# TABLE OF CONTENTS

**Creating the Atlanta Blueprint**

Since 1994, AHA has envisioned and created a new "blueprint" for providing affordable housing opportunities in amenity-rich, mixed-income communities that are economically integrated places where people from all walks of life can live, learn, work and play. AHA's blueprint also envisions restoring human dignity and a strong sense of personal responsibility and empowerment through long-term strategic investments in families and the adoption and implementation of policies that serve to mainstream families into a culture of education, work and building economic independence and self-reliance. Powered by the innovation afforded under its Moving to Work Agreement with HUD, AHA has been able to exponentially implement and refine its blueprint by setting forth a new paradigm of delivery of the affordable housing resource in Atlanta and igniting the human potential of AHA-assisted families.

Leveraging the lessons learned from our HOPE VI, mixed-income revitalization program and closely adhering to our five guiding principles in the development of our MTW Agreement, AHA has learned a number of additional meaningful lessons which have proven to be essential in advancing the Atlanta blueprint. These lessons learned are:

***All real estate is local. The Local Control afforded under AHA's MTW Agreement is essential and provides it with the flexibility to be innovative and responsive in real-time to local housing needs*** –AHA's MTW Agreement has afforded AHA greater local control in developing policies, business processes and strategies to meet the affordable housing needs in the City of Atlanta and has enabled AHA to be more nimble in taking advantage of the dynamic Atlanta real estate market. As a result, AHA has been able to:

(1) Expand the availability and quality of affordable housing seamlessly in high quality, market competitive mixed-income communities; and in other desirable neighborhoods throughout the City.
(2) Align our policies and business processes to attract and establish long-term relationships with great private sector developers, real estate owners and landlords who apply private sector principles and business practices that support the quality of life, sustainability and viability of the living environments.
(3) Make substantial strategic investments in families (without regard to program boundaries) based on household needs. AHA has also been able to adopt policies and align its business processes to encourage and support long-term partnerships with the foundation community and established community-based service providers with the shared goals of enabling AHA-assisted households to achieve family success; engage in life-long education, participate in the work force and achieve higher levels of income and upward mobility.

***AHA's MTW Agreement has removed the barriers associated with federal housing regulations that are outdated, fail to incent private sector participation and private investment and apply a "one-size fits all" approach*** - AHA's MTW Agreement has enabled AHA to align its policies, business processes and practices with the goal of leveraging private sector investment and incenting participation in long-term public/private partnerships utilizing private sector business principles. Through public/private partnerships, AHA is able to do more with less and to achieve better operating efficiency and effectiveness and substantially better outcomes for AHA-assisted households.

***MTW Single Fund minimizes the "silo" affect associated with the administration of housing programs*** –A flagship of the MTW program has been the ability to combine Low Income Operating Funds, certain Capital Funds and Housing Choice Voucher funds to create a single fund to implement eligible MTW activities as set forth in AHA's MTW Business Plan, as updated and amended on an annual basis. This single-fund approach removes most of the requirements tied to the individual subsidy programs and allows AHA to take a business approach and be more entrepreneurial in its decision-making and operations. Amidst limited and diminishing federal subsidies, AHA has been able to (1) make informed business decisions and deploy the funds to meet the affordable housing needs in the Atlanta community based on the goals, objectives and outcomes set forth in AHA's MTW Business Plan; (2) invest in human development services and supportive services programs that uniformly serve AHA-assisted households without regard to the subsidy program boundaries; and (3) use MTW funds to operate an efficient and well-run diversified real estate company with a public mission and purpose.

**The need to continue AHA's MTW Agreement (without further changes) is essential to its continued success and long-term financial viability. AHA recently signed, after protracted negotiations, its amended and restated MTW Agreement with HUD in November 2008 and a second amendment in January 2009.** Each of the MTW Program, generally, and AHA's MTW Agreement, in particular, represents a thoughtful, responsible and trailblazing shift for local housing agencies to be more business-centric in their operations and practices while retaining their public purpose and mission. The attempt to establish a revised set of federal regulations and requirements that "tweak" the same old practices and achieve the same bad outcomes is not the answer. The old model is sociologically and spiritually obsolete. We can and must continue to end the practice of concentrating the poor—it is detrimental and destructive.

As you review this report, it is our hope that AHA's demonstrated successes and lessons learned as a participant in the MTW Program will continue to contribute to the conversation of the merits of continuing and expanding the MTW Program. We know that through thoughtful and responsible de-regulation and innovative community building strategies, local housing agencies all over America can continue to facilitate healthier economically integrated environments for the benefit of our low-income citizens.

# EXECUTIVE SUMMARY

AHA has envisioned and created a new "blueprint" for providing affordable housing opportunities and for restoring dignity and a strong sense of personal responsibility and empowerment. Powered by the innovation afforded by MTW, AHA has been able to exponentially implement and refine its blueprint by setting forth a new paradigm of delivery of affordable housing and igniting the human potential of AHA-assisted families.

Atlanta Housing Authority (AHA) continues to make great progress under the Moving to Work (MTW) Demonstration toward achieving its Vision of Healthy Mixed-Income Communities. This FY 2009 MTW Report responds to the priorities and activities captured in AHA's FY 2009 MTW Annual Plan, which represents the sixth year of AHA's participation under the Moving to Work Demonstration. This MTW Report captures the outcomes and accomplishments AHA has realized for the period ending June 30, 2009.

## *Amended and Restated MTW Agreement*

During FY 2009, in response to HUD's decision to expand and extend the MTW Demonstration period, AHA and HUD negotiated and executed an Amended and Restated MTW Agreement. On November 13, 2008, AHA and HUD executed AHA's Amended and Restated MTW Agreement. On January 16, 2009, AHA and HUD executed a further amendment to the Amended and Restated MTW Agreement (collectively, the "Amended and Restated MTW Agreement"), which clarified and expanded AHA's ability to use MTW Funds outside of Section 9 and Section 8 of the U.S. Housing Act of 1937, as amended ("1937 Act"). The Amended and Restated MTW Agreement re-affirmed, in all material respects, all of the authorizations set forth in Appendix A of the Original MTW Agreement and includes these authorizations in Attachment D. AHA has all of the authorizations needed from HUD under the Amended and Restated MTW Agreement to implement the activities described in AHA's FY 2009 MTW Annual Report.

## *AHA'S FY 2009 PRIORITY ACTIVITIES*

During FY 2009, AHA's organizational priorities continued to be aligned around six major Priorities and the organization's Corporate Support. The following highlights these priorities and the Annual Report further describes outcomes and accomplishments achieved over the course of FY 2009.

**Revitalization Program** – AHA and its various private sector development partners are engaged in "community building" projects with the goal of creating healthy and economically sustainable mixed-use, mixed-income communities.

**Quality of Life Initiative** – The Quality of Life Initiative (QLI) was designed to empower households in 12 AHA-owned obsolete and distressed public housing developments, which include 10 family communities and two senior highrises, to relocate to higher quality, less impacted communities. Combined, these developments provide housing to approximately 3,000 households. Affected households continue to receive coaching and counseling services for a 27-month period to support the successful resettlement of families and facilitate connections to mainstream resources that support family success.

**Project Based Rental Assistance as a Development Tool** – AHA continues to utilize Section 8 project based rental assistance as a development tool to further the goals of (1) facilitating housing opportunities for families in healthy mixed-income communities; (2) facilitate the development of housing for the elderly; and (3) facilitate the development of supportive services housing for persons with disabilities and other transitional housing. AHA enters into renewable ten-year rental subsidy agreements with procured private sector owners for an agreed percentage of units in upscale, multi-family rental developments.

**Re-engineering the Housing Choice Voucher Program** – AHA has designed and implemented a number of local reforms to its Housing Choice Voucher Program so that a housing choice voucher can be an effective resource for accessing high quality housing in economically integrated neighborhoods. In addition, AHA will continue to re-engineer the Housing Choice Voucher Program Administration, including redesigning business systems, implementing technology solutions, improving customer service delivery to participants and landlords and refining participant and landlord policies and procedures.

**Asset Management** – AHA continues to develop and evolve its systems, processes, procedures and human resources to create a comprehensive and integrated asset management capacity, with an emphasis on external business relationship management and technology-oriented solutions. Asset Management also drives policy development, exercising the authority under AHA's MTW Agreement, which further supports the agency's on-going priority activities.

**Human Development –** AHA continues to make targeted investments and strategic linkages to connect AHA-assisted household to human development and community-based service providers to ensure healthy outcomes with the goals of (a) economically independent families; (b) educated children; and (c) self-sufficient elderly and persons with disabilities.

AHA also speaks to a number of on-going organizational initiatives under Corporate Support which include:

- ***AHA's Local Asset Management Program (LAMP)*** – the LAMP outlines the cost accounting system under which AHA will operate.
- ***Longer-Term Hold Communities*** – This priority focuses on improving the quality of the facilities of the remaining AHA-owned public housing developments (longer-term hold communities) and developing a more extensive expertise in housing and supportive services for the elderly and persons with disabilities that reside in these properties. AHA will invest more than $18 million in American Recovery and Reinvestment (ARRA) funds in these properties with the goals of improving the quality of the dwelling units, building envelop and the energy efficiency, environmental quality and sustainability of the developments.

Immediately following this Executive Summary is the MTW Success section. This section includes a series of charts that highlight some of AHA's accomplishments in alignment with the three MTW Statutory goals. Following these charts is an "At a Glance" overview of a number of key innovations or reforms AHA has implemented as a result of its participation in the MTW Demonstration. These reforms exercise the authorizations in AHA's Amended and Restated Moving to Work Agreement and make reference to the Agreement provisions enabling the reform.

