



Yolo County Housing

Lisa A. Baker, Executive Director

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BOARD OF COMMISSIONERS

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DATE: August 6, 2009
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
SUBJECT: Receive and File Status Reports to the U.S. Department of Housing and Urban Development (HUD) Regarding Progress on the Memorandum of Agreement (MOA).

RECOMMENDED ACTIONS:

That the Board of Commissioners receive and file the status reports to the U.S. Department of Housing and Urban Development (HUD) regarding progress on the Memorandum of Agreement (MOA).

BACKGROUND / DISCUSSION:

These documents are part of the Agency's required regular reporting to HUD on management and financial improvements needed in the Agency's federally-funded Low Income Public Housing (LIPH) program. The majority of the items required by the MOA have been completed and accepted by HUD. Current monthly progress reports to HUD include only the remaining open items; however, staff is required to provide a full status report to the Board.

FISCAL IMPACT:

None at this time; however, failure to continue to work on the problems identified in the MOA could result in financial sanctions.

CONCLUSION:

Staff recommends that the Board receive and file the reports as submitted.

Attachments: Attachment A – Full Status Report
Attachment B – Open Item Status Report

Operational Area: 3. FINANCE AND PROCUREMENT

Indicator #:	PHAS Performance Targets	Baseline as of:	1 st qtr Performance Target	2 nd qtr Performance Achieved	3 rd qtr Performance Target	Final Performance Target
2-1	Name: Current ratio	0	2.00	1.02 ~ 4.9	1.27 = 4.57	6.00
2-2	Expendable Fund Balance	0	2.00	.32 - 0	.95 = 1.71	6.00
2-3	Tenant Receivable/Outstanding	0	1.00	15.3 ~ 3	3.72 = 4.5	3.00
2-4	Occupancy Loss	0	1.00	1.003% ~ 4.5	1.08% = 4.5	3.00
2-5	Expense Management/Utilities	0		281.17 - 0	0	1.50
2-6	Net Income/Loss Divided by the Expendable Fund Balance			.15	1.5	1.50

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
3.1 Improve Current Ratio				
A. Develop tracking method for current ratio	Tracking method not in place	Implement tracking method	9/30/07	FDS account mapping in TenMast is complete.
B. Report monthly with progress report to Board/HUD beginning with 7/31/07	Report procedures not in place	Implement reporting method to Board/HUD	Monthly	Monthly reports to staff. Quarterly, financial reports are being prepared for the board.
C. Properly manage all sources of income, i.e., grants, investments, donations, waiver of PILOT, CFP used for operations, local funding, increase occupancy, and reduce receivables.	Restricted and unrestricted funds commingled and used improperly	Restricted Funds used only for their intended use	9/30/07	New control measures are in place to appropriately track use of funds. (See Desk Procedures)
D. Ensure balance of current ration components are correctly stated in the financial statements.	Restricted cash and other funds not properly classified	All restricted and unrestricted funds are properly classified and used only for their intended purpose	9/30/07	FDS account mapping in TenMast is complete. Funds usage is being monitored by Finance Director (See Desk Procedures)

Targets and Strategies		Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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3.2 Increase the Expendable Fund Balance					
A. Develop tracking method for expendable fund balance	0	6.0	6/30/08	FDS account mapping in TenMast is complete.	
B. Report monthly with progress report to Board/HUD beginning with 7/31/07	Tracking Method not in place	Implement tracking method	9/30/07	Procedures in place. Quarterly financial reports are being prepared for the board.	
C. Verify that costs are correctly classified and allocated	Report procedures not in place	Implement reporting method to Board/HUD	Monthly	Monthly actual/budget financial reports are being distributed to managers for review. Finance Director is reviewing journal entries and payables coding. (See Desk Procedures)	
D. Ensure that all liabilities are reported and properly classified in the financial statements – current vs. non-current	Reports are not currently capturing and allocating operating expenses	Implement proper procedure	12/31/07	Balance Sheet analysis is nearly complete. Classification between current and non-current with supportable liability balances will be complete before the auditors begin their field work.	
E. Review staffing needs and reduce salary costs and benefits where feasible with unions	Reports are not properly classifying current/non-current liabilities	Implement proper procedures	12/31/07 Rev 6/30/08	Salary and benefits concessions were successfully negotiated with the unions to gain annual savings in excess of \$500,000 over 9 months of the FY 2008	
F. Review all expenses and reduce or eliminate where appropriate	Salaries & benefits structure is too high for this HA	Appropriate level of staffing and appropriate amount of benefits being paid	12/31/07	The FY 2008 budget includes significant reductions to operating costs that were made in order to balance the \$1 million deficit initially projected when the budget was first developed	

