Regular Joint Meeting of the Boards of Commissioners of the Fresno Housing Authority

5:00pm October 27, 2015
1331 Fulton Mall, Fresno, CA 93721

Interested parties wishing to address the Boards of Commissioners regarding this meeting’s Agenda Items, and/or regarding topics not on the agenda but within the subject matter jurisdiction of the Boards of Commissioners, are asked to complete a “Request to Speak” card which may be obtained from the Board Secretary (Tiffany Mangum) at 4:45 p.m. You will be called to speak under Agenda Item 3, Public Comment.

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, signers, assistive listening devices, or translators should be made at least one (1) full business day prior to the meeting. Please call the Board Secretary at (559) 443-8475, TTY 800-735-2929.

4pm Board Workshop: Development Pipeline and Priorities
5pm Board Meeting

1. Call to Order and Roll Call
2. Approval of agenda as posted (or amended)
3. Public Comment
   This is an opportunity for the members of the public to address the Boards of Commissioners on any matter within the subject matter jurisdiction of the Boards of Commissioners that is not listed on the Agenda. At the start of your presentation, please state your name, address and/or the topic you wish to speak on that is not on the agenda. Presentations are limited to a total of three (3) minutes per speaker.
4. POTENTIAL CONFLICTS OF INTEREST – Any Commissioner who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter. (Gov. Code section 87105)
5. Consent Agenda
   a. Consideration of the minutes of September 22, 2015
   b. Adoption of the Agency 2016 Calendar
   c. Consideration of the Attendance and Tardiness Policy
   d. Consideration of the Alcohol and Drug Policy
   e. Consideration of the Investment Policy
   f. Ratification of the 2015 PHA Annual/5 Year Plans Resolution

6. Informational
   a. HAP Report – 3rd Quarter 2015
   b. Introduction to the 2016 Operating and HAP Budgets
   c. Leveraging the HCV Program to Improve Quality Housing: Procedures for Discretionary Disapproval
   d. Information on Over Income Residents in Public Housing
   e. Real Estate Development Overview

7. Action
   a. Consideration of Rental Assistance Demonstration Application Submission – Memorial Village
   b. Consideration of Award of Contract for Development Services – Real Estate Development Services
   c. Consideration of the Amended Agency Procurement Policy

8. City: Nominations for Board Chair and Vice Chair for 2016-2017

9. Executive Director’s Report

10. Adjournment
Minutes of the Joint Meeting
Of the Boards of Commissioners of the
HOUSING AUTHORITIES OF THE CITY AND COUNTY OF FRESNO

Tuesday, September 22, 2015
4:30 P.M.

The Boards of Commissioners of the Housing Authorities of the City and County of Fresno met in a regular joint session on Tuesday, September 22, 2015, at the offices of HACCF, located at 1331 Fulton Mall, Fresno, California.

1. The meeting was called to order at 4:36 p.m. by Board Vice Chair, Commissioner Jones of the Board of Commissioners of the Housing Authority of the City of Fresno. Roll call was taken by Monique Narciso, Administrative Assistant for the Executive Office, and the Commissioners present and absent were as follows:

COMMISSIONERS PRESENT: CRAIG SCHARTON, Chair
                          ADRIAN JONES, Vice Chair
                          RUEBEN SCOTT
                          STEVEN BEDROSIAN
                          KARL JOHNSON

COMMISSIONERS ABSENT:  JORGE AGUILAR

The meeting was called to order at 4:36 p.m. by Board Chair, Commissioner Sablan, of the Board of Commissioners of the Housing Authority of Fresno County. Roll call was taken by Monique Narciso, Administrative Assistant for the Executive Office, and the Commissioners present and absent were as follows:

COMMISSIONERS PRESENT:  STACY SABL, Chair
                          RENEETA ANTHONY, Vice Chair
                          JIM PETTY
                          NANCY NELSON
                          LEE ANN EAGER
                          VENILDE MILLER
                          JOEY FUENTES

COMMISSIONERS ABSENT:  None.

Also, in attendance were the following: Preston Prince, CEO/Executive Director; Tracewell Hanrahan, Deputy Executive Director; Jim Barker, Chief Finance Officer; and Ken Price, Baker Manock and Jensen - General Counsel.
2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

Commissioner Scott motioned for the City Board’s approval of the agenda as posted. This action was seconded by Commissioner Johnson, and by unanimous vote of the Board of Commissioners for the City, the agenda was approved as posted.

Commissioner Anthony motioned for the County Board’s approval of the agenda as posted. This action was seconded by Commissioner Petty, and by unanimous vote of the Board of Commissioners for the County, the agenda was approved as posted.

3. CLOSED SESSION

At approximately 4:37 p.m., the Boards went in to closed session announcing the following items for discussion:

a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code § 54954.5(b))
Property: 1233 & 1245 G Street, Reedley, CA (APN: 368-241-08s, 10 and 12)
Agency negotiator: Preston Prince
Negotiating parties: Brooks Larson Family LP and Fresno Housing Authority
Under negotiation: Real Estate transaction

b. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code § 54954.5(b))
Property: 1238 and 1268 P Street, Firebaugh, CA (APN: 008-075-03 and 008-075-11)
Agency negotiator: Preston Prince
Negotiating parties: City of Firebaugh Housing Successor Agency/City of Firebaugh and Fresno Housing Authority
Under negotiation: Real Estate transaction

c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code § 54954.5(b))
Property: 240-250 N. Calaveras Street, Fresno, CA (APN: 459-243-19 and 20, 459-322-17 and 18)
Agency negotiator: Preston Prince
Negotiating parties: Yale Investment Group, LLC and Fresno Housing Authority
Under negotiation: Real Estate transaction

4. REPORT ON CLOSED SESSION MATTERS
The Board meeting went into Open Session at approximately 4:56 p.m. General Counsel reported that the Boards of Commissioners unanimously voted to approve the closing of two properties in Reedley, two properties in Firebaugh, and two Calaveras Street properties.

5. PUBLIC COMMENT

No public comment at this time.

6. POTENTIAL CONFLICTS OF INTEREST

This was the time for any Commissioner who had a potential conflict of interest to identify the item and recuse themselves from discussing and voting on the matter per Government Code section 87105.

No conflicts of interests were identified.

7. CONSENT AGENDA

b. Consideration of Application Submission – Broadband Internet
c. Consideration of the Blood Donor Policy
d. City: Charge-off Uncollectible Accounts to Collection Losses for the 3rd Quarter 2015
e. County: Charge-off Uncollectible Accounts to Collection Losses for the 3rd Quarter 2015
f. Consideration of Assigned Designee(s) on behalf of the CEO/Executive Director
g. Consideration of Pre-Development Funding - Rental Assistance Demonstration
h. Consideration of HOME Application Submission – Shockley Terrace

No public comment.

Commissioner Bedrosian motioned for the City Board’s approval of the consent agenda. This action was seconded by Commissioner Scott, and by unanimous vote of the Board of Commissioners for the City, the consent agenda was approved.

Commissioner Anthony motioned for the County Board’s approval of the consent agenda. This action was seconded by Commissioner Eager, and by unanimous vote of the Board of Commissioners for the County, the consent agenda was approved.

8. PUBLIC HEARING

2015 Public Housing Agency Annual/Five Year Amended Plans

Tracewell Hanrahan, Deputy Executive Director presented the new amendments to the 2015 Public Housing Agency Annual/Five Year Plans. Ms. Hanrahan recommended that the Boards of Commissioners adopt the amendments and authorize the CEO/Executive Director to submit the plans and all required attachments to HUD.
2016 Public Housing Agency Annual/Five Year Plans

Tracewell Hanrahan presented the 2016 Public Housing Agency Annual/Five Year Plans. Ms. Hanrahan recommended that the Boards of Commissioners adopt the 2016 Annual Plans and authorize the CEO/Executive Director to submit the plans and all required attachments to HUD.

9. ACTION

a. Consideration to Approve the Submission of the 2015 Agency Annual/Five Year Amended Plans

Commissioner Scott motioned for the City Board’s approval of the submission of the 2015 Agency Annual Five Year Amended Plans. This action was seconded by Commissioner Jones, and by unanimous vote of the Board of Commissioners for the City, the submission of the 2015 Agency Annual Five Year Amended Plans was approved.

Commissioner Anthony motioned for the County Board’s approval of the submission of the 2015 Agency Annual Five Year Amended Plans. This action was seconded by Commissioner Petty, and by unanimous vote of the Board of Commissioners for the County, the 2015 Agency Annual Five Year Amended Plans was approved.

b. Consideration to Approve the Submission of the 2016 Agency Annual/Five Year Plans

Commissioner Johnson motioned for the City Board’s approval of the 2016 Annual Plans. This action was seconded by Commissioner Bedrosian, and by unanimous vote of the Board of Commissioners for the City, the 2016 Annual Plans were approved.

Commissioner Anthony motioned for the County Board’s approval of the 2016 Annual Plans. This action was seconded by Commissioner Petty, and by unanimous vote of the Board of Commissioners for the County, the 2016 Annual Plans were approved.

c. Consideration of Award of Contract – Audit Services

Jim Barker, Chief Finance Officer updated the Boards of Commissioners on the status of the Agency’s Independent Audit Services RFP, and requested approval to proceed with a contract award to certified public accounting firm, Davis-Farr. Mr. Barker gave a brief explanation on the RFP process and recommended that the Boards of Commissioners approve the contract with Davis-Farr.
Commissioner Scott motioned for the City Board’s approval of the Audit Services contract with Davis-Farr. This action was seconded by Commissioner Jones, and by unanimous vote of the Board of Commissioners for the City, the Audit Services contract with Davis-Farr was approved.

Commissioner Petty motioned for the County Board’s approval of the Audit Services contract with Davis-Farr. This action was seconded by Commissioner Eager, and by unanimous vote of the Board of Commissioners for the County, the Audit Services contract with Davis-Farr was approved.

10. INFORMATIONAL

a. Reserve Analysis – Housing Relinquished Fund Corp.