# MTW STATUTORY GOAL ONE: INCREASING HOUSING CHOICES FOR LOW-INCOME FAMILIES
# ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

| Local Challenge | MTW Relief | Benefits | Accomplishments |
|---|---|---|---|
| ▪ Need to eliminate deteriorated, distressed and obsolete public housing developments located in isolated pockets of poverty | ▪ MTW gives AHA the flexibility to combine its operating subsidies, capital funds and Housing Choice Program Funds creating a single authority-wide funding source (MTW Funds) to be used for MTW Eligible Activities, which includes new construction, reconstruction or moderate or substantial rehabilitation of housing | ▪ Creation of healthy mixed-income communities with a seamless affordable component | **REVITALIZATION PROGRAM**<br>▪ Total units produced, as of June 30, 2009, associated with AHA's six revitalization projects:<br>- 966 market rate rental units<br>- 442 Tax Credit rental units<br>- 1,160 Public Housing w/Tax Credit<br>- 915 Tax Credit with PBRA<br>- 114 Market Rate for-sale homes<br>- 115 Affordable for-sale homes<br>▪ Premier designated housing developments completed:<br>- Columbia Senior Residences (senior-only)<br>- Atrium at Collegetown (senior-only)<br>- Gardens at Collegetown (supportive services housing for persons with special needs)<br>**(See Revitalization Priority for more information on AHA's revitalization activities)** |
| ▪ Lack of quality service enriched affordable housing for elderly, persons with disabilities and other special needs populations | ▪ MTW allows AHA to invest MTW Funds into privately owned development deals | ▪ Supports the creation of service enriched, affordable housing by private sector Owners and developers for persons with special needs to include the homeless and persons with mental and developmental disabilities | **PROJECT BASED RENTAL ASSISTANCE**<br>▪ Increased housing opportunities through AHA's Project Based Rental Assistance program with private sector developers/Owners. Numbers include units committed, or under executed PBRA Agreements at June 30, 2009:<br>- 1,309 PBRA family<br>- 3037 PBRA senior; and,<br>PBRA units in service enriched housing:<br>- 388 PBRA Homeless<br>- 68 PBRA Mental Health<br>- 113 PBRA Other Special Needs<br>▪ **(See PBRA as a Development Tool Priority for more information on AHA's PBRA program and Asset Management Priority for more information on AHA's PBRA site-based administration)** |

## MTW STATUTORY GOAL ONE: INCREASING HOUSING CHOICES FOR LOW-INCOME FAMILIES
## ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

| Local Challenge | MTW Relief | Benefits | Accomplishments |
|---|---|---|---|
| ▪ Need to eliminate deteriorated, distressed and obsolete public housing developments located in isolated pockets of poverty<br>▪ Limited availability of subsidy for supportive services and programs that equip families to be successful in the mainstream | ▪ MTW gives AHA the flexibility to combine its operating subsidies, capital funds and Housing Choice Program Funds creating a single authority-wide funding source (MTW Funds) to be used for MTW Eligible Activities, which includes relocation and demolition<br>▪ AHA can use its MTW funds on programs that assist people participating in educational and self-sufficiency programs | ▪ AHA is relocating approximately 3,000 families from 12 distressed, obsolete public housing communities to better quality living environments where families have a "choice" in where they desire to live. Additionally, the 12 distressed communities will be demolished once relocation is complete<br>▪ MTW Funds allows for the provision of customized, individual family coaching and counseling for at least 27-months which helps relocating families develop plans for success and supports their adaptation and connection with their new community<br>▪ Enables AHA to institute higher tenant standards which makes landlords and property owners willing to work with AHA-assisted households | **QUALITY OF LIFE INITIATIVE**<br>▪ Phase II of AHA's Quality of Life Initiative (QLI) on target with successfully relocating approximately 3,000 households from seven, distressed public housing communities.<br>▪ Status of relocations at June 30, 2009:<br>- Bowen Homes 100% relocated (535 affected households)<br>- Bankhead Courts 100% relocated (337 affected households)<br>- Thomasville Heights 97% complete (323 affected households)<br>- Herndon Homes 46% complete (248 affected households)<br>- Hollywood Courts 80% complete (187 affected households)<br>- Roosevelt House Highrise 35% complete (228 affected households)<br>- Palmer House Highrise 32% complete (220 affected households)<br>▪ All QLI impacted households are receiving 27 months of coaching and counseling services through procured Human Development Service providers<br>**(See Quality of Life Initiative Priority for more information on AHA's relocation efforts under QLI and supportive services programs)** |

## MTW STATUTORY GOAL ONE: INCREASING HOUSING CHOICES FOR LOW-INCOME FAMILIES
## ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

| Local Challenge | MTW Relief | Benefits | Accomplishments |
| --- | --- | --- | --- |
| ▪ Poor image and acceptance of Housing Choice Voucher Program in local communities<br>▪ Poor quality units in high impacted neighborhoods participating in the program<br>▪ Need to establish rent policies that protect participants in the Housing Choice Voucher Program from rent burdens that inhibit their access to quality housing opportunities | ▪ AHA is authorized to create its own Housing Choice Voucher Program standards, business practices and procedures using private real estate market principles and practices<br>▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, public hearing, and obtaining approval from its board and HUD | ▪ Reform of AHA's Housing Choice Voucher program enhances acceptance of the program by experienced property owners and landlords, thereby improving the availability of quality units in healthy mixed-income communities. It also provides participants a competitive edge in competing and securing rental opportunities in quality living environments | **REENGINERRING THE HOUSING CHOICE VOUCHER PROGRAM**<br>▪ Successfully implementing Leasing Incentive Fee (LIF) for households impacted by relocation – LIF pays landlords a one-time non-refundable fee in consideration of their agreement to lease units selected by relocating families<br>▪ Implementing Atlanta-centric, Fair Market Rent payment standards that better align with various submarkets in Atlanta's rental market, encouraging participation from landlords in low-impacted areas<br>▪ Implemented 30% of Adjusted Income policy – this policy stabilizes total tenant payments to not exceed 30% of adjusted income for rent and utilities – allows families to secure great housing choices while minimizing the rent burden<br>**(See Re-engineering the Housing Choice Voucher Program Priority for more information on AHA's Housing Choice reforms)** |

# MTW STATUTORY GOAL TWO: PROGRAMS THAT PROMOTE EMPLOYMENT AND SELF-SUFFICIENCY
## ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

| Local Challenge | MTW Relief | Benefits | Accomplishments |
|---|---|---|---|
| ▪ Section 8 and 9 of the 1937 Act carry inconsistent regulations with respect to use of subsidy for self-sufficiency programs<br>▪ Low workforce participation by AHA-assisted households and minimal participation in self-sufficiency programs | ▪ MTW gives AHA the flexibility to combine its Operating, Capital and Housing Choice Funds creating a single authority-wide funding source, "MTW Funds", which is not bound by programmatic requirements tied to individual subsidy programs<br>▪ AHA is authorized to adopt a work/program participation requirement for all AHA-assisted households as a condition of receiving subsidy assistance | ▪ AHA can use MTW funds to contract with service providers for the provision of workforce preparation and placement, educational and other self-sufficiency programs that uniformly serve AHA-assisted households<br>▪ Increased workforce participation, skills and educational development and access to enhanced supportive services to assist families' transition to employment and training | **HUMAN DEVELOPMENT**<br>▪ At June 30, 2009, 62 percent of targeted AHA-assisted households were in compliance with the work/ program participation requirement<br>▪ Families not in compliance with work/program participation requirement and were in deferment status (i.e. termination of assistance is deferred) were connected to Human Services and Client Services Counselors who assisted families in getting connected to needed resources.<br>▪ Five top referrals and numbers served during FY 2009:<br>- Employment Placement (3,416)<br>- Supportive Services (2,680)<br>- Health Services (822)<br>- Youth Programs (554)<br>- Employment Preparation and Retentions Services (495)<br>▪ Human Development and support service providers provided coaching and counseling services to 3,875 families impacted by QLI and revitalization activities<br>**(See Human Development Priority for more information on AHA's human development services and self-sufficiency programs)** |

# MTW STATUTORY GOAL TWO: PROGRAMS THAT PROMOTE EMPLOYMENT AND SELF-SUFFICIENCY ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

| Local Challenge | MTW Relief | Benefits | Accomplishments |
|---|---|---|---|
| ▪ Lack of accountability and responsibility on the part of the tenant to pay their fair share of rent | ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, and public hearing, and obtaining AHA Board and HUD approval | ▪ Requires tenants to make contributions toward rent, while minimizing rent burdens that adversely affect family disposable income | **CORPORATE SUPPORT**<br>The following are policies and initiatives in place that apply to all AHA-assisted households (unless exempted from the requirement):<br>▪ 30% of Adjusted Income Policy- This policy stabilizes total tenant payments to not exceed 30% of adjusted income for rent and utilities<br>▪ Rent Simplification Policy – AHA developed a larger standard deduction for individuals, dependents, seniors and persons with disabilities for determining adjusted annual incomes ($750 per dependent and $1,000 for elderly/disabled households) in order to calculate the assisted households' contribution toward rent<br>▪ Minimum Rent of $125 (elderly and disabled households exempt) - 90.1% of remaining targeted households in AHA's Public Housing Program and 80.6% of targeted households in the Housing Choice Voucher Program paid rents greater than or equal to the Minimum Rent<br>▪ Work/Program participation requirement -62% compliance rate<br>**(See AHA'S Statement of Corporate Policies and Statement of Housing Choice Policies under Corporate Support for more on AHA's rent policies and reforms)** |
| ▪ Rent penalties for seniors on fixed incomes, who choose to work part-time or on a temporary basis | ▪ AHA is authorized to re-establish and revise its rent policies upon conducting a rent impact analysis, public hearing, and obtaining AHA Board and HUD approval | ▪ Seniors on fixed income permitted to have additional earned income without rent penalty | **CORPORATE SUPPORT**<br>▪ AHA continued the implementation of the Elderly Income Disregard policy<br>**(See AHA'S Statement of Corporate Policies and Statement of Housing Choice Policies under Corporate Support for more on AHA's rent policies and reforms)** |

# MTW STATUTORY GOAL THREE: REDUCING COST AND ACHIEVING GREATER COST EFFECTIVENESS
# ATLANTA HOUSING AUTHORITY ACCOMPLISHMENTS

| Local Challenge | MTW Relief | Benefits | Accomplishments |
|---|---|---|---|
| ▪ Reduced federal funds | ▪ MTW gives AHA the flexibility to combine its Operating, Capital and Housing Choice Funds creating a single authority-wide funding source, (MTW Funds), and use for MTW eligible activities | ▪ AHA is able to fund and administer vital MTW reforms with MTW funds uniformly to AHA-assisted households which reduces program redundancy and builds greater administrative efficiencies<br><br>▪ For all of its priority activities outlined in the MTW Annual Report, AHA has been able to do more with less by leveraging its funds with private sector investment (Revitalization, PBRA, Housing Choice), achieve better operating efficiencies (Corporate Support, Asset Management, Housing Choice and QLI) and achieve substantially better outcomes for AHA-assisted households (Human Development) | ▪ Uniformly implementing policies, programs and requirements among AHA-assisted households (except exempted households) to include the Minimum Rent, work/program compliance, human development and support services and mainstream self-sufficiency activities with AHA service providers and partners<br><br>▪ AHA continues to achieve the organizational priorities in its FY 2009 Annual MTW Plan (CATALYST Implementation Plan) – These priorities are:<br>- Revitalization Program<br>- Quality of Life Initiative<br>- Project Based Rental Assistance as a Development Tool<br>- Re-engineering of the Housing Choice Voucher Program<br>- Asset Management<br>- Human Development<br>- Corporate Support<br>o Financial Operations<br>o Longer-term hold communities<br>o Corporate Policies<br>o Human Resource Development<br>o AHA's Communication Plan<br>**(See respective sections of the 2009 MTW Annual Report for a full discussion on accomplishments and outcomes for these organizational priorities)** |

## Use of MTW Funds

**MTW Agreement Provision:** **Attachment D, Section V. – Single Fund Budget with Full Flexibility**
**Second Amendment, Section 2. – Use of MTW Funds**
**Second Amendment, Section 3. – Reinstatement of "Use of MTW Funds" Implementation Protocol**

- **Use of MTW Funds** – AHA is able to combine its low income operating subsidy, capital funds and Housing Choice Voucher funds into a single, authority-wide fund, which may be –used for MTW Eligible activities as defined in AHA's Restated MTW Agreement and the FY 2010 MTW Annual Plan. AHA may use these funds, for among other things, to expand quality, affordable housing in healthy mixed-income communities, support self-sufficiency programs for Public Housing and Housing Choice-assisted households and to improve its operations (financial and other). (Statutory Goals 1, 2 and 3)