Targets and Strategies		Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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3.3 Reduce Tenant Receivables Outstanding					
A. Develop tracking method for tenant receivables	0	3.00	6/30/08	Running reports monthly to track receivables.	
B. Report monthly with progress report to Board/HUD beginning with 7/31/07	Tracking Method not in place	Implement tracking method	9/30/07	Quarterly, financial reports are being prepared for the board. Quarterly AR Write Off is being submitted to the Board	
C. Develop and utilize effective write-off policies	Report procedures not in place	Implement reporting method to Board/HUD	Monthly	Board approved policy in place	
D. Assure the rent collection policies include the following and are applied uniformly: 1. Timely Evictions 2. Effective Write- off policies 3. Use of collection Agency 4. Home visits 5. Repayment agreements	Write-off policies not in place	Effective write-off policy in place	9/30/07	All steps are in place. Collection Agency contract has been negotiated.	
3.4 Reduce the Occupancy Loss, which measures the vacancy rate for the year					
A. Develop tracking method for tenant receivables	0.00	3.00	6/30/08	Running reports monthly to track receivables.	
B. Report monthly with progress report to Board/HUD beginning with 7/31/07	Tracking Method not in place	Implement tracking method	9/30/07	Spreadsheet to track vacancies is being maintained. AR report quarterly to board.	
C. Track weekly and report to the GM of Public Housing and the ED. Report monthly with progress report to Board and HUD	Report procedures not in place	Implement reporting method to Board/HUD	Monthly	Spreadsheet to track vacancies is being maintained	
D. Develop specific marketing strategies to increase occupancy	Report procedures not in place	Summary report to Board	Monthly	Waiting list is now advertised.	
	No strategy in place	All units leased up	12/31/07		

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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<p>3.5 Expense Management/Utilities. Review and adjust or reduce expenses as appropriate. These expenses include administration, general, PILOT, tenant services, protective services, maintenance, and operations and utility expenses as adjusted for PHA size and geographic area</p>	0.00	1.50	6/30/08	
A. Implement expense tracking mechanism to monitor expenses and utilities	Tracking Method not in place	Implement tracking method	9/30/07	Monthly actual/budget financial reports are being distributed to managers for review.
B. Analyze spending pattern and develop strategies for cost-cutting	No analysis currently being done	Across-board cost reductions	9/30/07	Monthly actual/budget financial reports are being distributed to managers for review.
C. Assess the ordinary maintenance and administrative expense for appropriateness	No analysis currently being done	Across-board cost reductions	9/30/07	Monthly actual/budget financial reports are being distributed to managers for review.
D. Verify that costs are correctly classified and allocated	No reasonable allocation process in place	Accurate and reasonable allocations in place	9/30/07	Monthly actual/budget financial reports are being distributed to managers for review.
B. Report monthly with progress report to Board/HUD beginning with 7/31/07	Report procedures not in place	Implement reporting method to Board/HUD	Monthly	Quarterly financial reports are being prepared for the board.