Emily De La Guerra, Senior Manager of Finance and Administrative Services, presented an update on the reserves of the Housing Relinquished Fund Corp.

b. Development Pipeline Update

Michael Duarte, Director, Planning & Community Development, provided the Boards of Commissioners with a brief overview of all projects within the development and pre-development stages, including: Firebaugh Gateway, Trailside Terrace, Shockley Terrace, and others.

c. Federal Budget Update

Emily De La Guerra, introduced Michael Van Putten, Budget Analyst, to the Boards of Commissioners to explain the current Federal Budget concerns. Mr. Van Putten provided an overview of the Federal Budget Environment, the Continuing Resolution, the Agency’s Action Plan, the FY2016 Budget Proposals, and the Budget Development timeline.

Commissioner Sablan left the meeting.

d. Leveraging the HCV Program to Improve Quality Housing: Abatement Analysis Update

Juan Lopez, Senior Quality Assurance Analyst, presented an update on the abatement analysis and an update on public comments received that pertain to Housing Quality Standards. Mr. Lopez provided snapshots of abatements currently in process. In the presentation, he was able to illustrate some month to month data. Tracewell Hanrahan added addition detail and clarification on some abatement considerations and procedures.
11. PUBLIC COMMENT

Commissioner Anthony opened the room for public comment.

Paul H. Garcia, a City of Fresno resident, shared some violent incidents involving Residents who are receiving vouchers in some communities. Mr. Garcia addressed concerns about the application and inspection processes.

Juan Lopez addressed Mr. Garcia’s concerns and clarified some of the application and inspection processes. There was further discussion between the Boards and staff, including additional clarification on abatement and application processes that involve residents participating in criminal activities.

12. EXECUTIVE DIRECTOR’S REPORT

In addition to the written Director’s report, the following items were announced:

- New Fresno Housing Hires and Promotions: Martha Ayllon, new On-Site Property Assistant at Orange Cove; Nerissa Richardson, new Accounts Payable Coordinator; Eduardo Rodriguez, transferred from BNCP to a Housing Program Coordinator for Homeless and VASH Programs; Joshua Williams transferred to the Asset Management.

- Announced Magic Johnson will be the Key Note Speaker at the National NAHRO Conference in October 2015 in Los Angeles, CA.

- Announced that Mayor Ashley Swearengin will be introducing Preston Prince on October 17, 2015 at the National NAHRO Conference. Mayor Swearengin will be conducting a Restore Fresno Session during the National NAHRO Conference. Gregory Barfield, City of Fresno Chief of Staff, will also be joining the session along with other community members.

- The Housing Authority received a request for information for all activities associated with repositioning of public housing that came from a Union in Washington, DC. Mr. Prince announced that he had contacted the Union and that there are no concerns. Additionally, Mr. Prince expressed that he was proud of how the Agency has been managing and working with the represented staff.

13. ADJOURNMENT

There being no further business to be considered by the Boards of Commissioners for the Housing Authorities of the City and County of Fresno, the meeting was adjourned at approximately 6:20 p.m.

Preston Prince, Secretary to the Boards of Commissioners
TO: Boards of Commissioners  DATE: 10/22/2015
Fresno Housing Authority
FROM: Preston Prince  BOARD MEETING: 10/27/2015
CEO/Executive Director
AUTHOR Tiffany Mangum  AGENDA ITEM: 5b
Special Assistant to the CEO
RE: Adoption of the 2015 Calendar for the Fresno Housing Authority

Executive Summary
The Boards of Commissioners, annually take action to approve the Agency’s calendar. Thus, the attached calendar for 2016 indicates the agency recognized holidays, Friday closures, board meetings, and other important activities of the Agency.

Additional trainings and special meetings will be scheduled, and are subject to the availability of the Commissioners.

Recommendation
It is recommended the Boards of Commissioners review and approve the proposed 2016 Agency calendar.

Fiscal Impact
None.
RESOLUTION NO.______________

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF THE CITY OF FRESNO

ADOPTION OF THE 2016 AGENCY CALENDAR

WHEREAS, the Boards’ direction to staff is to develop a proposed operations calendar each year for the Agency; and

WHEREAS, the proposed calendar for 2016 reflects all recognized holidays, office closures, Board meetings, and other important events or activities of the Agency; and

WHEREAS, additional Board trainings, special meetings, and other important events or activities may be scheduled in addition to the meetings established pursuant to this calendar;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Fresno, hereby adopt the Agency’s 2016 calendar as presented, subject to additional meetings and/or events as deemed necessary in the conduct of Agency business.

PASSED AND ADOPTED THIS 27th DAY OF October, 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

____________________________________________
Preston Prince, Secretary of the Boards of Commissioners
RESOLUTION NO.____________

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF FRESNO COUNTY

ADOPTION OF THE 2016 AGENCY CALENDAR

WHEREAS, the Boards’ direction to staff is to develop a proposed operations calendar each year for the Agency; and

WHEREAS, the proposed calendar for 2016 reflects all recognized holidays, office closures, Board meetings, and other important events or activities of the Agency; and

WHEREAS, additional Board trainings, special meetings, and other important events or activities may be scheduled in addition to the meetings established pursuant to this calendar;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of Fresno County, hereby adopt the Agency’s 2016 calendar as presented, subject to additional meetings and/or events as deemed necessary in the conduct of Agency business.

PASSED AND ADOPTED THIS 27th DAY OF October, 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

____________________________________________
Preston Prince, Secretary of the Boards of Commissioners
# 2016 Agency Calendar

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
</tr>
<tr>
<td>1 2</td>
<td>1 2</td>
<td>1 2</td>
<td>1 2</td>
</tr>
<tr>
<td>3 4 5 6 7 8 9</td>
<td>7 8 9 10 11 12 13</td>
<td>6 7 8 9 10 11 12</td>
<td>3 4 5 6 7 8 9</td>
</tr>
<tr>
<td>10 11 12 13 14 15 16</td>
<td>14 15 16 17 18 19 20</td>
<td>13 14 15 16 17 18 19</td>
<td>10 11 12 13 14 15 16</td>
</tr>
<tr>
<td>17 18 19 20 21 22 23</td>
<td>21 22 23 24 25 26 27</td>
<td>20 21 22 23 24 25 26</td>
<td>17 18 19 20 21 22 23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
</tr>
<tr>
<td>1 2 3 4 5 6 7</td>
<td>5 6 7 8 9 10 11</td>
<td>3 4 5 6 7 8 9</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>8 9 10 11 12 13 14</td>
<td>12 13 14 15 16 17 18</td>
<td>10 11 12 13 14 15 16</td>
<td>7 8 9 10 11 12 13</td>
</tr>
<tr>
<td>15 16 17 18 19 20 21</td>
<td>19 20 21 22 23 24 25</td>
<td>17 18 19 20 21 22 23</td>
<td>14 15 16 17 18 19 20</td>
</tr>
<tr>
<td>29 30 31</td>
<td>31</td>
<td></td>
<td>28 29 30 31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
<td>Sun Mon Tue Wed Thu Fri Sat</td>
</tr>
<tr>
<td>1 2 3</td>
<td>2 3 4 5 6 7 8</td>
<td>1 2 3 4 5 6</td>
<td>1 2 3</td>
</tr>
<tr>
<td>4 5 6 7 8 9 10</td>
<td>9 10 11 12 13 14 15</td>
<td>6 7 8 9 10 11 12</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>11 12 13 14 15 16 17</td>
<td>13 14 15 16 17 18 19</td>
<td>13 14 15 16 17 18 19</td>
<td>11 12 13 14 15 16 17</td>
</tr>
<tr>
<td>18 19 20 21 22 23 24</td>
<td>20 21 22 23 24 25 26</td>
<td>20 21 22 23 24 25 26</td>
<td>18 19 20 21 22 23 24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board Meeting</th>
<th>Executive Committee Mtg.</th>
<th>Office Closure</th>
<th>National NAHRO Events</th>
<th>Holiday</th>
</tr>
</thead>
</table>

**Agency Holidays**

- January 1st – New Year's Day
- January 18th – Martin Luther King Day (holiday credit)
- February 12th – Lincoln’s Birthday
- February 15th – President’s Day
- May 30th – Memorial Day
- July 4th – Independence Day
- September 5th – Labor Day
- September 9th – Admission Day
- October 5th – Columbus Day
- November 11th – Veteran’s Day
- November 24th – Thanksgiving Holiday
- December 24th – Christmas Eve (half day – 4 hr - holiday credit)
- December 26th – Christmas

(holiday credit)
Executive Summary

It is the policy of the Fresno Housing Authority (the “Agency”) to provide Agency guidelines for handling employee absences and occurrences of tardiness, and for determining situations when tardiness and/or lack of attendance have become “excessive.” Agency leadership expects employees to be reliable and punctual. As such, employees are required to report to work on time and as scheduled. The policy provides a method for effectively monitoring employee attendance and punctuality in order to support the goal of maintaining a respectful work environment and efficient operation.

The Attendance and Tardiness Policy is a new policy that has been developed based on industry best practices, in partnership with our Human Resources legal counsel, as part of our ongoing review, development and update of Agency policies. Staff has met and agreed with our labor partners regarding the points in this policy.

Recommendation

It is recommended that the Boards of Commissioners approve and adopt the attached Attendance and Tardiness Policy.

Fiscal Impact

None at this time.
RESOLUTION NO.
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF FRESNO

RESOLUTION APPROVING THE ATTENDANCE AND TARDINESS POLICY

WHEREAS, it is the policy of the Fresno Housing Authority (the “Agency”) to provide a method for effectively monitoring employee attendance and punctuality in order to support the goal of maintaining a respectful work environment and efficient operation; and

WHEREAS, the Agency, upon the recommendation of the Human Resources legal counsel, is proposing the creation and implementation of an Attendance and Tardiness Policy; the purpose of the Attendance and Tardiness Policy is to provide Agency guidelines for handling employee absences and occurrences of tardiness, and for determining situations when tardiness and/or lack of attendance have become “excessive.”