- **Gap Financing** – AHA intends to use its MTW Funds for gap financing to support the financial closings of mixed-income rental communities that serve low-income families (earning less than 80% of area median income) to include Tax Credit, Project Based Rental Assisted-units and Public Housing Assisted-units. Alleviates the challenges in identifying investors and funders for proposed real estate development projects. (Statutory Goals 1 and 2)

- **Use of MTW Funds in Affordable Residential with Private Owners** – Use MTW Funds to invest in residential properties owned by private entities to facilitate the creation of mixed-income communities by supporting the development or rehabilitation of housing units that are affordable to low-income families. Leverages public/private investment to expand quality affordable housing. (Statutory Goals 1 and 2)

## Housing Choice Voucher Program

**MTW Agreement Provision: Attachment D, Section VII – Establishment of Housing Choice Voucher Program**

- **30% of Adjusted Income –** In order to preserve housing affordability for participants of the Housing Choice Voucher Program, the total tenant payment of participants, unless subject to AHA's minimum rent, will be no more than 30% of the household's monthly adjusted income for rent and utilities. Especially important is the fact that this initiative ensures that the financial arrangement of former public housing families who relocated using Housing Choice vouchers will be no different than the financial arrangement they had as public housing residents. (Statutory Goals 1 and 3)
- **Atlanta Payment Standards –** AHA implemented the AHA Payment Standards as an alternative to HUD's Fair Market Rents. A third-party firm with a specialty in real estate market analysis conducted an independent study and identified seven major submarkets in the City of Atlanta. The study team mapped the submarkets and their corresponding market equivalent rent levels in developing the AHA Payment Standards. This reform reduces the barriers Housing Choice participants have in conducting their housing search by providing them with additional financial leverage and improved access to quality housing of their choice in lower poverty neighborhoods with great amenities. (Statutory Goals 1 and 2)
- **Rent Reasonableness –** AHA is developing a more sophisticated, professional and independent rent reasonableness process, which will be managed by AHA's Asset Management Group. The Asset Management Group will develop a database of rents in the various submarkets, review independent market studies and analyze trends in Atlanta market rents so that the information used to assess proposed contract rents will be market-based and current. (Statutory Goal 2)
- **Leasing Incentive Fee –** Established to attract landlords and private owners in making housing available to low-income families in healthy mixed-income communities. In private markets, owners of Class A real estate often require security deposits and application fees to defray the costs of processing an application for an apartment. In response, AHA designed the Leasing Incentive Fee in order to eliminate these requirements as obstacles. This fee gives families greater leverage in being competitive to secure quality housing in the private market. (Statutory Goal 1)
- **Enhanced Inspection Standards –** Establishes interim and annual inspection "checkpoints" for enforcing both the landlords and participants' responsibility in property upkeep and for re-evaluating neighborhood quality. This supports the need for improved accountability and responsibility of the participant and the landlord and works to improve the image and acceptance of the Housing Choice Program in communities. (Statutory Goals 1, 2, and 3)
- **Section 8 Voucher for Homeownership –** Allows qualified participants in the Housing Choice tenant-based program to use their voucher for mortgage payment assistance. Facilitates participants' upward movement from renting to homeownership. (Statutory Goals 1 and 3)
- **Project Based Rental Assistance (PBRA) Site Based Administration –** Operates as a distinct and separate program from the Housing Choice tenant-based program and moves from the PHA-managed model under the traditional Housing Choice Project Based Voucher Program. Allows AHA to enter into long-term PBRA Agreements with owner entities of quality multifamily rental developments (which include developments for the elderly and persons with disabilities) whose professional management companies have the full responsibility of administering all aspects of PBRA eligibility, admissions and occupancy at the property level.

## Local Reform of Housing Policies

**MTW Agreement Provision:** **Attachment D, Section I.O – General Conditions**
**Attachment D, Section III. – Occupancy Policies**

- **Work/Program Participation Requirement –** This policy, applicable to all AHA-assisted programs, requires that (a) one non-elderly (18 to 61 years old), non-disabled adult household member maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled household members maintain work or participate in a combination of school, job training and/or part-time employment as a condition of the household receiving and maintaining subsidy assistance. This policy reform thwarts the perception that families are not pursuing economic independence and self-sufficiency. (Statutory Goals 2 and 3)
- **$125 Minimum Rent –** This policy raised the minimum rent from $25 to $125 for both the Public Housing and Housing Choice Voucher Programs. This policy does not apply to households in which all household members are either elderly and/or disabled, and whose sole source of income is Social Security, SSI, or other fixed annuity pension or retirement plans. Such households will still be responsible for paying rent based on 30% of their monthly adjusted income for rent and utilities or, if a public housing resident elects the Affordable Fixed Rent. This policy raises standards of responsibility for public housing assisted residents and Housing Choice participants and increases tenant contributions towards rent. (Statutory Goals 2 and 3)
- **Elderly Income Disregard –** Under this policy, if an elderly public housing resident or elderly Housing Choice participant, whose sole source of income is Social Security, SSI, and/or other fixed annuity pension and retirement plan income, becomes employed on a temporary, part-time, or other limited basis which does not result in the discontinuance of the elderly resident's or participant's sole source of annual fixed income, then employment income will be disregarded and not used in calculating annual income. (Statutory Goal 3)
- **Elderly Admissions Preference –** This admissions policy is applicable to public housing-assisted units in communities for elderly (62 years or older), almost elderly (55 to 61 years old) and non-elderly disabled and allows the admission of four elderly or almost elderly applicants from the waiting list before admitting a non-elderly disabled applicant. By creating an optimal mix of elderly, almost elderly and non-elderly disabled residents in a community, this policy addresses the complex social issues associated with mixing the populations. (Statutory Goals 1 and 2)
- **Rent Simplification –** Under this policy, AHA developed AHA Standard Deductions that are higher than HUD's standard deductions for determining adjusted annual income. The significance of this reform is that AHA's Standard Deductions are more generous and equitable because all AHA-assisted families benefit from the policy. This reform also eliminates the need to consider other deductions as a standard procedure but does make provisions for catastrophic hardships. Operationally, the intent of this policy is to reduce errors and the administrative burden associated with the verification of other deductions and dealing with potential fraud. (Statutory Goals 2 and 3)
- **Housing Choice Voucher Homeownership Policy –** This policy allows AHA the flexibility to establish its own procedures and requirements for eligible families to participate in the Housing Choice Homeownership or Homeownership Self-Sufficiency Program. The requirements are aligned to support the long-term success of low-income families achieving their dream of homeownership. (Statutory Goals 1 and 3)

## Expanding Housing Opportunities

| | | |
|---|---|---|
| **MTW Agreement Provision:** | **Attachment D, Section V.** | **– Single Fund Budget with Full Flexibility** |
| | **Attachment D, Section VII.** | **– Establishment of Housing Choice Voucher Program** |
| | **Attachment D, Section VII, B.** | **– Simplification of the Process to Project-Base Section 8 Vouchers** |
| | **Attachment D, Section VIII, C.** | **– Simplification of the Development and Redevelopment Process** |

- **Revitalization Program** – To further facilitate AHA's development and redevelopment activities with private sector development partners and leverage public and private resources, AHA is able to develop and adopt its own policies and procedures to determine and control major development decisions, to include replacing HUD's Total Development Cost (TDC) limits. This streamlined and simplified process allows AHA to be more nimble and responsive in a dynamic real estate market in the creation or rehabilitation of mixed-income communities. (Statutory Goals 1 and 2)

- **Developing Alternative & Supportive Housing Resources** – Using its single fund budget authority, AHA is able to create or facilitate with private sector developers, service enriched housing for seniors and persons with disabilities. This addresses the lack of affordable, supportive housing to allow these populations to age in place. (Statutory Goals 1 and 2)

- **Quality of Life Initiative** – Enables AHA to relocate families from 12 large, isolated, distressed and obsolete public housing developments to better quality housing in the mainstream. Residents have the opportunity to select living environments that are equipped with desired amenities and neighborhood resources. (Statutory Goals 1, 2 and 3)

- **Project-Based Rental Assistance as a Development Tool** – AHA uses PBRA as a financial incentive and financing tool by providing a renewable rental subsidy to private sector developers and owners to commit a percentage of units as affordable in quality multifamily developments. PBRA also enhances developers and owners' competitive applications for the State's Low Income Housing Tax Credits Program for the provision of affordable rental housing. Enables AHA to leverage Federal funds with other public and private investment to expand the affordable housing resource. (Statutory Goals 1 and 2)

- **Housing Choice Voucher Program** – AHA established its own Housing Choice Program to facilitate improved housing options for low-income families in better communities and neighborhoods. Works to improve the quality of "choice" for families in low-poverty and mixed-income environments. (Statutory Goals 1 and 3)

## Self Sufficiency

**MTW Agreement Provision:** **Attachment D, Section IV. – Self-sufficiency/supportive services**
**Attachment D, Section V. – Single Fund Budget with Full Flexibility**

- **Work/Program Participation Requirement –** As stated in the policy, requires adults between the ages of 18-61 years (non-elderly, non-disabled) in both the Public Housing and Housing Choice Programs to be working, in school or in a training program to continue receiving subsidy assistance from AHA. Builds on tenant personal responsibility and accountability. This benchmark has illustrated how families, using their own human potential, are improving their lives, becoming financially independent and increasing their contribution toward rent. (Statutory Goals 2 and 3)
- **Human Development and Support Services –** Provide professional individualized coaching and counseling services to families impacted by revitalization and QLI relocation activities and assist clients who are non-compliant with the work/program participation requirement. AHA uses MTW Funds and HOPE VI funds to pay for these vital services to families in both the Public Housing and Housing Choice Programs. (Statutory Goal 3)
- **Good Neighbor Program –** Instructional Program established by AHA and taught by Georgia State University that provides curriculum based training on the roles and responsibilities of being a good neighbor. Leverages MTW Funds with Georgia State University resources to support the implementation of this training. (Statutory Goals 2 and 3)
- **Service Provider Network –** An established network of service providers that facilitates families' work and self-sufficiency goals and supports families in meeting the work/program participation requirement. Leverages MTW Funds with resources from established organizations with proven track records to support incremental costs associated with serving AHA-assisted households. (Statutory Goals 2 and 3)
- **Rapid Response Foreclosure Team –** Use of MTW Funds to establish a team of AHA professionals that proactively respond to Housing Choice participants impacted by property owner foreclosures or other emergencies, natural disasters or property abatement. The team provides a continuum of support leading to the resettlement of impacted families into a new living environment. Also, creates operational efficiencies by establishing process, procedures and protocols to improve response times in handling these time-sensitive requests. (Statutory Goal 2)
- **Place-based Supportive Services Strategy Pilot –** AHA, in collaboration with the Atlanta Regional Commission and other partners, are leveraging grant funds, MTW Funds and other resources to create a service-enriched living environment for seniors and persons with disabilities in targeted high-rise communities using the NORC (Naturally Occurring Retirement Community) model. Based on the best practices derived from the pilot, AHA will implement the NORC model in other senior high-rise communities. (Statutory Goal 2)
- **Comprehensive Homeownership –** AHA is able to establish its own policies, procedures, eligibility and participation requirements for its homeownership programs, to include changes to HUD's Family Self-Sufficiency Program requirements. This program is designed to prepare eligible participants in becoming successful home owners. (Statutory Goals 2 and 3)