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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3.6 Improve the Net Income/Loss Ratio

A. Develop tracking method for net income/loss and fund balance	Tracking Method not in place	Implement tracking method	9/30/07 3/31/08	Finance Director is developing useful accurate reports for management use
B. Prepare detailed operating budget for each fiscal year, using AMP accounting guidelines	Operating budget not in place for FY 6/30/08	Operating budget properly predicts balanced budget for the year, allows for reasonable expectations and planning to be done	9/30/07	Balanced budget approved by Board and in place. Reports comparing actual to budget are prepared monthly and distributed to management. The Mid Year Budget Reallocation, as approved by the Board, is loaded in the system and actual is being compared to this revised budget.
C. Analyze income and expenses to assure compliance with balanced budget or positive cash flow	Tracking method not in place	Year end income and expenses are well predicted by budget	9/30/07	Balanced budget in place and monthly reports are prepared and reviewed by managers
D. Revise operating budget based on analysis	Tracking method not in place	Revised budget will reflect unexpected changes that occurred during the year	9/30/07 2/28/08	Mid Year budget reallocation approved by Board 3/6/08. Monthly/Quarterly reports to management and board include updated budget.
E. Report monthly with status report to board and HUD beginning 7/31/07. Compare actual vs. budgeted expenditures. Assure income and expenses are in compliance with the latest approved budget.	Tracking method not in place, monthly reports not in place	Tracking method in place, Monthly reporting	Monthly	Reports are being prepared monthly for management use and quarterly for the Board. Actual to Budget reports are being sent to HUD with MOA status updates.

Targets and Strategies

Comments

Estimated Completion Date

Final Performance Target

Baseline as of: 5/31/07

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
3.7 Comply with OMB Circular A-133 by completing and submitting the FYE 6/30/07 Annual Audit				
A. Assure timely submission of Audited financial Statement	Late submission to REAC resulted in late presumptive failure	On time submission to REAC with enough time to work out any issues	3/15/08	Audit for 2006-2007 has been accepted by HUD.
B. Assure findings are resolved timely	Outstanding audit findings	All findings closed	3/15/08	II-2007-1 The Agency continues to be financially troubled and it will take some time to correct this problem II-2007-2 We recently received approval from the State to make the requested corrections II-2007-3 Procedures are being developed to improve segregation of duties. Very difficult with such a small staff. III-2007-1 Staff has been trained in the proper administration of the program. Cleanup of prior problems is nearly completed. III-2007-2 Completed III-2007-3 Similar problem identified in 2008 audit. III-2007-4 Completed III-2007-5 Completed
3.8 General Depository Agreements				
A. Obtain general depository agreements for all bank accounts	Many bank accounts; records lost or incomplete	Agreements for all current bank accounts	12/31/07 9/30/07	Completed
B. Review and update as necessary signatory for all bank accounts	Many bank accounts, recent signatory left PHA	Appropriate signatory for all current bank accounts	9/30/07	New signature cards have been obtained for all bank accounts.

Targets and Strategies

Comments

Estimated
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Baseline
as of:
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3.9 Improve Financial management of the PHA

<p>A. Secure the technical assistance of qualified professional to develop the Standard Operating Policy and Procedures including Internal Controls and provide oversight to all payments</p>	<p>Policies not currently in place</p>	<p>Appropriate policies in place and enforced</p>	<p>12/31/07</p>	<p>YCH has engaged Casterline and Associates to provide the necessary guidance for implementation of required policies and procedures. New Finance Director has been on the job for six months. New senior accountant has been hired and been on board for approximately 2.5months.</p>
<p>B. Obtain board resolution for all policy and procedures manuals</p>	<p>Policies not currently in place</p>	<p>Appropriate policies approved by Board</p>	<p>12/31/07</p>	<p>Board has approved Procurement, Records Retention and Schedules, Signature Authority, Credit and Investment, Capitalization, and A/R Write-off policies.</p>
<p>C. With the help of qualified professionals, evaluate Finance Department's staffing needs, hire, train, and appropriately assign duties and responsibilities as outlined below.</p>	<p>Appropriate staff not in place, management reports not being done timely</p>	<p>Appropriate finance Department staff trained and in place and all reports produced timely and accurately</p>	<p>Monthly</p>	<p>Finance Director has been hired. Senior Accountant hired in February. Reports are being prepared monthly and reviewed for accuracy. Training funds are included in the budget.</p>
<p>D. Develop, adopt and implement Financial Management policies including Disposition, Capitalization, Collection Losses/Charge-offs, Check Writing Authorization, Cash Over/Short, Investments, Cash Management/Internal Procedures and Petty Cash policies</p>	<p>Policies not currently in place</p>	<p>Appropriate policies in place</p>	<p>12/31/07</p>	<p>Board has approved Purchasing, Investment, Capitalization, and A/R Write-off policies, check writing authorization, property dispositions. Cash management and petty cash procedures are in place. Completed</p>
<p>E. Prepare periodic financial reports and schedules:</p>	<p>Appropriate management reports not being done timely</p>	<p>All reports produced timely and accurately</p>		