NOW THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Fresno do hereby adopt and incorporate the policy update.

PASSED AND ADOPTED THIS 27th day of October, 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________________________
Preston Prince, Secretary of the Boards of Commissioners
RESOLUTION NO.
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF FRESNO COUNTY

RESOLUTION APPROVING THE ATTENDANCE AND TARDINESS POLICY

WHEREAS, it is the policy of the Fresno Housing Authority (the “Agency”) to provide a method for effectively monitoring employee attendance and punctuality in order to support the goal of maintaining a respectful work environment and efficient operation; and

WHEREAS, the Agency, upon the recommendation of the Human Resources legal counsel, is proposing the creation and implementation of an Attendance and Tardiness Policy; the purpose of the Attendance and Tardiness Policy is to provide Agency guidelines for handling employee absences and occurrences of tardiness, and for determining situations when tardiness and/or lack of attendance have become “excessive.”

NOW THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of Fresno County do hereby adopt and incorporate the policy update.

PASSED AND ADOPTED THIS 27th day of October, 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____________________________________________
Preston Prince, Secretary of the Boards of Commissioners
Attendance and Tardiness Policy

Introduction

The Fresno Housing Authority (“Agency”) maintains the Attendance Policy to provide a method for effectively monitoring employee attendance and punctuality in order to support the goal of maintaining a respectful work environment and efficient operation.

Purpose

The purpose of this policy is to provide Agency guidelines for handling employee absences and occurrences of tardiness, and for determining situations when tardiness and/or lack of attendance have become “excessive.” Every employee has the responsibility of maintaining a good attendance record. Agency leadership expects employees to be reliable and punctual. As such, employees are required to report to work on time and as scheduled.

Policy

Definitions

Absence - Any absence from scheduled working hours, excluding an absence that is “excused” due to approved leave, mutually agreed-upon workplace accommodation, or other types of approved absences.

Tardiness/Leaving Early - Employees not working by their designated start time are considered tardy, and employees leaving before the end of their scheduled shift will be considered as having left early.

Occurrence – Each day absent from work is one occurrence. Each instance of arriving late to work or leaving work early is one occurrence.

Excessive – Occurrences of absence or tardiness are considered “excessive” once they have impacted the Agency’s or any of its department’s ability to operate and serve its public interests productively and efficiently.

Employee Responsibilities

Communication & Sufficient Notice – For any occurrence of absence or tardiness to be considered “excused,” employees are required to give their supervisors reasonable advanced notice of any expected absence or lateness. If employees are experiencing a medical issue that may keep them out of work for a period of longer than 3 days, they should discuss the possibility of taking an approved leave with their
supervisor. Requests for leave should be submitted in adherence to all applicable Agency policies on leaves of absence (see Time Away From Work policy).

Medical Certification - Employees may be required to provide a supporting statement from a medical practitioner for occurrences of more than 3 consecutive Fresno Housing Authority working days \( (an \ example \ may \ be \ if \ absence \ is \ due \ to \ an \ approved \ medical \ leave), \) and that are due to illness or injury. Medical certification must state when the employee was ill or injured, when it began, and when the employee is expected to return to work. Employees who have utilized 5 or more consecutive days of sick leave are required to provide medical certification that the employee may safely return to work, and will not be allowed to return to work without this certification.

Supervisor Responsibilities

Supervisors have primary responsibility to manage employee attendance and to consistently address and resolve issues within their respective workgroups or departments. Excessive unexcused employee absences and/or tardiness are undesirable performance factors and may be addressed with formal disciplinary action, up to and including suspension and/or termination. Supervisors are expected to understand Agency policy and state and federal leave entitlements and to partner with Human Resources immediately (on or prior to an employee’s third consecutive absence when possible), when he/she believes a member of his/her team may need to take leave, and/or when he/she believes medical certification may need to be requested.

Absence Without Notice

After being absent without notice for 3 consecutively scheduled workdays, an employee will be considered to have abandoned his/her position and is subject to termination. In this situation, the Agency will initiate any applicable procedures in formally terminating an employee who has abandoned his/her position.

Responsibility

Each and every employee and officer is required to abide by the provisions set forth in this policy. The Executive Director or his/her designee is responsible for the administration, interpretation, and application of this policy and procedure. The Boards of Commissioners are responsible for policy adoptions and revisions.
Executive Summary

It is the policy of the Fresno Housing Authority (the “Agency”) to promote a safe, healthy, efficient, and productive, drug-free work environment. The Agency recognizes the problem of excess usage of alcohol and drugs in our society and prohibits the use, sale, distribution, possession or transfer of alcohol, illegal drugs, or illegal use of prescription drugs while on the job, on Agency premises or in vehicles owned or rented by the Agency. The Policy provides employees with guidelines for understanding prohibited behavior, what is expected in the workplace, and the consequences for violation of this policy.

The Alcohol and Drug policy is a revised policy that has been developed based on industry best practices in partnership with our Human Resources legal counsel as part of our ongoing review and update of Agency policies. Staff has met with our labor partners regarding this update and are in agreement with the revisions to the policy.

Recommendation

It is recommended that the Boards of Commissioners approve and adopt the attached Alcohol and Drug Policy.

Fiscal Impact

None at this time.
RESOLUTION NO.
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF FRESNO

RESOLUTION APPROVING THE ALCOHOL AND DRUG POLICY

WHEREAS, it is the policy of the Fresno Housing Authority (the “Agency”) to promote a safe, healthy, efficient and productive drug-free work environment; and

WHEREAS, the Agency, upon the recommendation of the Human Resources legal counsel, is proposing an update to the Alcohol and Drug Policy; the purpose of the Alcohol and Drug Policy is to prohibit the use, sale, distribution, possession, or transfer of alcohol, illegal drugs, or illegal use of prescription drugs while on the job, on Agency premises, or in vehicles owned or rented by the Agency.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of the City of Fresno do hereby adopt and incorporate the policy update.

PASSED AND ADOPTED THIS 27th day of October, 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____________________________________________
Preston Prince, Secretary of the Boards of Commissioners
RESOLUTION NO.
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF FRESNO COUNTY

RESOLUTION APPROVING THE ALCOHOL AND DRUG POLICY

WHEREAS, it is the policy of the Fresno Housing Authority (the “Agency”) to promote a safe, healthy, efficient, and productive drug-free work environment; and

WHEREAS, the Agency, upon the recommendation of the Human Resources legal counsel, is proposing an update to the Alcohol and Drug Policy; the purpose of the Alcohol and Drug Policy is to prohibit the use, sale, distribution, possession, or transfer alcohol, illegal drugs, or illegal use of prescription drugs while on the job, on Agency premises or in vehicles owned or rented by the Agency.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Housing Authority of Fresno County do hereby adopt and incorporate the policy update.

PASSED AND ADOPTED THIS 27th day of October, 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________________________
Preston Prince, Secretary of the Boards of Commissioners
Alcohol and Drug Policy

Introduction

The Fresno Housing Authority ("the Agency") strives to provide a safe, productive environment for its employees, residents, visitors, and vendors. This includes a workplace that is free of the problems and risks associated with the use and abuse of alcohol and the use and abuse of illegal or non-prescribed controlled substances. Because the Agency wants employees to perform their duties safely and efficiently while working with their co-workers and the residents we serve, the Agency has established an Alcohol and Drug Policy that balances respect for individual privacy with the need to keep a safe, productive, drug-free environment. The Policy provides employees with guidelines for understanding prohibited behavior, what is expected in the workplace, and the consequences for violation of this policy.

Purpose

The Agency recognizes the problem of excess usage of alcohol and drugs in our society. The Agency sees excessive use of alcohol and/or drugs as a serious threat to our employees and community. The Agency has thus established an Alcohol and Drug Policy to promote its vital interest in ensuring a safe, healthy, efficient and productive drug-free work environment.

Policy

The use (including having detectable levels based on the Agency’s testing standards), sale, distribution, possession or transfer of alcohol, illegal drugs, or illegal use of prescription drugs when on the job, on Agency premises or in vehicles owned or rented by the Agency, is strictly prohibited.

An employee must:

- Not report to work or be subject to duty while his/her ability to perform job duties is impaired due to alcohol or drug use;
- Not possess or use alcohol or impairing drugs (illegal drugs and prescription drugs without a prescription) during work hours or while subject to duty, or during breaks or meal periods, etc.;
- Not directly or through a third party sell or provide drugs or alcohol to any person, including any employee, while either the employee or employees are on duty or subject to being called;
- Submit immediately to an alcohol or drug test when requested by a member of Management based on reasonable suspicion;
- Notify his/her supervisor before beginning work when taking medications or drugs, prescription or non-prescription, which may interfere with the safe and effective performance of his/her job duties;
- Provide a *bona fide* verification of a current valid prescription for any potentially impairing drug or medication within 24 hours of a request by management, and/or when a drug/screen test is positive.

While attending Agency events where alcohol is served, employees are expected to use sound judgment and must demonstrate appropriate behavior that is consistent with Agency values and applicable Agency policies, and must be respectful of all others and their property. The abuse of alcohol and other substances subjects the Agency to potential risks that are not acceptable. Such conduct could undermine the Agency’s ability to operate its business effectively.

**Applicable Laws**

*Drug-Free Workplace Statement* - In accordance with the Drug-Free Workplace Act of 1988, the Agency is required to provide a drug-free work environment and to promote drug-free awareness among its employees.

The Agency hereby notifies each employee that:

- It is unlawful and prohibited to manufacture, distribute, dispense, possess or use a controlled substance in the workplace or on any Agency property or in any Agency vehicle.
- Employees must abide by the terms of this statement.
- Employees must notify the Agency of any criminal drug statute conviction for a violation occurring in the workplace, no later than five (5) calendar days after the conviction.