## Corporate Support

**MTW Agreement Provision:**
**Attachment D, Section V. – Single Fund Budget with Full Flexibility**
**Attachment D, Section VII., C. – Demonstration Program on Project-based Financing**
**First Amendment, Section 6 – Local Asset Management Within MTW**

- **Maximizing the Power of Technology –** AHA will use its MTW Funds to link its information technology, financial, procurement, data and its business system infrastructure into an integrated data-centric environment. This overarching strategy will improve AHA's ability to use data as intelligence to inform and improve its business decisions. AHA will create a comprehensive, integrated and relational database that will empower the organization to be more strategically focused on business systems integration and the corresponding linkages that will make AHA a 21st Century real estate business enterprise. (Statutory Goal 2 )

- **Sustaining Mixed-Income Investments –** To sustain and preserve investments in mixed-income communities, AHA will use its authority under the Restated MTW Agreement to substitute the public housing operating subsidy at AHA-sponsored mixed-income, mixed-finance communities for– renewable Project Based Rental Assistance. This initiative will support the long-term sustainability, economic viability and market competitiveness of the AHA-sponsored mixed-income communities. (Statutory Goal 2)

- **Innovative Subsidy Strategies –** Sustains viability of AHA's longer-term hold Affordable communities by substituting the Section 9 operating subsidy for— renewable Project Based Rental Assistance. Similar to the investment strategy above, AHA will be able to design and implement a financing strategy to leverage private resources to continue to improve the physical structures and quality of the environment. (Statutory Goal 2)

- **Local Asset Management Program –** Defines how AHA has designed its Local Asset Management Program, including project-based property management, budgeting, accounting and financial management of AHA-owned public housing assisted properties and public housing assisted units in mixed-income communities, and the other aspects of its business operations, based on AHA's Business Plan. AHA's Local Asset Management Program is more comprehensive in scope than HUD's asset management requirements. (Statutory Goal 2)

# REVITALIZATION PROGRAM

AHA and its private development partners will have achieved a better than 10-to-1 leverage ratio through the creation of 16 mixed-use, mixed income communities; leveraging over $300 million in HOPE VI , MTW and public housing development funds producing over $4 billion in new investments in once distressed and economically disinvested neighborhoods.

During FY 2009, AHA, in partnership with private sector developers, continued with the transformation of six conventional public housing developments into market competitive, mixed-use, mixed-income communities. The six revitalization projects underway are Capitol Homes, Carver Homes, Grady Homes, Harris Homes, McDaniel Glenn and Perry Homes. Repositioning AHA's public housing developments has involved any one or combination of the following strategies: (1) major revitalization using HUD funds (HOPE VI and other public housing development funds, including Replacement Housing Factor Funds and MTW Funds) as seed capital and AHA-owned land as equity to attract private sector developer participation and private investment; (2) major revitalization using Project Based Rental Assistance and the value of AHA-owned land as equity to attract private sector developer participation and private investment; (3) sale of AHA-owned land (including land swaps); (4) land banking; and/or (5) acquisitions.

AHA's revitalization efforts support AHA in achieving its vision of "Healthy Mixed-Income Communities" utilizing a "community building" strategy. By working with private developers, the local school system and community stakeholders, developments are being restored back into the fabric of the surrounding community. The revitalized communities incorporate both rental and homeownership production and include neighborhood amenities such as early learning centers, quality retail and commercial development, recreational facilities, green space and higher performing neighborhood schools. Additionally, based on the need for high-quality rental housing for seniors, all of the revitalization plans include newly developed, high quality rental housing for seniors that are exquisite and desirable living accommodations that promote independent and active living.

As part of the larger picture of AHA's comprehensive development program, when these six master plans are complete, AHA and its private development partners will have created 16 mixed-use, mixed-income communities, leveraging over $300 million in HOPE VI, MTW and public housing development funds producing over $4 billion in new investments in once distressed and economically disinvested neighborhoods. Additionally, a better than 10 to 1 leverage ratio of private to public investment will be achieved. The table and master plans that follow, sets forth the residential components of AHA's Revitalization Program.

| Housing Production For Active Revitalization Programs: Units Completed To Date | For Sale Unit Mix | | Rental Unit Mix | | | |
|---|---|---|---|---|---|---|
| | Market Rate | Affordable | Market Rate | Tax Credit | Tax Credit w/Public Housing Assist. | Tax Credit w/PBRA |
| **Capitol Gateway (Capitol Homes)** | | | | | | |
| Units in Master Plan | 360 | 141 | 168 | 100 | 138 | 233 |
| Units Completed Total | 54 | 65 | 168 | 100 | 138 | 233 |
| Units Completed in FY 2009 | 7 | 30 | 0 | 0 | 0 | 0 |
| **The Villages at Carver (Carver Homes)** | | | | | | |
| Units in Master Plan | 67 | 284 | 207 | 165 | 329 | 150 |
| Units Completed Total | 0 | 0 | 207 | 165 | 329 | 150 |
| Units Completed in FY 2009 | 0 | 0 | 0 | 0 | 0 | 0 |
| **West Highlands (Perry Homes)** | | | | | | |
| Units in Master Plan | 610 | 176 | 258 | 90 | 228 | 124 |
| Units Completed Total | 60 | 33 | 258 | 90 | 228 | 124 |
| Units Completed in FY 2009 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Auburn Pointe (Grady Homes) Excluding University** | | | | | | |
| Units in Master Plan | 34 | 35 | 167 | 70 | 143 | 248 |
| Units Completed Total | 0 | 17 | 25 | 0 | 38 | 61 |
| Units Completed in FY 2009 | 0 | 0 | 25 | 0 | 38 | 61 |
| **CollegeTown (Harris Homes)** | | | | | | |
| Units in Master Plan | 290 | 99 | 196 | 68 | 250 | 175 |
| Units Completed Total | 0 | 0 | 126 | 40 | 180 | 166 |
| Units Completed in FY 2009 | 0 | 0 | 38 | 0 | 102 | 76 |
| **Mechanicsville (McDaniel Glenn Homes)** | | | | | | |
| Units in Master Plan | 203 | 81 | 206 | 100 | 294 | 213 |
| Units Completed Total | 0 | 0 | 182 | 47 | 247 | 181 |
| Units Completed in FY 2009 | 0 | 0 | 132 | | 131 | 65 |
| **Grand Total** | | | | | | |
| Units in Master Plan | 1,564 | 816 | 1,202 | 593 | 1,382 | 1,143 |
| Units Completed Total | 114 | 115 | 966 | 442 | 1,160 | 915 |
| Units Completed in FY 2009 | 7 | 30 | 195 | 0 | 271 | 202 |

- *In walking distance to Georgia State Capitol*
- *Neighborhood linear park and water feature*
  *Master plan includes 639 mixed-income rental and 501 on site mixed-income single-family homes*
- *Infrastructure and streetscape improvements*
- *Partnership with State to create a State government mall/plaza*
- *Reconstituted Cook Elementary as a technology-themed school*
- *Neighbors the rehabilitated Martin Luther King Towers which provides supportive housing for persons with disabilities*
- *$156 MM on-site investment when completed*
- *$202 MM surrounding neighborhood investment*
- *Private Sector Development Partners: Integral Development, LLC and Urban Realty Partners*

With the multifamily rental portion fully completed during FY 2008, the focus of the on-going revitalization is homeownership development, as supported by favorable market conditions. Discussions are underway to form a partnership with the State of Georgia to develop a State government mall as part of a potential land swap. The mall would bring full connectivity to Capitol Gateway, the State Capitol and neighboring government buildings, enhancing the community's position as a live/work/play community.

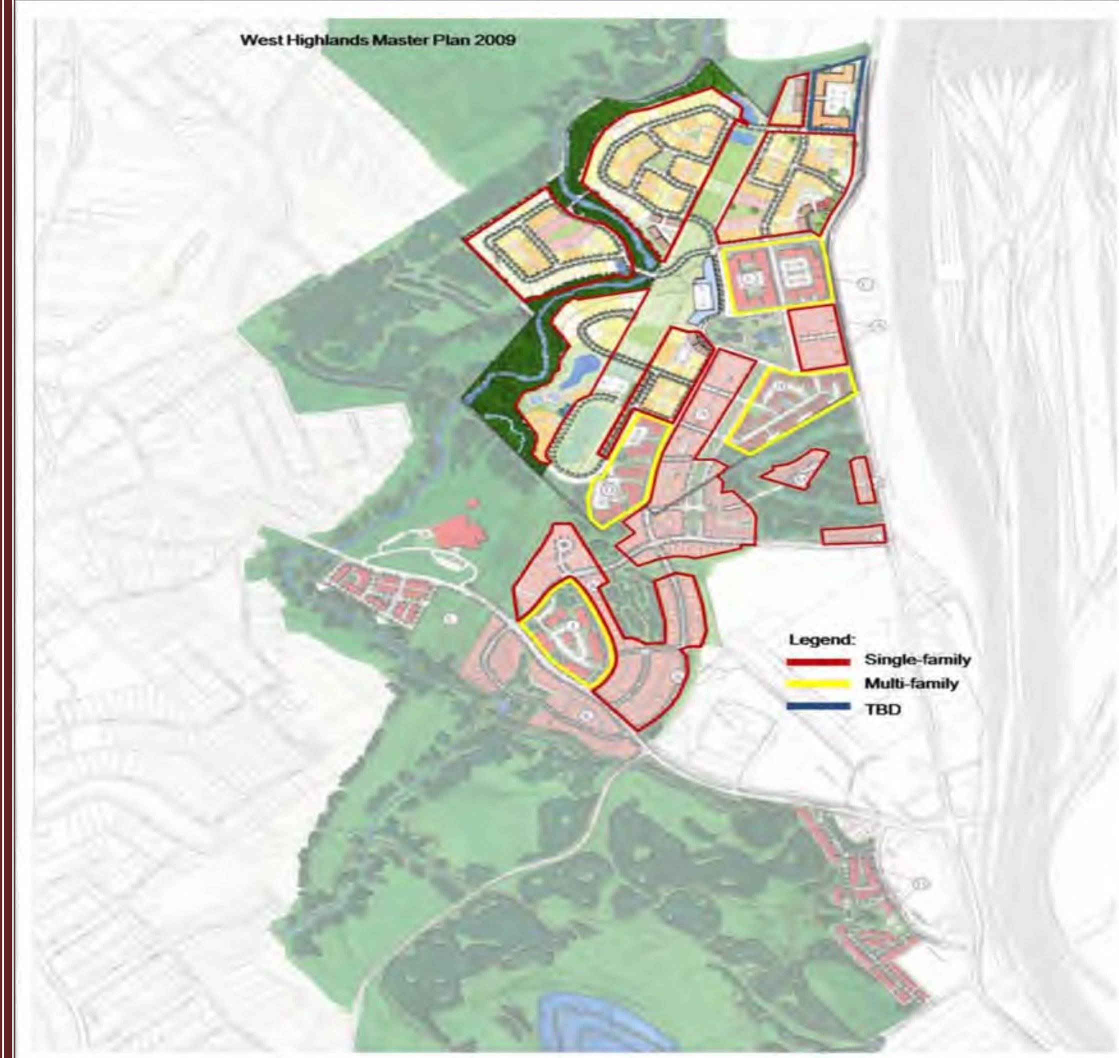
***Capitol Gateway Site Plan (Capitol Homes Revitalization)***

- Located within City's Pryor Road Redevelopment Corridor
- Master Plan includes 851 mixed-income rental and 351 on site single-family for-sale homes
- Exclusive senior mid-rise development with beautifully appointed amenities and accommodations
- State of the art YMCA and Atlanta Braves Foundation baseball academy developed by YMCA of Metropolitan Atlanta chapter, in partnership with Butler Street YMCA
- Surrounded by three enhanced public schools to include the New Schools at Carver – features four schools of discipline: Early College, Arts, Health Science and Research, and Technology
- Infrastructure and streetscape improvements
- $219 MM on-site investment when completed
- $168 MM surrounding neighborhood investment
- Private Sector Development Partners: The Integral Group LLC and Russell New Urban Development LLC

With the multifamily rental portion of the development fully completed, the focus of the on-going revitalization is homeownership and retail development, as supported by favorable market conditions.