Targets and Strategies		Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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1. Bank Reconciliations Statements	Not being produced	Produce regularly	Monthly	Being done monthly
2. Receivables Aging Schedule	Not being produced	Produce regularly	Monthly	Aging Report prepared and reviewed monthly
3. Current Payables Aging Schedule	Not being produced	Produce regularly	Monthly	Aging report is unavailable from TenMast. Cash requirements report by due date is reviewed weekly by Finance Director
4. Balance Sheet	Not being produced	Produce regularly	Quarterly	Being done quarterly for board
5. Income Statement	Not being produced	Produce regularly	Quarterly	Being done monthly for managers, quarterly for board
6. Cash flow Statements	Not being produced	Produce regularly	Quarterly	Being done quarterly for board
7. Fixed Asset Reports	Not being produced	Produce regularly	Quarterly	New Senior Accountant tasked with maintaining Fixed Asset sub-ledgers. By 6/2009 plan is to have fixed assets set up in our accounting software.
8. FASS Scores	Not being produced	Produce regularly	Quarterly	When the revisions to account classification and correction to the TenMast FDS report are complete, these scores will be accurately calculable quarterly.
9. Review Budget to Actual	Not being produced	Produce regularly	Monthly	Being done monthly for management
3.10 Improve timely submission of reports to HUD			On-going to 6/30/08	
A. Operating Budget	Not being produced	Produce Annually	Annually, submitted on time	2009-2010 Budget was approved at the 6/4/09 board meeting and submitted to HUD on time.
B. Statement of Operating Receipts and Expenditures	Not being produced	Produce Annually	Annually	Discontinued 2002 (PIH 2002-2)

Targets and Strategies

Comments

Estimated Completion Date

Final Performance Target

Baseline as of: 5/31/07

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
C. Financial Data Schedules (FDS)	Not being produced	Produce Annually	Annually, submitted on time	Unaudited FDS submitted on time. Currently audited submission date has not been established by HUD. Auditors are reviewing unaudited submission.
D. Tenant Accounts Receivable/Occupancy	Not being produced	Produce Annually	Annually, submitted on time	Discontinued 2002 (PIH 2002-2)
E. Operating Subsidy Funding System Adjustment	Not being produced	Produce Annually	Annually, submitted on time	The entire Operating Subsidy Calculation has been revamped. It has been replaced first by SAGIS and now by annual submission of excel tool.
3.11 Provide PHA Technical Assistance and/or Training in Financial Management & PHA Accounting/Bookkeeping	Training needed for all management and financial staff		6/30/08	
A. Budgeting (PHA-wide, program specific and departmental)	Training needed for all management and financial staff	Competent, well-trained and highly performing staff	6/30/08	Program Management staff recently attended a multi day project based accounting training that included significant budgeting information. Program staff and Finance worked together preparing the 2009-2010 Budget for timely submission. Training is an activity that will always be ongoing.
B. Financial Management:	Training needed for all management and financial staff	Competent, well-trained and highly performing staff	6/30/08	See above

