



## INFORMATION REPORT

**DATE ISSUED:** July 16, 2007  
**REPORT NO:** HCR 07-73  
**SUBJECT:** Annual Report of FY07 Collection Write-Offs  
(Citywide)

### **NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

#### **SUMMARY**

The Property Management Section provides management services for 1,746 publicly owned housing units. A major responsibility is the collection of rent and other costs resulting from occupancy that may be charged to residents upon move-out. The classification of such charges is: unpaid rent, late fees, maintenance, resident-caused damages and court-defined legal fees. Occasionally, a former resident owing a debt will fail to meet his or her obligations for various reasons. The debt is then designated as a "write-off." Current practice calls for writing-off accounts older than 90 days.

Although an account is written off, the file on each resident is retained in a collection status. A person owing a debt to the Housing Commission is not provided rental assistance at any future date until and unless the debt is liquidated. All debt in excess of \$100 is sent to a collection agency. In addition, other methods of collection are pursued including judgments, abstracts, and the garnishment of wages. In FY05, the Housing Commission initiated participation in the State of California's Franchise Tax Board Interagency Intercept Collection Program, whereby debtor tax refunds and lottery winnings are intercepted and forwarded to the Housing Commission.

On February 22, 1980, the Housing Commission delegated authority to the Chief Executive Officer to write off uncollectible accounts to collection losses and further required the submission of quarterly reports on such actions. In 1995, the frequency of this report was modified to annually.

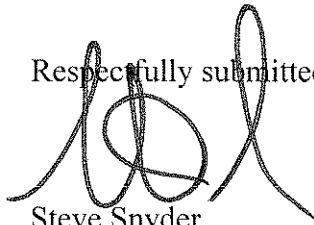
U.S. Department of Housing Development (HUD) has established ten percent of rental income per year as an acceptable standard for collection loss. In the past five years, the Housing Commission's average collection loss has been approximately 1.02% of loss to total income. In FY07, the collection write-off amount was \$206,664.33 or 1.59%, up from 1.12% (\$130,321) in FY06. Major causes for the increase included a resident-caused fire at University Canyon and twenty-one evictions for non-payment. During this same period, collection loss recovery totaled \$36,678.

A breakdown of the annual write-off and a history of collection losses are provided as Attachments 1 and 2.

DESCRIPTION AND AMOUNT OF WRITE-OFFS FOR FY07

PROGRAM	RENT	MAINT	LATE	LEGAL	SUNDRY	TOTAL
Conventional - HUD	\$37,586.90	\$73,267.01	\$4,253.00	\$6,382.36	\$250.00	\$121,739.27
Beiden	3,787.38	9,413.83	227.74	1,465.00	45.00	\$14,938.95
State Rental	108.68	1,556.02	100.00	0.00	25.00	\$1,789.70
University Canyon	20,670.76	28,427.37	1,251.00	2,969.00	25.00	\$53,343.13
Maya Apartments	4,473.00	4,009.72	1,895.16	0.00	225.00	\$10,602.88
City-Owned Sites	0.00	0.00	0.00	0.00	0.00	\$0.00
Local	2,898.21	574.19	300.00	478.00	0.00	\$4,250.40
Foreclosed	0.00	0.00	0.00	0.00	0.00	\$0.00
Total:	\$69,524.93	\$117,248.14	\$8,026.90	\$11,294.36	\$570.00	\$206,664.33