***The Villages at Carver Site Plan (Carver Homes Revitalization)***

***West Highlands at Heman E. Perry Boulevard Site Plan (Perry Homes Revitalization)***




- *Expansive 200-acre master planned development*
- *Master Plan includes 700 mixed-income rental and 786 mixed-income single-family for-sale homes on and off-site*
- *Features a Town Center park with an amphitheatre, pavilion, water feature, greenspace and play areas*
- *Independent living senior mid-rise development nestled adjacent to Town Center park and single family homes*
- *Will include 25,000 square feet of commercial development in a park-like setting with abundant greenspace and walking trails*
- *$250 MM on-site investment when completed*
- *$291 MM surrounding neighborhood investment*
- *Private Sector Development Partners: Columbia Residential LLC and Brock Built LLC*

With the multifamily rental portion of the development fully completed during FY 2008, the focus of the on-going revitalization is homeownership development, as supported by favorable market conditions.

- *Multigenerational development with a strong mix of senior and family units*
- *Master plan includes 628 mixed-income rental and 69 mixed-income on and off-site single-family Homes, (does not include unit production for University Homes, still in planning)*
- *Located in the heart of Sweet Auburn which is the home of the Martin Luther King, Jr. National Historic site and is within walking distance of Grady Memorial Hospital*
- *New infrastructure, streets, sidewalks, streetscapes and greenspace*
- *$156 MM on-site investment when completed*
- *$104 MM surrounding neighborhood investment*
- *Private Sector Development Partners: The Integral Group LLC and Urban Realty Partner*

*During FY 2009, construction was completed on the Veranda at Auburn Pointe, a 124-unit elderly only, independent living rental community. Predevelopment work began on one multi-family and two senior phases; with financial closing of the developments anticipated in the fall of 2009. On-site homeownership development is planned, as supported by favorable market conditions. Off-site homeownership development is nearing completion. In FY 2009, abatement and demolition activities began at University Homes, a component of the Grady revitalization, with completion anticipated in second quarter of FY 2009. University Homes is still in the master planning phase; therefore, the unit count information is not included in the numbers described for this revitalization.*

***Auburn Pointe Site Plan (Grady Homes Revitalization, which includes the Antoine Graves and Graves Annex Senior Highrises and the revitalization of University Homes)***

- *Neighbors the historic Atlanta University Center comprised of five historically black colleges and universities*
- *Master Plan includes 689 Mixed-income rental and 389 mixed-income on-site and off-site single family for sale homes*
- *Includes the Veranda and the Atrium at CollegeTown – two premier senior developments and The Gardens at CollegeTown which provides service enriched housing for persons with special needs.*
- *Includes the 26 units of supportive housing for mentally and developmentally disabled at The Gardens at CollegeTown*
- *New infrastructure, streets, sidewalks, streetscapes and greenspace to include the development of the Pond at Dean Rusk – a scenic water feature and park adjacent to the development*
- *$234 MM on-site investment when completed*
- *$102 MM surrounding neighborhood investment*
- *Private Sector Development Partners: The Integral Group, LLC and Real Estate Strategies, Inc.*

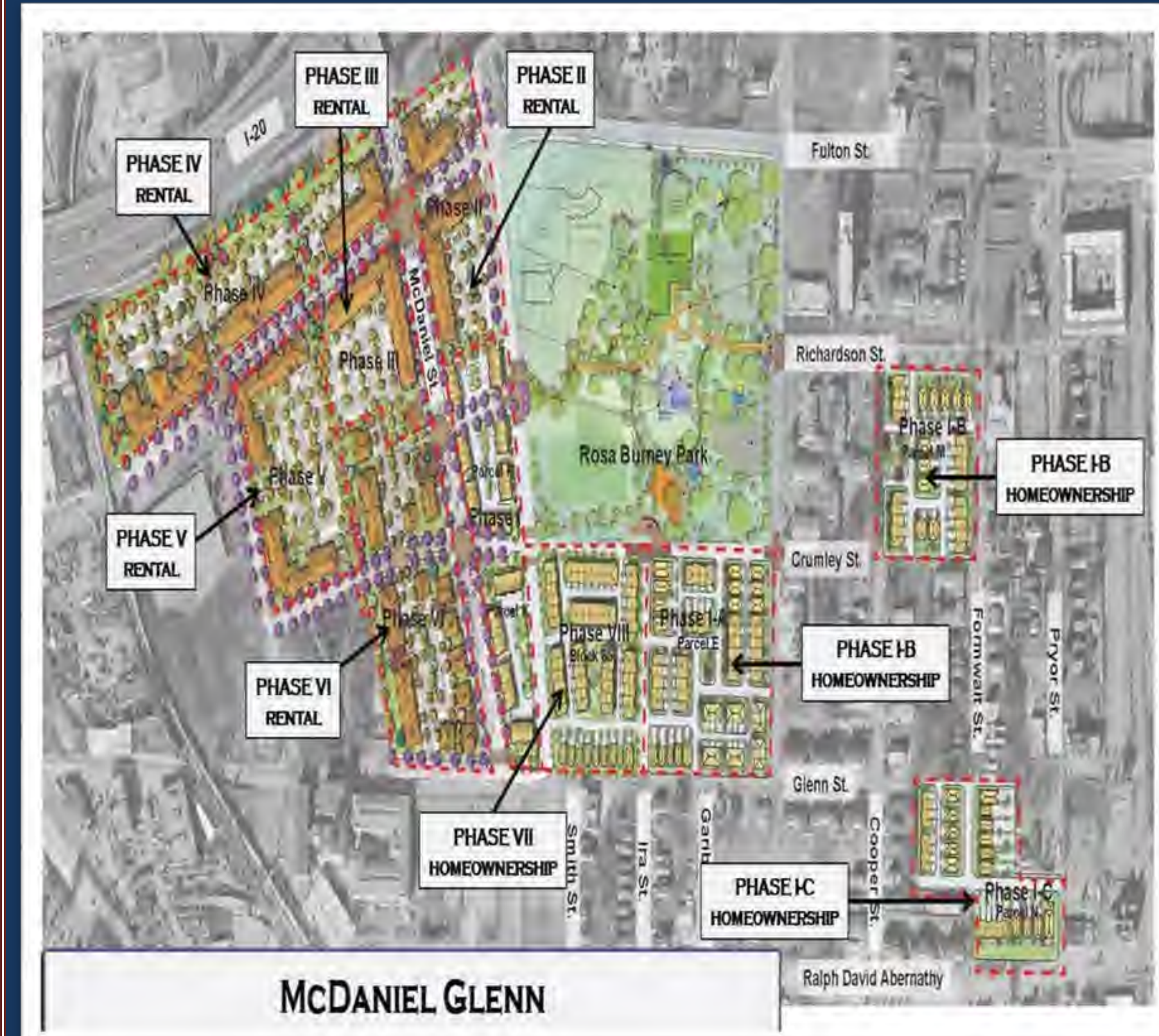
In FY 2009 as part of the master plan, construction was completed on 190-unit renovation of John O. Chiles Senior Highrise as an elderly-only rental community (renamed Atrium at CollegeTown), and the 26-unit renovation of John O. Chiles Annex (renamed The Gardens at CollegeTown) for families with special needs. Predevelopment work began on Ashley CollegeTown II, a multifamily rental community, with closing anticipated in FY 2010. Homeownership development is planned as supported by favorable market conditions.

***CollegeTown at West End Site Plan (Harris Homes Revitalization, which includes the revitalization of John O. Chiles Senior Highrise and John O. Chiles Annex)***

- Incorporates principles of "New Urbanism" to create a walkable, mixed-use, mixed-income community
- Master Plan includes 813 mixed-income rental and 284 mixed-income single family for sale homes
- New infrastructure, streets, sidewalks
- Completed 155-unit Designated Housing development – Columbia Senior Residences
- Adjacent to Dunbar Park and Dunbar Elementary
- $184 MM on-site investment when completed
- $64 MM surrounding neighborhood investment
- Private Sector Development Partners: Columbia Residential LLC, Summerdale Mechanicsville CDC (SUMMECH), Resource Health Care of America (RHA)

657 rental units were completed as of FY 2009, with 156 remaining as part of a new on-site rental phase added to the master plan. Pending an award of tax credits in fall 2009, closing is anticipated in 2010. Homeownership development is planned as supported by favorable market conditions.

***Mechanicsville Site Plan (McDaniel Glenn Revitalization which includes the revitalization of McDaniel Glenn Annexes and Martin Luther King Jr. Senior Highrise)***



## *Other Repositioning Activities*

**Acquisitions –** During FY 2009, AHA affiliates acquired a total of 23.6 acres, including 7.3 acres known as 2000 Perry and 15.5 acres known as the Georgia Power Utility Right-of-Way to support the revitalization of Perry Homes; 0.35 acres to support the revitalization of Harris Homes; 0.25 acres to support the revitalization of Grady Homes and 0.20 acres to support the revitalization of University Homes.

**Permanent Designated Housing –** AHA, in partnership with private sector developers, will continue to develop designated housing for seniors and persons with disabilities. During FY 2009, the development of Columbia Senior Residences, a 155-unit, Elderly Only, facility was completed as part of the McDaniel Glenn Revitalization Plan. Two additional designated housing communities were completed during FY 2009, as part of the Harris Homes Revitalization Plan. These communities are the Atrium at CollegeTown (formerly John O. Chiles Highrise) which is comprised of 190 independent living units and The Gardens at CollegeTown (formerly John O. Chiles Annex) a 26-unit supportive services housing for persons with mental or developmental disabilities.

**Affordable Assisted Living Demonstration –** During FY 2009, AHA partnered with the Northwest Georgia Housing Authority (NWGHA) to examine strategies for developing affordable assisted living opportunities for low income seniors and persons with disabilities. AHA procured a skilled and knowledgeable contractor with a strong track record in establishing affordable assisted living communities around the nation. AHA and NWGHA established a task force that worked with the contractor to examine various assisted living issues and models to draft a proposal for submission to the State of Georgia Department of Human Services. AHA plans to submit the proposal to the State in early FY 2010.