Targets and Strategies

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<p>1. Include bookkeeping(formal) and cash management/internal controls for Finance Staff</p>	<p>Training needed for all management and financial staff</p>	<p>Competent, well-trained and highly performing staff</p>	<p>6/30/08</p>	<p>Finance staff have all attended training in the last 18 months as have LIPH Management staff. Training is an activity that continues to be ongoing.</p>
<p>2. Basic financial training for non-financial staff and Board</p>	<p>Training needed for all management and financial staff</p>	<p>Competent, well-trained and highly performing staff</p>	<p>6/30/08</p>	<p>Budget workshops were held for program staff and individual meetings with property managers to work on their individual budgets. LIPH staff recently attended a project based accounting workshop presented by Nan McKay & Assoc. Training is an activity that will always be ongoing.</p>
<p>C. Operating Subsidy funding System</p>	<p>Training needed for all financial staff</p>	<p>Competent, well-trained and highly performing staff</p>	<p>6/30/08</p>	<p>Excel tool was submitted on time.</p>
<p>D. Financial Management Policies</p>	<p>Training needed for all management and financial staff</p>	<p>Competent, well-trained and highly performing staff</p>	<p>6/30/08</p>	<p>Policies and Desk Procedures are being developed, qualified staff has been hired, training opportunities are being scheduled as budget funds allow.</p>

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
<p>3.12 Develop proposal that meets requirements of HUD letter dated 5/11/07 from Dominique Blom regarding workout of outstanding bank loans using 33% of Capital Funds as repayment</p>	<p>Workout plan not yet begun</p>	<p>Proposal submitted to HUD PHI in DC which is structured to enjoy approval for the use of up to 33% of annual CF to repay outstanding construction loans</p>	<p>12/31/07</p>	<p>Documents have been submitted.</p>
<p>A. Conduct thorough analysis of local commercial real estate market to determine viability of options to sell the Administration building</p>	<p>Building not yet officially for sale; loan interest and principal costs a major drain on operations</p>	<p>Viable buyer identified, cash proceeds enough to pay back all restricted funds and outstanding loans</p>	<p>12/31/07</p>	<p>The YCH engaged the services of a commercial real estate broker to determine the viability of such a sale. Based on current market values and on attempts by broker to sell property is not sellable.</p>
<p>. Conduct thorough analysis of local commercial real estate market to determine viability of options to sell the Kentucky Avenue building</p>	<p>Loan interest and principal costs a major drain on operations</p>	<p>Viable buyer identified, cash proceeds enough to pay back all restricted funds and outstanding loans</p>	<p>12/31/07</p>	<p>Building sold 11/30/07. Proceeds insufficient to pay back all unrestricted funds.</p>
<p>C. Report to HUD and Board monthly on progress of building sales efforts</p>	<p>No monthly reporting</p>	<p>Monthly reporting</p>	<p>6/30/08</p>	<p>Completed.</p>
<p>3.13 Develop Financial Procedures to Ensure Loan Repayment is Properly Completed</p>			<p>9/30/07</p>	

Targets and Strategies

	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
A. Create financial procedures for tracking and recording financial activities for Loan Repayment	No procedures in place	Timely repayment of funds	9/30/07	Bank loan repayments are done according to schedule and recorded on a timely basis. Payments are deducted from our account monthly by the lender.
B. Report to HUD monthly on the progress of the Loan Repayment	No monthly reporting	Monthly Reporting	6/30/08	YCH's CFFP application is still a work in process. Fairness Opinion and Management Assessment have been completed.
C. Incorporate the review of the financial transactions of the Loan Repayment into the IPA Audit reporting requirements	Loan transactions unaudited	Audited records	6/30/08	Loans associated with the Admin building are being paid according to terms. Bank loan transactions are included in the independent audit. Completed.
3.14 If approved by HUD PHI, ensure that the real estate comprehensive workout plan detailed in #3.12 maintains its integrity	No procedures in place	HUD CF agreement remains in place	6/30/08	
A. Report quarterly to HUD and the Board on the progress of goals in this plan	No reporting	Quarterly Reporting	6/30/08	Throughout 2008, quarterly reports were prepared for the board and HUD.
B. Incorporate the goals of the plan into the IPA Audit reporting requirements	Financial Plan goals not audited	Goals audited annually	6/30/08	The audit meets federal requirements and includes significant testing of financial and programmatic policies and procedures. The IPA auditors were replaced as part of operations improvements for the 2007-2008 audit and continuing with the 2008-2009 audit.
4.1 Improve Vacant Unit Turnaround				