The Agency and all properties under its control and management are committed to a drug-free workplace. It is unlawful and contrary to the Agency’s zero tolerance policy to manufacture, distribute, dispense, possess, or use any controlled substance on Agency property. The need to maintain a drug-and alcohol-free workplace is vitally important since, in the normal course of their duties, many Agency employees hold positions of trust and have direct contact with disabled, elderly, and minor residents and have access to occupied residences. The Agency will promptly, thoroughly, and fairly investigate every issue that is brought to its attention in this area and will take disciplinary action, when appropriate, up to and including termination of employment.

*Implementation of Drug-Free Awareness Program* - The Agency will periodically remind all employees of the dangers of drug abuse in the workplace, the Alcohol and Drug policy, the availability of drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations.

*bona fide: honest, genuine, actual, authentic, acting without the intention of defrauding.*
Notification of Employee Criminal Drug Statute Conviction - The Agency will notify the responsible federal agency of any criminal drug statute conviction of an employee for a violation occurring in the workplace. Such notification will be given within ten (10) calendar days of receiving notification from the employee, or otherwise receiving, notice of the conviction.

The employee must notify the Agency of a personal criminal drug statute conviction for any violation occurring in the workplace no later than five (5) calendar days after such conviction.

The Agency will take appropriate disciplinary action against the employee, up to and including termination of employment or require the employee to satisfactorily participate in a drug abuse assistance or rehabilitation program, at the Agency’s sole discretion.

Employee Assistance Program

The Agency will assist and support employees who voluntarily seek help for alcohol and drug use problems before becoming subject to discipline or termination under this or other Agency policies. Such employees will be allowed to use accrued sick and/or vacation leave, be placed on leaves of absence, referred to treatment providers, and otherwise accommodated as required by law. Such employees may be required to document that they are successfully following prescribed treatment and to take and pass follow-up tests if they hold jobs that are safety-sensitive or require driving, or if they have violated this policy previously. Once a drug test has been scheduled, unless otherwise required by law, the employee will have forfeited the opportunity to be granted a leave of absence for treatment, and possible discipline, up to and including termination, will be unavoidable.

Employees should report to work fit for duty and free of any adverse effects of alcohol and/or illegal drugs. This policy does not prohibit employees from the lawful use and possession of prescribed medications. Employees must, however, consult with their doctor about the medications’ effect on their fitness for duty and ability to work safely, and they must promptly disclose any work restrictions to their supervisor. Employees should not, however, disclose to the Agency their underlying medical conditions.

Testing

The Agency affirms the need to protect the individual dignity, privacy, and confidentiality throughout the testing process. To ensure the accuracy and fairness of our testing program, all testing will be conducted according to Substance Abuse and Mental Health Services Administration (SAMHSA) guidelines where applicable and will include a screening test; a confirmation test; the opportunity for a split sample; review by a Medical Review Officer, including the opportunity for employees who test positive to provide a legitimate medical explanation, such as a physician’s prescription, for the positive result; and a documented chain of custody.

All drug-testing information will be maintained in separate confidential records.
An employee will be subject to the same consequences of a positive test if he/she refuses the screening or the test, adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter or refuses to cooperate in the testing process in such a way that prevents completion of the test.

**Post Job Offer/Pre Employment Testing** - Offers of employment will be conditional pending the outcome of an alcohol and drug-screening test. Alcohol and drug testing must be completed before the employee begins work. Individuals who refuse to be tested will be disqualified from employment. In addition, applicants who test positive are disqualified from further consideration for employment.

**Reasonable Suspicion Testing** - The Agency is concerned about both its employees and its desire to protect the affected employee, fellow employees, the public, equipment, and facilities from harm. In an effort to prevent harm, a reasonable suspicion test for drugs or alcohol will be conducted. An employee will be required to submit to a drug or alcohol test in cases where a supervisor, and at least two (2) other witnesses, have a reasonable suspicion that the employee’s faculties are impaired on the job, and/or that the employee’s impairment represents a clear and present danger to the physical safety of the employee, another employee, a member of the public, or extensive damage to property or equipment.

Some examples of reasonable observations may include but are not limited to:

- Appearance, behavior, tripping while walking, slurred or unusual speech, body odors;
- Indications of chronic use or withdrawal effects of controlled substances;
- Fighting (physical contact), assaults, or flagrant disregard or violation of established safety or security procedures.
- Being involved in an accident that causes damage to an Agency vehicle, machinery, equipment or property or results in the injury of any person, including themselves that requires offsite medical attention.

**Inspections to Enforce the Policy**

The Agency reserves the right, when there is reasonable suspicion, to inspect/search lockers, file cabinets, desks, boxes, agency vehicles, packages, food containers, and any other articles that might conceal alcohol, illegal drugs, and/or other inappropriate materials. This inspection/search may or may not be conducted in the presence of the employee, nor is employee permission required.

Inspections shall only be conducted when there is a reasonable suspicion concerning the unlawful use or possession of alcohol and/or drugs, and shall have the prior approval of the Executive Director or his/her designee. Inspections shall only be conducted by Agency management.
Objective

Employees who deviate from the requirements of the Alcohol and Drug Policy are subject to discipline action pursuant to the Personnel Policies and/or Memorandum of Understanding.

This Policy does not constitute a contractual agreement whatsoever, nor does it supersede any contractual arrangements that exist. No promise of any kind is made by the Agency in this Policy. Where the Alcohol and Drug Policy conflict with a labor agreement, Memorandum of Understanding (MOU), federal, state, or local law, the labor agreement, MOU, or law shall prevail.

Responsibilities

Each and every employee, officer, and commissioner is required to abide by the provisions set forth in the Alcohol and Drug Policy. The Executive Director or his/her designee is responsible for the administration, interpretation, and application of this Policy. The Boards of Commissioners are responsible for policy adoptions and revisions.
EXECUTIVE SUMMARY
The Boards of Commissioners adopted the current Investment Policy at the Board Meeting on October 17, 2014. The purpose of the Investment Policy is to provide a clear understanding of the investment options available as authorized by 24 CFR Part 85 Subpart C, the Annual Contribution Contract (ACC), the General Depository Agreement (FORM HUD-51999), HUD Notice 96-33 as extended by HUD Notice 02-13, and as authorized by California Government Code. The Boards of Commissioners may elect to further minimize investment risk by only authorizing specific investments found in the Investment Policy. The current Investment Policy elections represent a conservative investment strategy.

No change has been made to this policy since last adopted. This policy has been brought to the Boards of Commissioners for annual review and approval as required by California Government Code Section 53601 and as specified in the 2014 Investment Policy.

FISCAL IMPACT
There is no fiscal impact.

RECOMMENDATION
It is recommended that the Boards of Commissioners of the Housing Authorities of the City and County of Fresno adopt the Investment Policy.
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE CITY OF FRESNO

RESOLUTION NO:

RESOLUTION TO ADOPT THE INVESTMENT POLICY
HOUSING AUTHORITY OF THE CITY OF FRESNO

WHEREAS, the Housing Authority of the City of Fresno adopted the current Investment Policy on October 27, 2015, and,

WHEREAS, the Investment Policy references “The specific requirements for the investment of HUD funds are found in 24 CFR Part 85 Subpart C, the Annual Contribution Contract (ACC), the General Depository Agreement (FORM HUD-51999) and HUD Notice 96-33 as extended by HUD Notice 02-13.” and,

WHEREAS, the Investment Policy has been brought before the Board for an annual review of the investment policy of the Housing Authority of the City of Fresno as authorized by the aforementioned regulations,

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Fresno adopt the Investment Policy as presented.

PASSED AND ADOPTED THIS 27th day of October 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____________________________________________
Preston Prince, Secretary of the Board of Commissioners
BEFORE THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF FRESNO COUNTY

RESOLUTION NO:

RESOLUTION TO ADOPT THE INVESTMENT POLICY
HOUSING AUTHORITY OF FRESNO COUNTY

WHEREAS, the Housing Authority of Fresno County adopted the current Investment Policy on October 27, 2015, and,

WHEREAS, the Investment Policy references “The specific requirements for the investment of HUD funds are found in 24 CFR Part 85 Subpart C, the Annual Contribution Contract (ACC), the General Depository Agreement (FORM HUD-51999) and HUD Notice 96-33 as extended by HUD Notice 02-13.” and,

WHEREAS, the Investment Policy has been brought before the Board for an annual review of the investment policy of the Housing Authority of Fresno County as authorized by the aforementioned regulations,

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the Fresno County adopt the Investment Policy as presented.

PASSED AND ADOPTED THIS 27th day of October 2015. I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

____________________________________________
Preston Prince, Secretary of the Board of Commissioners
INVESTMENT POLICY AND GUIDELINES

It is the purpose of this policy to establish procedures and guidelines for the investment of funds not needed for immediate day-to-day operations as they pertain to the Housing Authority of the City of Fresno and the Housing Authority of Fresno County (the “Agency”). This policy is intended to comply with the California Government Code Sections 53600-53609 and 53630-53686 as currently written. The specific requirements for the investment of HUD funds are found in 24 CFR Part 85 Subpart C, the Annual Contribution Contract (ACC), the General Depository Agreement (FORM HUD-51999) and HUD Notice 96-33 as extended by HUD Notice 02-13. It recognizes that Federal grant and loan programs may have specific requirements that are different from those set forth here. For situations where the California Government Code investment requirements differ from those of the Federal Government, the requirements that are more restrictive will be followed.

I. Investment Objectives

Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority of the Agency investment activities shall be:

A. Safety: Safety of principal is the foremost objective of this investment policy. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

B. Liquidity: The investment portfolio will remain sufficiently liquid to enable the Agency to meet all operating requirements, which might be reasonably anticipated.

C. Return on Investment: Investment return becomes a consideration only after the basic requirements for safety and liquidity have been met. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles consistent with the investment policy of the Agency, taking into consideration investment risk constraints and cash flow characteristics of the portfolio.

II. Investment Securities and Diversification

A. Maximum Term of Investments: No investment shall be made in any security that at the time of the investment has a term remaining to maturity in excess of five years.