**Homeownership Programs –** AHA is re-engineering its homeownership programs to assist families in achieving their goals of financial independence and homeownership. As a part of each revitalization master plan, for-sale single family homes are being developed at various price points on the economic spectrum. Given the current conditions in the financial and real estate market, AHA and its private sector development partners have slowed and/or deferred the development of for-sale units until such markets improve. AHA's goal is to position qualified families, some of whom graduated from AHA assistance programs, to take advantage of these opportunities. AHA works with neighborhood Community Development Corporations, financial institutions, public entities, and other private sector participants to create additional homeownership opportunities. Additionally, AHA maintains strategic relationships with a number of housing counseling providers to connect potential homeownership clients or participants to homeownership services. An important component added to the homeownership counseling curriculum is foreclosure prevention counseling to help prevent foreclosures due to unemployment or other economic conditions.

Given the adverse housing market conditions being experienced in the Atlanta market and nationally, homeownership development proceeded cautiously, as supported by market studies and the private sector financial investments necessary for long-term sustainability. For FY 2009, 38 homeownership units were constructed and closed by AHA development partners or by other off-site builders, and mortgage down payment assistance was provided as part of the following HOPE VI revitalization projects:

| HOPE VI Community | New Community Name | Homeownership Development/Closings |
|---|---|---|
| Capitol Homes | Capitol Gateway | **37 (off-site development)**<br>30 – closed (affordable)<br>7 – closed (market rate) |
| Grady Homes | Auburn Pointe | **1 (off-site affordable development)** |
| **TOTAL** | | **38 (off-site development)**<br>31 – closed (affordable)<br>7 – closed (market rate) |

**HOPE VI Down Payment Assistance Homeownership Program** – The HOPE VI Down Payment Assistance Homeownership Program continues to be a very active part of AHA's homeownership activities and operates in partnership with local government to increase homeownership opportunities for first time home buyers. This program provides subordinate loans to low-and moderate-income first time home buyers to reduce the principal amount of their first mortgage.

**Homeownership Self Sufficiency Program (HSS)** – During FY 2009, as part of the grant close-out, AHA began phasing out the HSS Program to create a seamless approach to homeownership activities. The remaining 19 participants in this program will continue to be assisted in attaining financial independence and self-sufficiency, and to purchase a home, if desirable and feasible.

**Housing Choice Homeownership Program** – Given its MTW authority, AHA is re-structuring the Housing Choice Voucher Homeownership Program to better align with the current industry standards and lending practices and is refining its program policies, procedures and criteria for participants. AHA is seeking HUD approval for some latitude and flexibility to raise the eligibility selection standards to promote long-term successful homeownership. The mainstay of the program is the availability of the Housing Choice (Section 8) Voucher for homeownership mortgage assistance for eligible participants.

# QUALITY OF LIFE INITIATIVE

Using its authority under the Amended and Restated MTW Agreement, AHA has improved its financial position as a result of changing the composition and mix of its portfolio and demolishing AHA-owned distressed and obsolete public housing developments, thereby substantially reducing the operating and capital costs associated with managing these troubled properties.

The Quality of Life Initiative (QLI) is one of AHA's strategies for transforming the delivery of affordable housing. Under QLI, AHA is giving families opportunities to relocate from obsolete and distressed public housing to higher quality communities with desirable amenities. Approximately 3,000 households in 12 targeted AHA-owned developments are benefiting from QLI. The 12 targeted communities include 10 family communities: Bankhead Courts, Bowen Homes, Englewood Manor, Herndon Homes, Hollywood Courts, Jonesboro North, Jonesboro South, Leila Valley, Thomasville Heights and U-Rescue Villa; and two senior highrises, Palmer House Highrise and Roosevelt House Highrise. HUD approved the demolition of all of the targeted QLI communities. AHA has used its MTW Funds to pay for QLI-related activities including relocation, demolition and human development services. The following describes activities AHA has implemented using its MTW authority and funds supporting QLI.

During FY 2009, all Phase I QLI properties listed in the Phase I Relocation Schedule below were demolished. The demolition of one Phase II property, Bowen Homes, began in June 2009.

| Phase I Relocation Schedule | | | | | |
|---|---|---|---|---|---|
| Property | Affected Households | Start Date | End Date | Status | Percentage Relocated from Property |
| Englewood Manor | 310 | 7/31/2007 | 2/29/2008 | Completed | 100% |
| Jonesboro North | 98 | 7/31/2007 | 1/31/2008 | Completed | 100% |
| Jonesboro South | 150 | 8/6/2007 | 1/31/2008 | Completed | 100% |
| Leila Valley | 115 | 4/18/2007 | 11/30/2007 | Completed | 100% |
| U-Rescue Villa | 71 | 7/31/2007 | 1/31/2008 | Completed | 100% |
| *TOTAL* | *744** | | | | |

*702 households relocated successfully. 42 households were either evicted, deceased, or skip moved without notifying AHA.

The chart below shows the status of QLI- related relocations under Phase II as of the end of FY 2009:

| Phase II Relocation Schedule | | | | | |
|---|---|---|---|---|---|
| Property | Affected Households | Start Date | Scheduled End Date | Status | Percentage Relocated from Property at 6/30/09 |
| Bowen Homes | 535 | 7/1/2008 | 8/31/2009 | Completed 5/31/09 | 100% |
| Bankhead Courts | 337 | 8/1/2008 | 7/31/2009 | Completed 6/30/09 | 100% |
| Thomasville Heights | 323 | 8/1/2008 | 7/31/2009 | Relocation Underway | 97% |
| Herndon Homes | 248 | 1/1/2009 | 12/31/2009 | Relocation Underway | 46% |
| Hollywood Courts | 187 | 1/1/2009 | 12/31/2009 | Relocation Underway | 80% |
| Roosevelt House Highrise | 228 | 5/1/2009 | 2/28/2010 | Relocation Underway | 35% |
| Palmer House Highrise | 220 | 5/1/2009 | 2/28/2010 | Relocation Underway | 32% |
| *TOTAL* | *2,153* | | | | |

## *Supporting Activities*

**Responsible Relocation** – AHA's Relocation staff assists relocating families with the resources they need to make informed choices about where they elect to move. These choices include moving to private rental communities with a limited percentage of Section 8 project-based rental assistance; utilizing tenant based vouchers for private market rental units of their choice; or in the case of relocating seniors or persons with disabilities, they can also choose to move into one of AHA's remaining 11 highrise communities.

As shown in the Phase II Relocation chart above, Phase II relocations began during FY 2009 and the moves are being completed on-time or ahead of schedule. AHA projects that Phase II relocations of the family communities will be completed by third quarter FY 2010.

**Human Development and Support Services** – One of AHA's most important lessons learned is that substantial investment must be made in families relocating from public housing projects. The families have been isolated from the mainstream and, as a result, they need assistance to adapt and connect with their new communities. The families, working with the professional family specialists, develop plans for success, focused on issues, to better prepare the families to be successful in their new school environment and in the workforce. AHA has contracted with professional human development firms to provide customized, individual family coaching and counseling services to QLI impacted households for a period of at least 27 months. There were 2,420 families assisted during FY 2009, with much of the assistance beginning prior to the families' relocation.

**Pre-Relocation Client Education –** AHA and a number of its Service Provider Network (SPN) partners have provided a variety of educational training and seminars for QLI impacted households, both in advance of their move and post-relocation to provide information and resources to facilitate a successful move and transition into their new communities. The SPN is a network of established Atlanta-area service providers that are committed to connecting AHA-assisted households to employment, training, educational and other mainstream resources. These seminars included understanding the Housing Choice Voucher Program, tips and tools for ensuring a successful move, and utility seminars to educate families on managing their utility expenses and energy conservation. Also, during FY 2009, AHA and a number of its Service Provider and Human Services Partners conducted an Empowering Your S.E.L.F. (**S**elf-sufficiency, **E**mpowerment, **L**iving environment and **F**ocus)for Success conference, in which 562 AHA-assisted clients participated *(See the Human Development Priority for a further description of S.E.L.F.)* Among other activities conducted during this day-long event, the following three interactive workshops were provided:

***Workshop 1. Community Standards and Responsibilities*** *– This workshop focused on the importance of taking personal responsibility for managing the home, household members and guests, ensuring peaceful enjoyment with neighbors and family success in new neighborhoods.*

***Workshop 2. Education – the Great Equalizer*** *– This workshop covered how education is key to the success of families in achieving their goals and dreams, and the importance of attaining more educational opportunities for self and being more involved in the education of their children.*

***Workshop 3. Problem Solving and Decision Making for Personal Success*** *– This workshop covered approaches for facing challenges and problem solving as well as a dialogue on the importance of making good choices for family success.*

During FY 2010, AHA will continue with on-going S.E.L.F. training to reinforce the concept of empowerment and self-improvement.

**Good Neighbor Program –** AHA's Good Neighbor Program (GNP) is an instructional program designed to provide guidance to AHA-assisted families on the values, roles and responsibilities associated with being a good neighbor. In collaboration with AHA, The Alonzo A. Crim Center for Urban Educational Excellence at Georgia State University (GSU), designed the curriculum, training modules and provides the instruction to participants of the program. During FY 2009, AHA and GSU revised the program curriculum to focus on increased interaction and training of the participants while expanding the S.E.L.F concept of empowerment and self-improvement. Beginning in FY 2010, participants will be required to obtain a certification in one of the following areas:

- Conflict Resolution and Problem Solving
- Community Expectations – *It takes a Village*
- Valuing Life-Long Education

Completion of the certification will require participants to take several courses over a period of time, as opposed to a one-day training session to promote a lasting impact on participant.

**Leasing Incentive Fee –** *T*o further facilitate the success of families competing in the private market for housing, AHA developed the Leasing Incentive Fee (LIF) as a means to encourage owners to lease quality, affordable, market rate housing in lower poverty areas to AHA-assisted households. The LIF is a one-time, non-refundable fee paid by AHA to owners in consideration for their agreement to lease units selected by relocating families through the tenant-based Housing Choice program. Households impacted by QLI have been able to use the LIF, which in turn, has alleviated participant out-of-pocket costs for security deposits, application fees and other fees typically required as part of the move-in process.

## *Activities located in other Sections of the Annual Report*

Due to the comprehensive nature of the following activities and their application above and beyond the QLI priority, the description and FY 2009 outcomes for ***Customer and Community Relations*** and ***Enhanced Housing Marketing*** are described in other sections of this Annual Report. Customer and Community Relations is located under the Human Development priority and Enhanced Housing Marketing is located under the Re-engineering the Housing Choice Voucher Program Priority.

# PROJECT-BASED RENTAL ASSISTANCE AS A DEVELOPMENT TOOL

Leveraging its MTW Authority, AHA has been able to use PBRA as an incentive to expand the development of quality, affordable housing in mixed-income communities by attracting local Atlanta real estate development professionals.