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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A. Change vacancy log entry procedure to start the vacancy period on the latter of these two dates: (1) the day the lease ends or (2) the move-out day.	Always the day the lease ends	The latter of the two dates		Vacancy log procedure has been changed to be the latter of the two dates. Responsibility for upkeep of the log has been assigned to a single individual to ensure consistency. Completed.
B. Achieve turnaround time of this many days. Submit Fiscal Year to Date value of this number with supporting data each month to HUD with MOA Monthly Progress report until target number is reached.	31.10	27.50		Fiscal YTD 5/31/09 number is 28.93. However during the period 1/1/09-5/31/09 the number is 23.96. The 2009-2010 budget includes hiring an additional maintenance worker which should help YCH to reach the 27.5 day goal in the next fiscal year.
5.1 Improve Annual Inspection Procedures				
A. Correct dwelling unit quantity in PIC	442	431		Exception unit status has been approved and PIC dwelling unit quantity is 431. Completed.
D. Maintain and inspection log. For each of the 604, indicate the date inspected and the result. Result here means whether repairs were required or not. Where repairs are required, create a work order. Submit log each month to HUD with MOA Monthly Progress Report until HUD agrees the procedure is well established.	Not Established	Established		UPCS inspections are not being performed or logged. Reduced maintenance staff prevents in-house inspections. RFP for contract inspections is being prepared and will be added to the 2009-2010 budget when bids are accepted.

Operational Area: 8. SECURITY

8.1 Adopt a formal policy for reporting and tracking crime and crime related activities on all HA developments.	No policy in place	Policy adopted, signed and dated by Board.	10/31/2007	Completed.
8.1 A. Develop and formally adopt policies for reporting and tracking crime and crime related activities to the local law enforcement agencies	No policy in place	Policy adopted	10/31/2007	Completed.
8.1 B. Develop and implement procedures for reporting crime and crime related matters to the local law enforcement agencies.	No procedures	Procedures in place	10/31/2007	Complete.

Targets and Strategies		Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments
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8.1 C. Enter into a cooperative agreement with the local law enforcement agencies for sharing and tracking information on crime in HA developments.	No cooperative agreement	Agreement entered into w/ local law enforcement	11/30/2007	MOU agreements have been executed with Woodland P.D, West Sacramento P.D. and Yolo County Sheriff. Completed.
8.1 D. Maintain a tracking system of crime and criminal related reports from residents, employees to local law enforcement agencies.	No tracking system	Tracking system in place	Monthly	Completed.
8.1.E Maintain file to include all supporting documentation including a copy of policies, procedures date Board Resolutions adopting policy which will support Yolo's MASS Certification.	No file which includes all supporting documentation	File in place	11/30/2007	Completed.
8.2. Adopt a formal policy for screening applicants. (Reference: 24CFR 960.204)	No policy in place	Signed adopted policy	10/31/2007	Completed.
8.2.A. Adopt a formal policy for screening applications.	No policy	Policy in place	10/31/2007	Completed.
8.2.B. Develop and implement procedures for screening applicants.	No procedures	Procedures in place	10/31/2007	Completed.
8.2.C. Establish a tracking system to document screening procedures resulting in the successful denial of admission to applicants who meet the applicable criteria, which will support YCHA's MASS Certification.	No system	System in place	11/30/2007	Completed.
8.2.D. Maintain a file to include all supporting documentation, including a copy of policies, procedures, date Board Resolution adopting policy, which will support YCHA's MASS Certification.	No file which includes all supporting documentation	File in place	11/30/2007	Completed.
8.3. Adopt a formal eviction policy. (Reference 24 CFR 966.4)	No policy	Signed, Adopted Policy	10/31/2007	
8.3.A. Adopt a formal policy for evicting residents	No policy	Policy in place	10/31/2007	Completed
8.3.B. Develop and implement eviction procedures	No procedures	Procedures in place	10/31/2007	
8.3.C. Establish a tracking system to document the eviction of all residents who meet the applicable criteria that will support YCHA's MASS Certification.	No system	System Established	Monthly	Completed
8.3.D. Maintain a file to include all supporting documentation including copy of policies, procedures, date Board Resolution adopting policy, which will support YCHA's MASS Certification	No file which includes all supporting documentation	File maintained	11/30/2007	Completed

