the initial set up problems. He has also proposed a journal entry to adjust interfund balances to match up with the interfund activity that has occurred since the system was implemented. He has identified both incidental and deliberate entries to the interfund accounts that need to be reviewed to determine what the real intention of the original entry was.

The few interfund accounts that have questionable balances will be isolated to prevent any additional transactions from further clouding the issue. With a static balance, staff will be better able to complete the required research.

Conclusion:

This research is in process and will be recorded as prior period adjustments for large transactions or current year activity for non-material transactions. It is unlikely that the required research will be completed prior to the 2010-2011 audit being issued. Staff does anticipate completing the research and proposing a plan to resolve any remaining differences before completion of the 2011-2012 audit.

Corrections of account mapping and “freezing” accounts with questionable balances will ease historical research and provide accurate information going forward. Due to the late implementation of changes, these findings will not be fully resolved before completion of the 2010-2011 audit.

After discussing the proposed systemic changes and solutions with the auditors, they concur that these findings will be resolved over time.