The Project-Based Rental Assistance (PBRA) priority is a strategy of AHA to further expand the availability of quality, affordable housing in market quality, mixed-income communities in Atlanta by entering into renewable ten-year rental subsidy agreements with private sector owners for an agreed percentage of units in upscale multi-family rental developments. Rental Subsidy makes those rental units affordable to income eligible households. Unlike the Housing Choice tenant-based voucher program where the rental subsidy follows the voucher holder in the event they should move, PBRA stays with the property ensuring the affordability of rental units and fostering the sustainability of the multi-family development over the term of the PBRA Agreement. The long-term nature of the subsidy agreements makes such agreements financeable.

During FY 2009, AHA continued implementing several models of the PBRA Priority to expand the number of affordable units available to families, the elderly and persons with disabilities. Using a competitive process to ensure the quality of PBRA projects, AHA issues a Request For Proposals (RFP) from experienced developers/owners of multi-family rental developments. For those proposals chosen in accordance with the PBRA selection criteria, AHA issues a conditional PBRA commitment to the developer/owner. Upon delivery of the project in accordance with the approved proposal and terms and conditions of the PBRA commitment, AHA and the developer/owner enter into a long-term PBRA Agreement. The PBRA Agreement may be renewed by AHA after its initial term if certain conditions are met. The following describes FY2009 outcomes for the various PBRA program models.

**Project Based Rental Assistance inside of Mixed-Income Communities –** This model solicits private developers and owners interested in reserving a percentage of their multi-family rental units as affordable for at least 10 years through AHA's PBRA program.

As of June 30, 2009, the following shows the number of PBRA Agreements executed and committed that provide housing to income eligible families and elderly persons:

| Category | # of Units under PBRA Agreement | # of Units Committed* |
|---|---|---|
| Families | 855 | 454 |
| Elderly | 1,769 | 1,268 |

*** These numbers include units under construction or where a commitment letter has been issued**

**Project Based Rental Assistance Special Needs Demonstration (formerly referred to as PBRA Homeless Demonstration and PBRA Mental Health Demonstration)** – This demonstration program solicits proposals from owners/developers who can ensure the delivery of housing and supportive services to persons with special needs residing in their properties. Examples of persons with special needs include persons who are homeless, who have completed transitional programs, and persons with mental or developmental disabilities. The following shows the total number of units executed or committed under this demonstration as of June 30, 2009:

| Category | # of Units under PBRA Agreement | # of Units Committed** |
|---|---|---|
| Homeless | 305 | 83 |
| Mental Health | 0 | 68 |
| Other Special Needs | 56 | 57 |

**** These numbers include units under construction or where a commitment letter has been issued**

**Project Based Rental Assistance Regional Expansion Program** –In response to requests from other housing authorities in metropolitan Atlanta and their private sector development partners, AHA has agreed, to pursuant to an Intergovernmental Agreement with the local housing authority and/or local government within those jurisdictions as required, authorizing AHA to administer its PBRA program in that jurisdiction.

To address this, AHA has implemented the Regional Expansion Program where AHA negotiates Intergovernmental Agreements to operate its PBRA program in neighboring jurisdictions. These Intergovernmental Agreements are complex and require extensive negotiation and discussion with the participating jurisdiction. So far, AHA has executed two Intergovernmental Agreements; one with Fulton County Housing Authority and the second with Union City Housing Authority.

**See the Asset Management and Policy Development section of the Report for a description of AHA's Project Based Rental Assistance Site Based Administration.**

# RE-ENGINEERING THE HOUSING CHOICE VOUCHER PROGRAM

Utilizing its MTW flexibility, AHA continues to transform its Housing Choice Program to:

- Improve its financial and administrative processes
- Create incentives for families
- Develop greater acceptance of the program in Atlanta communities and neighborhoods

AHA's reform of its tenant-based Housing Choice Voucher Program is designed to develop a world-class operation with the end goal of offering AHA- assisted clients viable, quality and affordable housing choices in lower poverty impacted, amenity-rich neighborhoods. The reform of this program is centered around:

- Enhancing and expanding its relationship with the private market through creative outreach to landlords to improve the quality of the product for AHA-assisted clients
- Reducing the financial and administrative burden of managing the program
- Creating incentives for families to achieve and maintain economic independence
- Increasing mutual accountability of AHA, the participants and landlord/property owners

Using its MTW authority, AHA has been able to design and implement reforms to its Housing Choice Voucher Program so that income eligible families can use housing choice vouchers to live in lower poverty impacted, amenity-rich neighborhoods, while continuing to pay no more than 30% of their adjusted income towards rent and utilities. At fiscal year end, AHA had 12,402 units under its Housing Choice Program, which included vouchers that have been ported, and have not been absorbed by the receiving jurisdiction.

Under AHA's FY 2009 MTW Plan (CATALYST Implementation Plan), the re-engineering of the Housing Choice Voucher Program continues with the focus on redefining the operational framework for the program. The following reflects the change in supporting activities as well as outcomes for these activities during FY 2009.

**Housing Choice Supporting Project – Participant Services –** Beginning in FY 2009, Housing Choice Operations organized the Participant Services group as a strategic approach to enhance its service delivery to applicants and participants. This group administers the full life-cycle of functions from participant relationship management to waitlist administration and processing; intake eligibility and screening; voucher issuance and briefing; management of program moves, portability transactions, annual re-certification, referral to human services development; and participant compliance, hearings and terminations.[1] The following reflect two policy changes implemented by AHA that improve customer service delivery and provide incentives to assisted households:

- **30% of Adjusted Income –** AHA adopted the policy described below in FY 2008, and began full implementation of this policy during FY 2009. This policy was implemented to stabilize total tenant payments to not exceed 30% of adjusted income for rent and utilities in recognition of the financially fragile situation of low-income families and to alleviate the degree of rent burdens. This policy is a decisive shift from the previous practice which allowed participants to pay up to 40% of their adjusted income for the initial lease term and the ability to pay an even higher percentage of adjusted income upon renewal. AHA also desired to maintain the same financial arrangement for families being relocated from public housing projects using Housing Choice vouchers. Moving forward, AHA will conduct an annual rent impact analysis to examine and monitor the impact of this policy.

- **Rent Simplification –** During FY 2008, AHA adopted a policy permitting AHA to develop standard deductions for determining adjusted annual incomes in order to calculate the participant's portion of rent. The intent of the policy is to facilitate greater operating efficiency and improve customer service and relationship management by eliminating the costly and labor-intensive burden of collecting and verifying receipts for unreimbursed expenses for allowable deductions. This policy was adopted across all AHA programs including PBRA, Affordable Communities, Mixed-Income Communities and Housing Choice.

  During FY 2009, AHA developed a larger standard deduction for individuals, dependents and seniors and persons with disabilities, i.e. $750 per dependent and $1,000 for elderly/disabled households. The elimination of the time and labor intensive determination of unreimbursed expenses and development of increased amounts of standard deductions were approved by the Board and AHA began implementation in FY 2009. Similar to the policy above, an annual rent impact analysis will be conducted to monitor the impact of this policy.

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[1] AHA's Housing Choice Waiting List is currently closed and is not receiving any new applicants.

AHA has established a Catastrophic Hardship Policy for AHA-assisted families who believe that they have been impacted by a catastrophic situation. A catastrophic situation is a critical, life changing event, sudden in occurrence and devastating in magnitude, resulting in financial and/or health-related limitations and complications from which the anticipated recovery period would be long-term and unpredictable in nature.

**Participant Relationship Management –** During FY 2009, Housing Choice established and conducted the first meeting of its Participant Advisory Board. This Advisory Board, made up solely of Housing Choice participants, was established to have a represented voice for the participants in the program. Several representatives of this Board are well versed in serving, having formerly served as resident planning committee members associated with AHA's HOPE VI revitalization projects. This group will meet at least quarterly, and as needed to discuss matters related to the program. Also, Housing Choice began the development of a customer service survey for participants that is scheduled to be released during FY 2010. This survey is intended to gauge customer satisfaction levels among participants and will be used as an evaluative tool for improvements in customer service delivery as needed.

**Housing Choice Supporting Projects – Landlord Services –** With the intent to move to a private sector business model, the Landlord Services group is designed to enhance and build relations with prospective and current owners/landlords who interface with the tenant-based voucher program. The Landlord Services group is responsible for landlord relationship management, housing marketing and outreach, landlord briefings and certification and landlord communication.

The following reflect several reforms implemented by AHA that incentivizes the relationship with landlords and utilizes private sector principles for establishing, negotiating and controlling rents. These reforms are intended to further promote deconcentration of poverty, expand and broaden affordable housing opportunities, and attract and retain quality landlords/owners in mixed-income neighborhoods.

- **Leasing Incentive Fees –** The Leasing Incentive Fee (LIF) was developed in 2007 as a means to encourage owners to lease market-quality rental housing to AHA-assisted households impacted by relocation. The LIF is a one-time, non-refundable fee paid by AHA to owners in consideration for their agreement to hold and lease units, on a priority basis, that have been selected by relocating families. As a benefit to the families, the LIF gives them a competitive edge in securing great housing options. During FY 2009, families who relocated under the

QLI initiative, both in Phase I and Phase II were able to take advantage of the LIF.

- **Rent Reasonableness –** AHA believes that rent reasonableness determinations of rental housing units leased under the Housing Choice Voucher Program must be thoughtful and in line with market equivalent rents for the market area of any assisted unit. To this end, AHA began the re-engineering of its Rent Reasonableness Process during FY 2009, in order to improve the development and control of contract rents using Atlanta-centric comparables within AHA-defined submarkets. As a service to the Housing Choice Operations department, AHA's Asset Management and Policy Development (AMPD) group procured services from YARDI/Social Serve to assist AHA in collecting, reviewing and analyzing market data to support the accuracy and integrity of rent reasonableness determinations. During FY 2010, AMPD will implement a new rent reasonableness system to provide validated, quality market data to support the consistency and stabilization of Housing Choice contract rents that are in-line with the rental market.

- **Payment Standards –** In tandem with its work in making rent reasonableness determinations, AHA also determined that in order to maximize the use of the Housing Choice program, it must use a local market strategy for determining Payment Standards. Using its MTW Authority, AHA has moved from the use of HUD's Fair Market Rents, and established its own locally driven Fair Market Rents based on submarkets in the City of Atlanta and the equivalent market rents in those submarkets. During FY 2009, AHA's Payment Standards were updated, and moving forward, AHA will further refine its Payment Standards with the establishment of AHA's rent reasonableness system.

Additionally, to further landlord relationship management during FY 2009, AHA established and conducted two meetings of its Landlord Advisory group. In the upcoming fiscal year, AHA will conduct a customer service survey for landlords to also inform and educate Housing Choice staff on ways to enhance the AHA/landlord relationship.

**Housing Choice Supporting Projects – Housing Assistance Payments Contracting –** As a part of the Housing Choice re-engineering, the Housing Assistance Payments Contracting group was organized with a focus on the complete life cycle of services necessary to execute a HAP contract with eligible landlords. This includes receiving property owner/landlord applications, landlord and unit eligibility, requests for tenancy approval processing, QLI/relocation interface, rent determinations and adjustments, HAP Contract development and administration, landlord re-certifications and landlord terminations.