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Estimated Completion Date	Comments

June 2009

Operational Area: 3. FINANCE AND PROCUREMENT

<p>3.7 Comply with OMB Circular A-133 by completing and submitting the FYE 6/30/07 Annual Audit B. Assure findings are resolved timely</p>	<p>Outstanding audit findings</p>	<p>All findings closed</p>	<p>II-2007-1 The Agency continues to be financially troubled and it will take some time to correct this problem II-2007-2 We recently received approval from the State to make the requested corrections II-2007-3 Procedures are being developed to improve segregation of duties. Very difficult with such a small staff. III-2007-1 Staff has been trained in the proper administration of the program. Cleanup of prior problems is nearly completed. III-2007-2 Completed III-2007-3 Similar problem identified in 2008 audit. III-2007-4 Completed III-2007-5 Completed</p>
<p>3.9 Improve Financial management of the PHA D. Develop, adopt and implement Financial Management policies including Disposition, Capitalization, Collection Losses/Charge-offs, Check Writing Authorization, Cash Over/Short, Investments, Cash Management/Internal Procedures and Petty Cash policies</p>	<p>Policies not currently in place</p>	<p>Appropriate policies in place</p>	<p>Board has approved Purchasing, Investment, Capitalization, and A/R Write-off policies, check writing authorization, property dispositions. Cash management and petty cash procedures are in place. Completed</p>
<p>3.10 Improve timely submission of reports to HUD A. Operating Budget</p>	<p>Not being produced</p>	<p>Produce Annually</p>	<p>2009-2010 Budget was approved at the 6/4/09 board meeting.</p>
<p>B. Statement of Operating Receipts and Expenditures</p>	<p>Not being produced</p>	<p>Produce Annually</p>	<p>Copy of PIH 2002-2 attached</p>
<p>D. Tenant Accounts Receivable/Occupancy</p>	<p>Not being produced</p>	<p>Produce Annually</p>	<p>Copy of PIH 2002-2 attached</p>

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Comments
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E. Operating Subsidy Funding System Adjustment	Not being produced	Produce Annually	The entire Operating Subsidy Calculation has been revamped. It has been replaced first by SAGIS and now by annual submission of excel tool.
3.11 Provide PHA Technical Assistance and/or Training in Financial Management & PHA Accounting/Bookkeeping	Training needed for all management and financial staff		
A. Budgeting (PHA-wide, program specific and departmental)	Training needed for all management and financial staff	Competent, well-trained and highly performing staff	Program Management staff recently attended a multi day project based accounting training that included significant budgeting information. Program staff and Finance worked together preparing the 2009-2010 Budget for timely submission. Training is an activity that will always be ongoing.
B. Financial Management:	Training needed for all management and financial staff	Competent, well-trained and highly performing staff	See above
1. Include bookkeeping(formal) and cash management/internal controls for Finance Staff	Training needed for all management and financial staff	Competent, well-trained and highly performing staff	Finance staff have all attended training in the last 18 months as have LIPH Management staff. Training is an activity that continues to be ongoing.
2. Basic financial training for non-financial staff and Board	Training needed for all management and financial staff	Competent, well-trained and highly performing staff	Budget workshops were held for program staff and individual meetings with property managers to work on their individual budgets. LIPH staff recently attended a project based accounting workshop presented by Nan McKay & Assoc. Training is an activity that will always be ongoing.