B. Authorized and Suitable Investments: The Agency is empowered by the HUD Notice 02-13 (See Attachment A to the HUD PIH Notice 96-33) to invest HUD funds in the following:

Adopted 10/27/15
1. United States Treasury Bills, Notes & Bonds.
2. Obligations issued by Agencies or Instrumentalities of the U.S. Government.
3. Insured Demand and Savings Deposits, provided that deposits in excess of the insured amounts must be 100 percent collateralized by securities listed in A & B above.
4. Insured Money Market Deposit Accounts, provided that deposits in excess of the insured amount must be 100 percent collateralized by securities listed in A & B above.
5. Certificates of Deposits provided they are insured by an agency of the Federal Government. Deposits in excess of the insurance limit should be limited to terms of no longer than 30-90 days with amounts in excess of the limit 100% collateralized by U.S. Government securities.
6. Sweep Accounts that are 100 percent collateralized by securities listed in 1) & 2) above.
7. Any other investment security authorized under the provisions of HUD Notice PIH 02-13.

<table>
<thead>
<tr>
<th>Investment Types</th>
<th>Authorized By Investment Policy</th>
<th>*Maximum Percentage Of Portfolio</th>
<th>*Maximum Investment In One Issuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Agency Bonds</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>U.S. Treasury Obligations</td>
<td>Yes</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>U.S. Agency Securities, Including GNMA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage-Backed Securities</td>
<td>Yes</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Securities of Gov-Sponsored Agencies</td>
<td>Yes</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Demand &amp; Savings Deposits</td>
<td>Yes</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Money Market Deposit Accounts</td>
<td>Yes</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Local Government Investment Pool (with a perfected security interest)</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Super NOW Accounts</td>
<td>No</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>Yes</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Certificates of Deposit (in excess of $250,000)</td>
<td>Yes</td>
<td>90 days</td>
<td>None</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Reverse Repurchase Agreements</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Separate Trading of Registered Interest and Principal of Securities (STRIPS)</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

* Based on the requirements set forth in HUD Notice PIH 96-33 extended by Notice PIH 02-13 or investment policy requirements, whichever is more restrictive. For situations where Federal Government investment requirements differ from those of the California Government Code, the requirements that are more restrictive will be followed.

Adopted 10/27/15
The Agency is empowered by California Government Code Sections 5922 and 53601 to invest non-HUD funds in the following:

1. Bonds issued by local government agencies with a maximum maturity of five years (See Attachment B to the HUD PIH Notice 96-33).
2. United States Treasury Bills, Notes & Bonds.
3. Registered warrants, treasury notes or bonds issued by the State of California.
4. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurer, other local agencies or Joint Powers Agencies.
5. Obligations issued by Agencies or Instrumentality of the U.S. Government.
6. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
7. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
8. Any other investment security authorized under the provisions of Government Code 5922 and 53601.

Attachment A, HUD Approved Investment Instruments, and Attachment B, Government Code Section 53601, also provide a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. These attachments are included by reference in this investment policy.
III. **Prohibited Investments**

Under the provisions of Government Code Section 53631.5, the Agency shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only STRIPS derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity. In addition the provisions of Government Code Section 53601 et. seq. applies.

IV. **Collateralization**

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party and valued on a monthly basis. The percentage of collateralization on repurchase agreements will conform to the amount required under Government Code 53601(I)(2).
V. **Safekeeping and Custody**
All securities purchased or acquired shall be delivered to the Agency by book entry, physical delivery or by third party custodial agreement, including electronic delivery (Government Code 53601). A timely and complete confirmation and/or safekeeping receipt is required for each securities transaction. When a confirmation is accepted for book entry securities, such confirmation must indicate the location if different from the bank or dealer issuing the confirmation. Book entry securities must be held in insured accounts.

VI. **Diversification**
It is the policy of the Agency to diversify its investment portfolio. The Agency will diversify its investments by security type and, within each type, by institution. To support the stated investment objectives the portfolio must be constructed so as to minimize risk and maintain marketability. However, a portfolio consisting exclusively of LAIF and/or U.S. Treasury securities is acceptable. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following guidelines shall apply:

A. The anticipated cash flow needs of the Agency should be considered when selecting investments. Portfolio maturities shall be matched against projected liabilities to avoid an over-concentration in a specific series of maturities.

B. Maturities selected shall provide for stability and liquidity.

C. Disbursement and payroll dates shall be covered by the scheduled maturity of specific investments, marketable U.S. Treasury Bills or notes or other cash equivalent instruments, such as money market mutual funds.

VII. **Investment and Reporting Practices**
Investment Authority: the investment authority will be vested in the Executive Director/CEO who may delegate such authority to duly capable personnel such as the Chief Administrative Officer, Chief Financial Officer, or Director of Finance.

Acceptable Dealers of Securities: Negotiable securities should be purchased or sold through a national bank; a California State chartered bank, or a brokerage firm having a national presence.

Exceptions to this policy may be approved by the Boards of Commissioners provided that the investment remains in compliance with the requirements of the Federal and/or State regulations as stated above.

Adopted 10/27/15
The Investment Policy shall be reviewed and adopted by the Boards of Commissioners annually.

VIII. Supplementary Materials for Staff Review

- California Government Code Section 53601
- HUD Notice PIH 02-13
- HUD Notice PIH 96-33
Executive Summary

The purpose of this memo is to provide the Boards of Commissioners with updated information on the 2015 PHA Five-Year Plans and 2016 PHA Annual Plans.

On July 28, 2015, staff came to the Boards with recommended changes to the 2015 Five-Year Plans and 2016 Annual Plans. Subsequent to the meeting, a public viewing period of 45 days began. The documents made available for public viewing included additional language related to RAD conversions and household rights upon conversion. The public documents spelled out certain rights given to households, while the board documents referenced HUD Notices that included these same household rights.

On September 22, 2015, the 45-day public viewing period concluded with a public hearing to finalize the Five-Year Plan and Annual Plan submissions. The documents included with the September board packet inadvertently omitted the additional language surrounding household rights upon RAD conversion even though the correct, complete version was publically posted, presented by staff with powerpoint, and discussed at the Board meeting. Staff wanted the official Board documents to reflect the correct version of the Plan amendments. The attached documents reflect the additional language which is underlined.

Recommendation

It is recommended that the Boards of Commissioners of the Housing Authority of the City of Fresno and the Housing Authority of Fresno County ratify the additional language that was included as part of the Five-Year plan and Annual Plan submissions. Agency counsel has advised staff that, because the correct version was publicly posted and considered by the Boards, ratifying this language appears to be an appropriate action for the Boards.

In accordance with Section 511 of the Quality Housing and Work Responsibility Act of 1998, 24 CFR Part 903 and subsequent U.S. Department of Housing and Urban Development notices, FH staff has prepared an amendment to the 2015 PHA Administrative Plan for the Housing Choice Voucher Program, as well as Five-Year Plan changes pertaining to Public Housing and Rental Assistance Demonstration (RAD). FH staff have also prepared updates to the 2016 PHA Annual Plans for the City and
County. Also included are updates to the 2016 Admissions and Continued Occupancy Plan (ACOP) for Public Housing and the Administrative Plan for the Housing Choice Voucher Program. The purpose of the PHA Plan is to notify HUD of any changes to the prior year’s Five-Year or Annual Plan as well as report on the progress in prior Plans.
RESOLUTION NO._______

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF THE CITY OF FRESNO

RESOLUTION AUTHORIZING RATIFICATION OF THE
2015-2019 PUBLIC HOUSING AUTHORITY FIVE-YEAR & ANNUAL PLAN AMENDMENTS AS
SUBMITTED TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Quality Housing and Work Responsibility Act of 1998, established the U.S. Department of Housing and Urban Development’s (HUD) responsibility for reviewing and approving or disapproving Public Housing Authority (PHA) Annual and Five-Year Plans; and

WHEREAS, the PHA Annual Plan informs HUD, residents and the public of the PHA’s mission for serving the needs of low-income and very low-income families and the strategies for addressing those needs; and

WHEREAS, HUD requires each Housing Authority to submit an Annual Plan for tenant-based assistance and public housing programs, and once every five years a Five-Year Plan;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Fresno Housing Authority ratify the 2015-2019 Public Housing Authority Five-Year & Annual Plan Amendments and as submitted to HUD on October 8, 2015.

PASSED AND ADOPTED THIS 27th day of October, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_________________________________________________
Preston Prince, Secretary of the Boards of Commissioners
RESOLUTION NO._______

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF FRESNO COUNTY

RESOLUTION AUTHORIZING RATIFICATION OF THE
2015-2019 PUBLIC HOUSING AUTHORITY FIVE-YEAR & ANNUAL PLAN AMENDMENTS AS
SUBMITTED TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Quality Housing and Work Responsibility Act of 1998, established the U.S. Department of Housing and Urban Development’s (HUD) responsibility for reviewing and approving or disapproving Public Housing Authority (PHA) Annual and Five-Year Plans; and

WHEREAS, the PHA Annual Plan informs HUD, residents and the public of the PHA’s mission for serving the needs of low-income and very low-income families and the strategies for addressing those needs; and

WHEREAS, HUD requires each Housing Authority to submit an Annual Plan for tenant-based assistance and public housing programs, and once every five years a Five-Year Plan;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Fresno Housing Authority ratify the 2015-2019 Public Housing Authority Five-Year & Annual Plan Amendments and as submitted to HUD on October 8, 2015.

PASSED AND ADOPTED THIS 17th day of October, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_________________________________________________
Preston Prince, Secretary of the Boards of Commissioners
RESOLUTION NO._______

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF THE CITY OF FRESNO

RESOLUTION AUTHORIZING RATIFICATION OF THE
2016 PUBLIC HOUSING AUTHORITY ANNUAL PLAN TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Quality Housing and Work Responsibility Act of 1998, established the U.S. Department of Housing and Urban Development’s (HUD) responsibility for reviewing and approving or disapproving Public Housing Authority (PHA) Annual and Five-Year Plans; and

WHEREAS, the PHA Annual Plan informs HUD, residents and the public of the PHA’s mission for serving the needs of low-income and very low-income families and the strategies for addressing those needs; and

WHEREAS, HUD requires each Housing Authority to submit an Annual Plan for tenant-based assistance and public housing programs, and once every five years a Five-Year Plan;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Fresno Housing Authority ratify the 2016 Public Housing Authority Annual Plan as submitted to HUD on October 12, 2015.