Respectfully submitted,



Steve Snyder  
 Director of Asset Management

Approved by,



Elizabeth C. Morris  
 President & Chief Executive Officer

Attachment(s): 1. Quarterly Write-Off  
 2. Prior Years' Write-Off

QUARTERLY WRITE-OFF TOTALS  
FY07

ATTACHMENT 1

DESCRIPTION OF AMOUNT DUE

	RENT	MAINT	LATE FEES	LEGAL	SUNDRY	TOTAL
<b>HUD</b>						
1ST QTR	8641.46	25953.57	933.00	2826.84	0.00	38354.87
2ND QTR	12481.41	25384.32	1607.00	2057.52	75.00	41605.25
3RD QTR	4083.02	8062.77	590.00	1738.00	95.00	14568.79
4TH QTR	16168.39	23280.18	1350.74	1225.00	125.00	42149.31
FY07 YTD:	41,374.28	82,680.84	4,480.74	7,847.36	295.00	136,678.22
<b>STATE RENTAL</b>						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	0.00	1,155.67	50.00	0.00	0.00	1,205.67
4TH QTR	108.68	400.35	50.00	0.00	25.00	584.03
FY07 YTD:	108.68	1,556.02	100.00	0.00	25.00	1,789.70
<b>UNIVERSITY CANYON</b>						
1ST QTR	6,856.27	2,927.37	400.00	989.00	25.00	11,197.64
2ND QTR	9,825.63	25,500.00	501.00	575.00	0.00	36,401.63
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	3,988.86	0.00	350.00	1,405.00	0.00	5,743.86
FY07 YTD:	20,670.76	28,427.37	1,251.00	2,969.00	25.00	53,343.13
<b>FORECLOSED</b>						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY07 YTD:	0.00	0.00	0.00	0.00	0.00	0.00
<b>CITY</b>						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	0.00	0.00	0.00	0.00	0.00	0.00
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY07 YTD:	0.00	0.00	0.00	0.00	0.00	0.00
<b>MAYA</b>						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	2,987.00	1,965.83	850.00	0.00	150.00	5,952.83
3RD QTR	79.00	187.56	50.00	0.00	25.00	341.56
4TH QTR	1,407.00	1,856.33	995.16	0.00	50.00	4,308.49
FY07 YTD:	4,473.00	4,009.72	1,895.16	0.00	225.00	10,602.88
<b>LOCAL</b>						
1ST QTR	0.00	0.00	0.00	0.00	0.00	0.00
2ND QTR	2,898.21	574.19	300.00	478.00	0.00	4,250.40
3RD QTR	0.00	0.00	0.00	0.00	0.00	0.00
4TH QTR	0.00	0.00	0.00	0.00	0.00	0.00
FY07 YTD:	2,898.21	574.19	300.00	478.00	0.00	4,250.40
<b>ALL PROGRAM SUMMARY</b>						
1ST QTR	15,497.73	28,880.94	1,333.00	3,815.84	25.00	49,552.51
2ND QTR	28,192.25	53,424.34	3,258.00	3,110.52	225.00	88,210.11
3RD QTR	4,162.02	9,406.00	690.00	1,738.00	120.00	16,116.02
4TH QTR	21,672.93	25,536.86	2,745.90	2,630.00	200.00	52,785.69
FY07 YTD:	69,524.93	117,248.14	8,026.90	11,294.36	570.00	206,664.33

## PRIOR YEARS' WRITE-OFF

## ATTACHMENT 2

FISCAL YEAR	ACTUAL INCOME	COLLECTION LOSSES	% OF LOSS TO TOTAL INCOME
1978	786,540	139,950	17.79%
1979	439,638	109,984	25.02%
1980	282,257	12,873	4.56%
1981	515,602	12,204	2.37%
1982	471,221	2,221	0.47%
1983	1,010,111	4,409	0.44%
1984	1,342,141	18,018	1.34%
1985	2,186,223	31,900	1.46%
1986	3,565,181	77,899	2.18%
1987	3,482,792	89,013	2.56%
1988	3,680,577	105,124	2.86%
1989	4,191,243	138,072	3.29%
1990	4,534,778	93,910	2.07%
1991	5,561,745	145,337	2.61%
1992	4,829,747	77,775	1.61%
1993	4,604,433	62,602	1.36%
1994	4,507,394	54,885	1.22%
1995	4,406,927	71,219	1.62%
1996	4,254,702	84,913	2.00%
1997	5,440,489	77,280	1.42%
1998	5,199,703	61,266	1.18%
1999	4,917,387	48,228	0.98%
2000	5,044,795	41,605	0.82%
2001	5,289,136	47,779	0.90%
2002	5,687,812	68,243	1.20%
2003	7,407,099	73,940	1.00%
2004	10,861,125	55,129	0.51%
2005	11,149,660	86,651	0.78%
2006	11,630,078	130,321	1.12%
2007	12,969,171	206,664	1.59%
	140,249,707	2,229,414	1.59%