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Comments
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3.13 Develop Financial Procedures to Ensure Loan Repayment is Properly Completed			
A. Create financial procedures for tracking and recording financial activities for Loan Repayment	No procedure in place	Timely repayment of funds	Bank loan repayments are done according to schedule and recorded on a timely basis. Payments are deducted from our account monthly by the lender.
B. Report to HUD monthly on the progress of the Loan Repayment	No monthly reporting	Monthly Reporting	YCH's CFFP application is still a work in process. Fairness Opinion and Management Assessment have been completed.
C. Incorporate the review of the financial transactions of the Loan Repayment into the IPA Audit reporting requirements	Loan transactions unaudited	Audited records	Loans associated with the Admin building are being paid according to terms. Bank loan transactions are included in the independent audit. Completed.
3.14 If approved by HUD PHI, ensure that the real estate comprehensive workout plan detailed in #3.12 maintains its integrity	No procedure in place	HUD CF agreement remains in place	Still waiting on approval of CFFP.
A. Report quarterly to HUD and the Board on the progress of goals in this plan	No reporting	Quarterly Reporting	Throughout 2008, quarterly reports were prepared for the board and HUD.
B. Incorporate the goals of the plan into the IPA Audit reporting requirements	Financial Plan goals not audited	Goals audited annually	The audit meets federal requirements and includes significant testing of financial and programmatic policies and procedures. The IPA auditors were replaced as part of operations improvements for the 2007-2008 audit and continuing with the 2008-2009 audit.
4.1 Improve Vacant Unit Turnaround			
A. Change vacancy log entry procedure to start the vacancy period on the latter of these two dates: (1) the day the lease ends or (2) the move-out day.	Always the day the lease ends	The latter of the two dates	Vacancy log procedure has been changed to be the latter of the two dates. Responsibility for upkeep of the log has been assigned to a single individual to ensure consistency. Completed.
B. Achieve turnaround time of this many days. Submit Fiscal Year to Date value of this number with supporting data each month to HUD with MOA Monthly Progress report until target number is reached.	31.10	27.50	Fiscal YTD 5/31/09 number is 28.93. However during the period 1/1/09-5/31/09 the number is 23.96. The 2009-2010 budget includes hiring an additional maintenance worker which should help YCH to reach the 27.5 day goal in the next fiscal year.
5.1 Improve Annual Inspection Procedures			
A. Correct dwelling unit quantity in PIC	442	431	Exception unit status has been approved and PIC dwelling unit quantity is 431. Completed.

Targets and Strategies	Baseline as of: 5/31/07	Final Performance Target	Comments
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<p>D. Maintain and inspection log. For each of the 604, indicate the date inspected and the result. Result here means whether repairs were required or not. Where repairs are required, create a work order. Submit log each month to HUD with MOA Monthly Progress Report until HUD agrees the procedure is well established.</p>	<p>Not Established</p>	<p>Established</p>	<p>UPCS inspections are not being performed or logged. Reduced maintenance staff prevents in-house inspections. RFP for contract inspections is being prepared and will be added to the 2009-2010 budget when bids are accepted.</p>
<p>8.1 Adopt a formal policy for reporting and tracking crime and crime related activities on all HA developments.</p> <p>8.1C Enter into a cooperative agreement with the local law enforcement agencies for sharing and tracking information on crime in HA developments</p>	<p>No Cooperative Agreements</p>	<p>Agreement entered in with local Law Enforcement</p>	<p>MOU agreements have been executed with Woodland P.D, West Sacramento P.D. and Yolo County Sheriff. Completed.</p>