PASSED AND ADOPTED THIS 27TH day of October, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_________________________________________________

Preston Prince, Secretary of the Boards of Commissioners
Five-Year Plan and Annual Plan – Additional Language

The Fresno Housing Authority is amending its Annual and 5 year PHA Plan because it was a successful applicant in the Rental Assistance Demonstration (RAD). As a result, the Fresno Housing Authority will be converting certain public housing developments identified in this plan amendment to Project Based Rental Assistance under the guidelines of PIH Notice 2012-32, REV-2 and any successor Notices.

Upon conversion to Project Based Rental Assistance the Authority will adopt the following resident rights and participation, tenant protections, waiting list and grievance procedures listed in Section 1.7 of PIH Notice 2012-32, REV-2 and Joint Housing PIH Notice H-2014-09/PIH-2014-17:

At RAD conversion, current households (including those temporarily relocated to facilitate construction or rehabilitation) will not be subject to rescreening, income eligibility, or income targeting provisions, but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

- All current households in good standing at RAD sites will, upon conversion, have a right to return after any temporary relocation necessary to facilitate rehabilitation or construction.
- Tenant rent increases purely as a result of conversion and that exceed the greater of 10% or $25 greater will be phased in over a 3 year period, which may extend to 5 years in accordance with HUD requirements.
- Tenants who currently participate in the ROSS-SC and FSS programs may continue to participate.
- Any tenants who currently receive the earned income disregard (EID) will continue to be eligible for it until the earlier to occur of: the tenant receiving the EID exclusion undergoes a break in employment or ceases to use the EID exclusion, or the EID exclusion expires. No other tenants at the RAD site may receive the EID. Tenants whose EID ceases or expires after conversion shall not be subject to the rent-phase in; rather, the rent will automatically adjust to the appropriate rent level based upon tenant income at that time.
- The Housing Authority and Owner will continue to recognize and fund legitimate residents organizations.
- Tenants will be afforded the procedural rights consistent with section 6 of the U.S. Housing Act of 1937, as amended, and as interpreted by HUD in the RAD Notice PIH-2012-32, REV-2, including termination notification and a grievance process. Those procedural rights will be incorporated into the House Rules for the RAD conversion sites.
- Tenants of RAD conversion sites may move with tenant-based rental assistance on or after the later to occur of: (a) 24 months from date of execution of the RAD HAP or (b) 24 months after the move-in date. Notwithstanding this choice-mobility right, the Housing Authority will not provide, in any year, more than one-third of its turnover vouchers to the residents of its RAD projects and no more than 15% of the households in a RAD project may move under the choice-mobility option in a given year.
- Any residents in place at the time of conversion to PBRA, as well as newly admitted residents, the owner may not process a termination of assistance if the Total Tenant Payment (TTP) (i.e., 30% of adjusted gross income paid toward rents and utilities) exceeds the contract rent plus any utility allowance. Instead, the owner must charge a tenant rent that is the lesser of 30% of the household adjusted income, less the utility allowance in the contract with the tenant retaining all rights under the Model PBRA Lease.

Additionally, the Fresno Housing Authority certifies that it is currently compliant with all fair housing and civil rights requirements, that the RAD conversions described in this plan comply with applicable site selection and neighborhood review standards. The Housing Authority is not presently under any voluntary compliance agreements, orders, rulings, or similar decisions that would be negatively impacted by RAD conversion activities described herein.

The RAD conversion will comply with all applicable site selection and neighborhood reviews standards and Fresno Housing Authority has followed all appropriate procedures.
The Fresno Housing Authority will submit all required information and certifications necessary to submit a Significant Amendment to the PHA Plan, including Resident Advisory Board comments and responses, challenged elements, and all required certifications.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing the Fresno Housing Authority with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's annual Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, the annual estimate for which is included in the attachment. Please be aware that the Fresno Housing Authority may also borrow funds to address their capital needs.

The Fresno Housing Authority estimates that it will contribute Operating Reserves up to $2,336,890 ($2,462,601 for CA028), Capital Funds in the amount of $1,081,314 ($1,103,563 for CA028) and Replacement Housing Factor (RHF) Funds in the amount of $336,000 towards the conversion.

Attached, please find specific information related to the Public Housing Developments selected for RAD.

Policy changes for converted projects that will result in a transfer of assistance related to eligibility may include the following:

- HOME requirements limiting the housing to very low-income and low-income families;
- HOME requirements reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants);
- Low Income Housing Tax Credit (LIHTC) requirements based on maximum annual income at 60% of area median income and eligibility requirements of the LIHTC program

Policy changes for converted projects that will result in a transfer of assistance related to waiting list, admission, and selection may include the following:

- Establishment of a new site-based waiting list. Applicants on the current site-based wait-list will be notified of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on the project-specific waiting list for the projects that will have a transfer of assistance shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.
- Adopting HOME preferences for a particular segment of the population if permitted in its written agreement with the participating jurisdiction (and only if the limitation or preference is described in the participating jurisdiction's consolidated plan)
- Adopting preferences for veterans for project based rental assistance units
- All current households in good standing at RAD sites will, upon conversion, have a right to return after any temporary relocation necessary to facilitate rehabilitation or construction and will have priority for admission to the new site.
RESOLUTION NO.________

BEFORE THE BOARD OF COMMISSIONERS OF THE

HOUSING AUTHORITY OF FRESNO COUNTY

RESOLUTION AUTHORIZING RATIFICATION OF THE
2016 PUBLIC HOUSING AUTHORITY ANNUAL PLAN TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the Quality Housing and Work Responsibility Act of 1998, established the U.S. Department of Housing and Urban Development’s (HUD) responsibility for reviewing and approving or disapproving Public Housing Authority (PHA) Annual and Five-Year Plans; and

WHEREAS, the PHA Annual Plan informs HUD, residents and the public of the PHA’s mission for serving the needs of low-income and very low-income families and the strategies for addressing those needs; and

WHEREAS, HUD requires each Housing Authority to submit an Annual Plan for tenant-based assistance and public housing programs, and once every five years a Five-Year Plan;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Fresno Housing Authority ratify the 2016 Public Housing Authority Annual Plan as submitted to HUD on October 12, 2015.

PASSED AND ADOPTED THIS 27th day of October, 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_________________________________________________

Preston Prince, Secretary of the Boards of Commissioners
EXECUTIVE SUMMARY

The U.S. Department of Housing and Urban Development (HUD) has increased the Administrative Fee revenue proration from 79% to 81% retroactive to January 1, 2015. When coupled with updated leasing levels, this new proration will result in approximately $350,000 of additional administrative funding from 2nd quarter full-year projections. These changes will be reflected in the 3rd quarter operating results that will be brought to the board in November.

In order to acquire full points for SEMAP indicator 13 (Lease-Up), each program’s HAP utilization rate or voucher utilization rate must be 98% or above. Internally, we strive for a 99% voucher utilization in order to house as many families as possible and maximize funding for the upcoming year.

As in the past, we will continue to diligently monitor our HAP and voucher utilization rates.

CITY HCV

HAP expenditures for the month of September totaled $3,546,391. The Per Unit Cost (PUC) has decreased from $523 in August to $521 in September. HAP expenditures through 3rd quarter 2015, ending September 30, were $33.27 million. HAP expenditures for the year are projected at $44.1 million, resulting in 97.38% utilization of HAP funding, and an expected year-end balance of $3.03 million in HAP reserves.

The overall projected voucher utilization for CY 2015 is 98.65%, ending the month of December at 98.3%. This 98.65% voucher utilization rate will meet HUD’s utilization standard but barely miss our internal target of 99%.

COUNTRY HCV

HAP expenditures for the month of September totaled $2,995,304. The PUC for September decreased to $518 from $519 in August. HAP expenditures through 3rd quarter 2015, ending September 30, were $26.65 million. HAP expenditures for the year are projected at $34.98 million, resulting in 98.49% utilization of HAP funding, and an expected year-end balance of $1.45 million in HAP reserves.
The overall projected voucher utilization for CY 2015 is 99.94%, ending the month of December at 91.08%. This 99.94% voucher utilization rate will exceed HUD’s utilization standard as well as our internal target of 99%.

**Recommendation**
This item is informational only. No action is necessary.
## CITY HAP ANALYSIS - CALENDAR YEAR 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total HAP Revenue (101.2%)</td>
<td>3,712,347</td>
<td>3,847,846</td>
<td>3,847,846</td>
<td>3,741,556</td>
<td>3,858,194</td>
<td>3,614,360</td>
<td>3,805,233</td>
<td>3,805,233</td>
<td>3,701,144</td>
<td>3,701,144</td>
<td>3,701,142</td>
<td>45,288,528</td>
<td></td>
</tr>
<tr>
<td>Net HAP</td>
<td>40,677</td>
<td>47,678</td>
<td>108,211</td>
<td>(14,044)</td>
<td>135,246</td>
<td>...</td>
<td>189,319</td>
<td>258,842</td>
<td>135,981</td>
<td>91,136</td>
<td>46,289</td>
<td>1,186,728</td>
<td></td>
</tr>
<tr>
<td>Items Impacting NRA*</td>
<td>259</td>
<td>362</td>
<td>366</td>
<td>745</td>
<td>...</td>
<td>975</td>
<td>975</td>
<td>975</td>
<td>975</td>
<td>975</td>
<td>975</td>
<td>12,547</td>
<td></td>
</tr>
<tr>
<td>PHA-Held Reserve Balance</td>
<td>$89,071</td>
<td>$137,111</td>
<td>$217,154</td>
<td>$232,389</td>
<td>$372,450</td>
<td>...</td>
<td>$971,079</td>
<td>$1,108,035</td>
<td>$1,200,146</td>
<td>$1,247,410</td>
<td>$1,247,410</td>
<td>$1,247,410</td>
<td></td>
</tr>
<tr>
<td>HAP-Held Reserve Balance</td>
<td>$1,858,863</td>
<td>$1,858,863</td>
<td>$1,858,863</td>
<td>$1,858,863</td>
<td>$1,858,863</td>
<td>...</td>
<td>$1,547,665</td>
<td>$1,547,665</td>
<td>$1,547,665</td>
<td>$1,547,665</td>
<td>$1,547,665</td>
<td>$1,547,665</td>
<td></td>
</tr>
<tr>
<td>Total HAP Reserve Balance</td>
<td>$1,947,934</td>
<td>$1,995,974</td>
<td>$2,076,017</td>
<td>$2,091,252</td>
<td>$2,231,313</td>
<td>...</td>
<td>$2,111,869</td>
<td>$2,156,158</td>
<td>$2,693,114</td>
<td>$2,785,224</td>
<td>$2,785,420</td>
<td>$2,785,420</td>
<td></td>
</tr>
<tr>
<td>Monthly Utilization</td>
<td>98.92%</td>
<td>98.76%</td>
<td>97.19%</td>
<td>100.38%</td>
<td>96.49%</td>
<td>...</td>
<td>95.02%</td>
<td>93.20%</td>
<td>96.33%</td>
<td>97.54%</td>
<td>98.75%</td>
<td>97.38%</td>
<td></td>
</tr>
<tr>
<td>YTD Utilization</td>
<td>98.92%</td>
<td>98.84%</td>
<td>98.29%</td>
<td>98.80%</td>
<td>98.33%</td>
<td>...</td>
<td>97.33%</td>
<td>97.20%</td>
<td>97.38%</td>
<td>97.38%</td>
<td>97.38%</td>
<td>97.38%</td>
<td></td>
</tr>
</tbody>
</table>

**VOUCHER UTILIZATION**

<table>
<thead>
<tr>
<th>Voucher Utilization</th>
<th>Baseline</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>YTD Baseline</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Utilization</td>
<td>98.98%</td>
<td>98.76%</td>
<td>98.29%</td>
<td>98.80%</td>
<td>98.33%</td>
<td>...</td>
<td>97.33%</td>
<td>97.20%</td>
<td>97.38%</td>
<td>97.38%</td>
<td>97.38%</td>
<td>97.38%</td>
</tr>
<tr>
<td>YTD Utilization</td>
<td>98.98%</td>
<td>98.84%</td>
<td>98.29%</td>
<td>98.80%</td>
<td>98.33%</td>
<td>...</td>
<td>97.33%</td>
<td>97.20%</td>
<td>97.38%</td>
<td>97.38%</td>
<td>97.38%</td>
<td>97.38%</td>
</tr>
</tbody>
</table>

**ADMINISTRATIVE FEES**

| Administrative Fees Earned (81%) | 413,471 | 421,571 | 417,087 | 408,721 | 418,891 | 411,786 | 415,400 | 405,465 | 398,609 | 400,701 | 405,697 | 426,579 | 4,943,979 |
| Administrative Expenses | 357,841 | 441,736 | 474,004 | 424,739 | 502,701 | 383,883 | 516,139 | 381,621 | 464,215 | 494,097 | 494,097 | 494,097 | 5,428,169 |
| Monthly Surplus/(Deficit) | 46,631 | (20,165) | (86,017) | (80,018) | (93,810) | 27,893 | (100,739) | 23,844 | (85,606) | (88,909) | (87,187) | (88,909) | (87,187) |
| YTD Surplus/(Deficit) | 55,631 | (20,165) | (56,917) | (16,018) | (93,810) | 27,893 | (100,739) | 23,844 | (85,606) | (88,909) | (87,187) | (88,909) | (87,187) |

**AVG HOUSEHOLD INCOME**

| Avg Household Inc. | 10,361 | 10,395 | 10,394 | 10,304 | 10,398 | 10,409 | 10,412 | 10,397 | 10,360 | 10,360 | 10,360 | 10,360 | 10,360 | 10,360 | 10,360 | 10,360 |
| Per Unit Cost | 528 | 527 | 524 | 538 | 526 | 526 | 516 | 523 | 521 | 521 | 521 | 521 | 521 | 521 | 521 | 521 |

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization*
## COUNTY HAP ANALYSIS - CALENDAR YEAR 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>HAP Expenses</td>
<td>2,722,744</td>
<td>2,863,837</td>
<td>2,978,159</td>
<td>2,986,952</td>
<td>2,983,265</td>
<td>3,045,749</td>
<td>3,045,749</td>
<td>3,045,749</td>
<td>2,988,976</td>
<td>2,776,654</td>
<td>2,667,328</td>
<td>34,980,395</td>
<td></td>
</tr>
<tr>
<td>Net HAP</td>
<td>88,987</td>
<td>(62,545)</td>
<td>(156,806)</td>
<td>(53,333)</td>
<td>(23,436)</td>
<td>(8,900)</td>
<td>(2,924,752)</td>
<td>(2,924,752)</td>
<td>(2,924,752)</td>
<td>(2,924,752)</td>
<td>(2,924,752)</td>
<td>(2,924,752)</td>
<td></td>
</tr>
<tr>
<td>Items Impacting NRA*</td>
<td>618</td>
<td>230</td>
<td>3,754</td>
<td>80</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,682</td>
<td></td>
</tr>
<tr>
<td>PHA-Held Reserve Balance</td>
<td>$305,513</td>
<td>$243,198</td>
<td>$90,146</td>
<td>$36,293</td>
<td>$12,947</td>
<td>$152,016</td>
<td>$160,916</td>
<td>$66,380</td>
<td>$183,288</td>
<td>$545,950</td>
<td>$756,913</td>
<td>$756,913</td>
<td></td>
</tr>
<tr>
<td>Items Impacting HUD Reserve</td>
<td>$0</td>
<td>$0</td>
<td>$291,699</td>
<td>$0</td>
<td>$0</td>
<td>$270,877</td>
<td>$0</td>
<td>$0</td>
<td>$376,483</td>
<td>$0</td>
<td>$0</td>
<td>$602,865</td>
<td></td>
</tr>
<tr>
<td>HUD-Held Reserve Balance</td>
<td>$1,294,999</td>
<td>$1,294,999</td>
<td>$1,514,617</td>
<td>$1,514,617</td>
<td>$1,514,617</td>
<td>$1,514,617</td>
<td>$867,257</td>
<td>$867,257</td>
<td>$867,257</td>
<td>$867,257</td>
<td>$867,257</td>
<td>$867,257</td>
<td></td>
</tr>
<tr>
<td>Total HAP Reserve Balance</td>
<td>$1,600,512</td>
<td>$1,538,197</td>
<td>$1,604,763</td>
<td>$1,550,910</td>
<td>$1,527,564</td>
<td>$1,395,756</td>
<td>$1,404,656</td>
<td>$1,310,120</td>
<td>$1,050,545</td>
<td>$1,311,569</td>
<td>$1,413,207</td>
<td>$1,449,047</td>
<td></td>
</tr>
<tr>
<td>Monthly Utilization</td>
<td>96.84%</td>
<td>102.22%</td>
<td>105.56%</td>
<td>101.85%</td>
<td>100.79%</td>
<td>95.55%</td>
<td>99.71%</td>
<td>103.20%</td>
<td>98.24%</td>
<td>91.71%</td>
<td>96.47%</td>
<td>92.67%</td>
<td></td>
</tr>
<tr>
<td>YTD Utilization</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td>98.49%</td>
<td></td>
</tr>
</tbody>
</table>

### VOUCHER UTILIZATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Unit Months Leased</td>
<td>5,335</td>
<td>5,593</td>
<td>5,709</td>
<td>5,794</td>
<td>5,843</td>
<td>5,978</td>
<td>5,877</td>
<td>5,781</td>
<td>5,570</td>
<td>5,359</td>
<td>5,148</td>
<td>67,824</td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td>(377)</td>
<td>(59)</td>
<td>57</td>
<td>142</td>
<td>144</td>
<td>191</td>
<td>326</td>
<td>222</td>
<td>109</td>
<td>(82)</td>
<td>(293)</td>
<td>504</td>
<td></td>
</tr>
<tr>
<td>YTD Unit Months Leased</td>
<td>5,335</td>
<td>10,928</td>
<td>16,637</td>
<td>22,431</td>
<td>28,227</td>
<td>34,070</td>
<td>40,484</td>
<td>45,925</td>
<td>51,706</td>
<td>57,276</td>
<td>62,635</td>
<td>67,824</td>
<td>67,824</td>
</tr>
<tr>
<td>Monthly Utilization</td>
<td>94.39%</td>
<td>96.96%</td>
<td>101.01%</td>
<td>102.51%</td>
<td>102.55%</td>
<td>102.57%</td>
<td>102.67%</td>
<td>102.78%</td>
<td>103.12%</td>
<td>103.45%</td>
<td>103.78%</td>
<td>104.11%</td>
<td>91.08%</td>
</tr>
<tr>
<td>YTD Utilization</td>
<td>94.39%</td>
<td>96.67%</td>
<td>98.12%</td>
<td>99.22%</td>
<td>99.88%</td>
<td>100.47%</td>
<td>101.22%</td>
<td>101.57%</td>
<td>101.65%</td>
<td>101.34%</td>
<td>100.74%</td>
<td>99.94%</td>
<td>99.94%</td>
</tr>
</tbody>
</table>

### ADMINISTRATIVE FEES

| Administrative Fees Earned (81%) | 312,817 | 327,449 | 337,817 | 339,244 | 341,974 | 349,818 | 343,950 | 338,372 | 336,892 | 336,892 | 336,892 | 4,041,245 |
| Administrative Expenses | 250,229 | 309,050 | 329,075 | 275,280 | 339,956 | 271,980 | 371,799 | 300,102 | 380,945 | 345,356 | 345,356 | 345,356 |
| Monthly Surplus/(Deficit) | 62,586 | 16,399 | 8,742 | 63,047 | (19,712) | 70,184 | (21,981) | 34,848 | (42,531) | (8,463) | (8,463) | (8,463) |

### AVG HOUSEHOLD INCOME

| Avg Household Inc. | 10,259 | 10,277 | 10,298 | 10,271 | 10,195 | 10,200 | 10,174 | 10,204 | 10,149 | 10,149 | 10,149 | 10,149 |
| Per Unit Cost | 510 | 516 | 522 | 512 | 515 | 511 | 516 | 518 | 518 | 518 | 518 | 518 |

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization*
Executive Summary

The purpose of this memo is to present the initial 2016 Agency Operating Budget, along with supporting information on federal funding levels and internal factors that have influenced our budgeting decisions. The Budget presented is a conservative approximation which will be refined to the satisfaction of the Boards by the end of this fiscal year.

Federal Budget

Currently, the 2016 Federal Appropriations Act, which is HUD’s basis of funding for the Public Housing program, the Housing Choice Voucher program and various other HUD programs, has not been signed into law. HUD funding makes up approximately 85% of the Agency’s operating budget, rendering it inextricably linked to funding decisions made at the federal level. The federal government is currently operating under a Continuing Resolution which is set to expire in December 11, 2015. If a full-year budget cannot be negotiated between Congress and the President before that date, another Continuing Resolution will be enacted (and funding levels would stay flat compared to FY 2015) or a government shutdown will occur. If a full-year budget is negotiated and passed, staff will incorporate those figures into our Agency budget. As always, staff is following the progress of the Federal Budget and will keep the Boards informed of any changes.

Proration

For several years the Authority has struggled with funding shortfalls from the federal government. These funding shortfalls are created when eligibility exceeds appropriated amounts, forcing HUD to “prorate” funding to housing authorities. The current budget proposal for Fresno Housing factors in an 83% proration to the Public Housing program (a 5.9% reduction from FY 2015), 69.5% proration to Housing Choice Voucher program’s administrative fees (a 9.5% reduction from FY 2015) and 100% proration to Housing Assistance Payments (a 0.3% increase from FY 2015). These amendments reflect a combination of the proposed FY 2016 budgets put forward by the Senate and the House, and are subject to revision contingent upon Congress’ ability to pass a FY 2016 Budget by the fast-
approaching Dec. 11, 2015 deadline. As updated funding pro-rations for FY 2016 become available appropriate revisions will be implemented.

**Internal Processes**

Staff continues to refine budgets for 2016 and adjust programs where necessary. Overall, the outlook for 2016 is positive. We anticipate receiving approximately $1.3 million more in developer fees for 2016 than was budgeted for 2015 and our professional/consulting cost are expected to decrease by $480 thousand, $400 thousand, and $150 thousands in the Planning and Community Development (P&CD), Core, and Assisted Housing (AHD) respectively. This is due to increased internal capacity and resources that were delayed in 2014 and 2015 due to uncertainty around funding levels. Taking into account other revenue and expense increases/decreases, the Agency’s first FY 2016 Budget Draft is balanced, presenting a net positive addition to our unrestricted reserve balance of $145 thousand, compared to the FY 2015 unrestricted reserve utilization of $664 thousand.

<table>
<thead>
<tr>
<th></th>
<th>2015 Approved Budget</th>
<th>2016 Proposed Budget</th>
<th>Budget to Budget Favor./ (Unfavor.) Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>35.36</td>
<td>36.58</td>
<td>1.22</td>
</tr>
<tr>
<td>Expenses</td>
<td>35.09</td>
<td>34.76</td>
<td>0.33</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>0.27</strong></td>
<td><strong>1.82</strong></td>
<td><strong>1.55</strong></td>
</tr>
<tr>
<td>Unrestricted Funds</td>
<td>(0.66)</td>
<td>0.15</td>
<td>0.81</td>
</tr>
</tbody>
</table>

Ongoing refinements to expenses will include personnel, administrative, maintenance, and overhead costs, such as professional fees, contracts, travel and training. Staff will also provide the Boards with an analysis of the programs most impacted by the continued budget cuts and the implications of those continued cuts relative to service levels, program compliance, and the strategic goals of the organization.

**Recommendation**

No action necessary. This item is informational only.
Introduction to the
2016 Budget
Fresno Housing Authority
Boards of Commissioners Meeting
October 27, 2015
Overview

• Federal Budget Update
• Projected Funding Levels & Potential Revenue Changes from 2015
• Projected Expense Levels & Initial Expenditures Changes from 2015
• 2016 Estimated Unrestricted Funds
Federal Budget Update

• Continuing Resolution was passed in September to fund the government at current levels until Dec. 11, 2015.

• Upcoming Federal Budget Concerns:
  – We may be facing another CR if Congress fails to approve a FY 2016 budget by Dec 11, 2015.
  – Presidential election in 2016 could further complicate the budget negotiations

• Potential candidates need to demonstrate their credentials by defending their constituents’ principles on key issues.
Major Programs & Historical Prorations

- 2016 Projected HAP = 100%
- 2016 Projected Low Rent Public Housing = 83%
- 2016 Projected HCV Admin Fees = 69.5%
### Potential Revenue Changes

<table>
<thead>
<tr>
<th>Category</th>
<th>2015 Budget</th>
<th>2016 Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADMIN &amp; MANAGEMENT FEES</td>
<td>13.93</td>
<td>13.02</td>
<td>(0.90)</td>
</tr>
<tr>
<td>RENTAL INCOME</td>
<td>6.20</td>
<td>7.05</td>
<td>0.85</td>
</tr>
<tr>
<td>HUD GRANTS</td>
<td>5.32</td>
<td>5.13</td>
<td>(0.19)</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td>6.30</td>
<td>7.65</td>
<td>1.34</td>
</tr>
<tr>
<td>GRANT FUNDING (Non-HUD)</td>
<td>2.04</td>
<td>2.06</td>
<td>0.02</td>
</tr>
<tr>
<td>SOFTWARE, EQIP &amp; OCCUPANCY</td>
<td>1.57</td>
<td>1.67</td>
<td>0.10</td>
</tr>
<tr>
<td>SALES OF INVESTMENTS/ASSETS</td>
<td>0.01</td>
<td>-</td>
<td>(0.01)</td>
</tr>
<tr>
<td><strong>Total Income:</strong></td>
<td><strong>35.36</strong></td>
<td><strong>36.58</strong></td>
<td><strong>1.22</strong></td>
</tr>
</tbody>
</table>

- Total Revenue Changes = +$1.22 million
  - Miscellaneous = +$1.34 million
    - 2016 Developer Fees are projected to be about $1.3 million more than in 2015
  - Rental Income = +$0.85 million
    - 2016 Dwelling rental in HSM is projected to be $500k higher than in 2015.
    - Scheduled rent for Aff will be $270k higher in 2016 due to the addition of San Ramon and higher rent rates.
  - Admin & Mgmt Fees = ($0.90 thousand)
    - Proration on HCV Admin Fees collected is projected to be 9.5% lower in 2016 relative to 2015 resulting in $826k less revenue earned.
• Agency has reduced expenses as funding levels have decreased over the past 6 years (total of 22% budget reduction since 2010)
## Initial Expenditure Changes

<table>
<thead>
<tr>
<th></th>
<th>Approved 2015 Budget</th>
<th>Proposed 2016 Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>14.79</td>
<td>15.48</td>
<td>0.69</td>
</tr>
<tr>
<td>Administrative Overhead</td>
<td>14.47</td>
<td>13.35</td>
<td>(1.12)</td>
</tr>
<tr>
<td>Fleet &amp; Facilities</td>
<td>4.80</td>
<td>4.77</td>
<td>(0.04)</td>
</tr>
<tr>
<td>TRAVEL, TRAINING, STAFF DEVELOPMENT</td>
<td>0.43</td>
<td>0.59</td>
<td>0.16</td>
</tr>
<tr>
<td>Other</td>
<td>0.60</td>
<td>0.58</td>
<td>(0.02)</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td><strong>35.09</strong></td>
<td><strong>34.76</strong></td>
<td><strong>(0.33)</strong></td>
</tr>
</tbody>
</table>

- **Initial Expenditure Changes** = ($327 thousand)
  - **Salaries & Benefits** = +$694 thousand
    - Increase in Core by $679 thousand due to additional personnel in ITS, HR, and Accounting/Finance.
    - **Administrative Overhead** = ($1.12 million)
      - Reduction in both PCD and Core by ($480k and $400k respectively) due to lower Professional/Consulting Fees expense.
      - Reduction in AHD by ($369 thousand) due to lower Prof/Con. Fees in Resident Services (150k), lower Contracts Administrative and software expenses in HCV (80k & 50k respectively), and decrease in Admin Overhead (80k).
Projected Unrestricted Funds

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Budget to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved</td>
<td>Proposed</td>
<td>Budget</td>
</tr>
<tr>
<td>Income</td>
<td>35.36</td>
<td>36.58</td>
<td>1.22</td>
</tr>
<tr>
<td>Expenses</td>
<td>35.09</td>
<td>34.76</td>
<td>0.33</td>
</tr>
<tr>
<td>Net Income</td>
<td>0.27</td>
<td>1.82</td>
<td>1.55</td>
</tr>
<tr>
<td>Unrestricted Funds</td>
<td>(0.66)</td>
<td>0.15</td>
<td>0.81</td>
</tr>
</tbody>
</table>

- Current budget draft shows a net increase of $145 thousand in unrestricted reserves in 2016.
- Notable Items:
  - Increased Developer fees in 2016
  - 2016 Budget includes new talent acquisitions
  - Staff will refine certain line items including overhead, professional fees, and personnel costs.
Questions or Comments?