Beginning in late FY 2009 and continuing into FY 2010, AHA will make a number of revisions to its form of HAP contract. A first step in this process is enhancements to AHA's Housing Choice Operating Systems, converting and activating the Housing Choice Business Modules to Oracle E-Business Suite. This conversion will be completed by August 2009, and will be followed by Phase II enhancements to the following modules: ports, 50058, pre-contract tracking. Additionally, AHA began making changes to the Property Owner Application, HAP contract and Request for Tenancy Approval documents to create greater efficiencies in information gathering and streamlining the process through automation.

**Enhanced Real Estate Inspection Systems** – During FY 2009, AHA began the comprehensive restructuring of its enhanced real estate inspections systems with a focus on streamlining requirements for greater efficiency and establishing qualitative standards, including site and neighborhood standards, for units participating in the Housing Choice program. One procedural enhancement to the inspection process was "Pass with Comment". This procedure was implemented to enable inspectors to not fail a unit based on minor and/or cosmetic deficiencies. Since implementing this procedural change, 194 units have passed AHA inspections standards that would have otherwise failed due to minor deficiencies. In addition, AHA implemented a limit of two inspections on the number of re-inspections it would conduct on units that failed its initial inspection.

**Housing Choice Supporting Projects – Financial and Business Operations** – Foundational to AHA's Housing Choice Operations is its Financial and Business Operations, which manage the support functions of the department as well as the community building aspects of the program. The following highlights key activities implemented during FY 2009.

**Port Administration** – During FY 2009, AHA began exploring innovative strategies for re-creating port administration into a seamless mobility strategy for its Housing Choice participants in the metropolitan Atlanta area. These strategies included, but were not limited to, a web-based ports communications and management module, intergovernmental agreements with metropolitan Atlanta Public Housing Authorities, paperless invoicing, MTW policy consistency across counties and leveraging resources. During FY 2010, AHA will continue this work and implement key components as determined.

**Housing Choice Operating System** – Underway, during FY 2009, was a major Housing Choice system conversion from DDI (Data Directions Inc.) to Oracle E-Business Suite. This conversion is the first step in moving toward the consolidation of a number of localized databases and programs to one comprehensive relational system. As mentioned earlier, this conversion is scheduled to “go live” in August 2009 and will be a first step in making further enhancements to Housing Choice system modules. Additionally, in an effort to move to a paperless environment, AHA is testing the use of an Oracle-based Records Management System. The goal is to transition in the new system during FY 2010, and based on its functionality, this system could set a standard for use by the entire agency.

# ASSET MANAGEMENT & Policy Development

Asset Management & Policy Development makes a significant contribution toward the design and implementation of reforms utilizing the authority under AHA's MTW Agreement that have a positive impact on operational efficiencies, effectiveness and accountability, policies and enhanced business relationships with AHA's private sector partners.

Asset Management & Policy Development (AMPD) provides strategic oversight and financial management of AHA's assets, real estate investments and external business relationships related to those assets. In addition, AMPD serves AHA in the areas of policy development, research and evaluation. AMPD facilitates and manages organizational imperatives with respect to the management and facilitation of AHA's business relationships with the owner entities of AHA-sponsored mixed-income communities in coordination with their professional management companies; private sector developers and owners of quality multifamily rental properties after the execution of Project Based Rental Assistance (PBRA) Agreements, which commences the operational phase of those properties; compliance monitoring activities for the Real Estate Management Division; AHA's business relationship with Georgia HAP Administrators, Inc. in the performance of fee-based contract administration; policy development and advisement; and oversight of the MTW Benchmarking Study and other program evaluation and research activities in coordination with local universities and contracted organizations. AMPD, in collaboration with Legal, Finance, Real Estate Development and Acquisitions, Information Technology, Real Estate Management and Housing Choice Operations, supports and drives the seamless delivery of AHA's repositioning, revitalization and investment strategies with the various owner entities and private owners. AMPD is charged with the responsibility of ensuring the continued viability and market competitiveness of AHA's portfolio of real estate partnerships and holdings while preserving AHA's investments in affordable housing.

The following section provides updates on AMPD's FY 2009 outcomes with respect to various priority activities that support the organization's mission.

## *Supporting Activities*

**Project Based Rental Assistance Site Based Administration** – As part of the authorizations under AHA's MTW Agreement, AHA developed its own local program for providing Project Based Rental Assistance (PBRA) in order to incent private developers and owners, selected through a competitive procurement process, to develop private sector multifamily rental communities with an affordable component of rental units supported by PBRA assistance.

PBRA Site Based Administration acknowledges the importance of the relationship between the property management agent and the residents of multifamily rental communities. Instead of AHA intervening in this relationship at the property level, AHA and the owner enter into a long-term PBRA agreement that permits the owner and its professional management company to administer the PBRA-assisted units. Subject to AHA audit and compliance reviews conducted by AMPD, all administrative and programmatic functions carried out in connection with admission and occupancy procedures and related policies for PBRA-assisted units are the responsibility of the owner and its professional management company. In addition to its oversight role, AMPD processes payment applications submitted by each property on a monthly basis to ensure that approved PBRA subsidies are paid in a timely manner.

During FY 2009, AMPD with the assistance of other AHA departments developed and implemented the Asset Management Portal ("Portal"), a web-based communication tool for AHA, owners and property management agents to provide information and transfer data. The Portal provides both AHA-sponsored mixed-income multifamily rental properties and PBRA-assisted multifamily properties a direct interface with AHA to exchange relevant property information; provide HUD form-50058 documentation and fulfill other MTW reporting requirements; and submit payment applications for approved subsidy payments. At fiscal year end, AMPD had trained property management staff on the Portal and, through the Portal, was interfacing with 63 mixed-income and PBRA-assisted multifamily properties.

**Private Sector Innovation –** The purpose of this supporting activity is to inform owners of AHA-sponsored mixed-income multifamily rental properties and PBRA-assisted properties of the regulatory and statutory relief available to them under AHA's Amended and Restated MTW Agreement, and how this relief can be utilized in an intentional manner to improve operating efficiencies, on one hand, and plan for long-term sustainability strategies, on the other. An ancillary component of this activity initiated during FY 2009 involved the drafting of a comprehensive policy document that will articulate AHA's overarching policies relating to CATALYST work/program requirements, Section 504/ADA compliance, site-based administration and strategies associated with MTW-related policies. AHA seeks to be an articulate partner recognizing and respecting the business realities confronting each professional management company, whether in a mixed-income multifamily rental community or a PBRA-assisted property, with respect to developing procedures specifically directed at property operations with the overall objective of complying with AHA's policies while managing the property in accordance with their own property management policies. AMPD works with AHA's strategic partners using AMPD's portfolio management staff to ensure that this objective is achieved in a collaborative and effective manner according to the obligations AHA and its partners have under applicable legal and financial agreements.

**Sustaining Mixed-Income Investments –** AHA, a diversified real estate company with a public purpose and mission must examine and plan for the long-term viability and sustainability of the mixed-income assets and other investments it manages in its portfolio, whether in its role as a lender, ground lessor, subsidy provider, partner and/or sponsor. In order to sustain its mixed-income investments, AHA is exploring alternative subsidy strategies that will represent a strategic departure from the traditional operating subsidy breakeven approach that both time and experience have proven to be ineffective in sustaining the Section 9-assisted units in AHA sponsored mixed-income rental properties. During FY 2009, AHA reevaluated its Section 9 operating subsidy approach and revised the methodology for calculating operating subsidy consistent with the terms of the standard Regulatory and Operating agreement. In doing so, AHA developed and implemented a methodology for its mixed-income investments that tied Section 9 operating subsidies to the actual costs of operating Section 9-assisted units.

**Innovative Subsidy Strategies for AHA's Affordable Communities Providing Housing for Seniors and Residents with Disabilities –** AHA continues to explore viable alternative subsidy strategies at its longer-term hold Affordable Communities, which provide housing for seniors and residents with disabilities. AHA believes that such communities would benefit from a strong and stable source of operating income that would support their long-term viability and sustainability.

**Streamlining Property-Level Operations –** The central focus of this initiative is to streamline operating procedures at the property level by examining the various regulatory requirements that are attached to financing and funding development activities. During FY 2009, AHA, the Georgia Department of Community Affairs (DCA) and Atlanta Development Authority (ADA) were in the planning stage of developing a Memorandum of Agreement which will outline protocols for sharing of information among the three agencies relating to tax credit, bond and other compliance reviews performed by those agencies. Additionally, by the end of FY 2009 AHA was finalizing the development of internal controls and compliance procedures for the PBRA program. These procedures, AHA's Business Process Review, will be implemented in FY

2010 and will apply to both AHA-sponsored mixed-income rental communities and PBRA-assisted properties will assess the operation and administration of the properties pursuant to the various legal, financial and program-related agreements between AHA and the respective owner entities. Site reviews and physical inspection protocols will be a part of the Business Process Review.

**Fee Based Contract Administration –** AHA continues to serve as a subcontractor for Georgia HAP Administrators, Inc., a Performance Based Contract Administrator under contract with HUD, conducting management and occupancy compliance reviews of privately-owned FHA-insured multi-family rental properties that receive HUD project-based Section 8 subsidies. AHA performed management and occupancy reviews for 7,490 units in the City of Atlanta and Fulton County during FY 2009.

AHA used a portion of the unrestricted fees generated as a subcontractor to support its scholarship program – Atlanta Community Scholars Award. This scholarship program is discussed in more detail in the Human Development section of this Annual Report.

**Mark to Market Program –** AHA continues to hold the contract on this program through its sunset in September 2011. As a HUD designated Participating Administrative Entity, AHA conducts multifamily asset restructurings throughout the state of Georgia, assessing the best restructuring strategy for the property to ensure the asset will remain viable. AHA did not receive any asset assignments for restructuring during FY 2009.

**Oversight of Turnkey III Assets –** During FY 2009, AHA closed out its Turnkey III Homebuyers Program. The final Turnkey III Annual Contributions Contract was closed out with the disposition of the last two lots, which have been transferred to AHA's real estate owned portfolio for later development as homeownership for low-income families. Funds generated from the sale of Turnkey III lots that were held in escrow were transferred to an AHA affiliate to be used in support of AHA activities for low-income families not connected to the Turnkey III program. AHA's independent audit for FY 2009 will include a certification that the Turnkey III program was closed out.

**Policy Development and Research –** AMPD works with various universities and researchers who conduct critical research in accordance with AHA guidelines. Evaluations of HOPE VI revitalization activities, either underway or concluded during FY 2009, included the evaluation of the revitalization of Grady Homes conducted by Georgia Institute of Technology; the evaluation of the revitalization of McDaniel Glenn conducted by Emory University; and the evaluation of the revitalization of Capitol Homes completed by Clark Atlanta University in FY 2009. In other FY 2009 research, AMPD and Atlanta Public Schools are finalizing a data sharing agreement to study school participation, and Emory University's Rollins School of Public Health is studying health-related issues that may impact public housing residents. Finally, AHA engaged an economist with Georgia State University's Andrew Young School of Policy Studies to examine the economic impact of AHA's revitalization program on the City of Atlanta.

# HUMAN DEVELOPMENT

The ability to combine HUD funding for use on MTW Eligible activities has been instrumental in the success of AHA's self-sufficiency efforts. It allows AHA to make targeted investments and implement programs and activities consistently and uniformly across its Public Housing and Housing Choice programs. This was not feasible prior to MTW.

The Human Development priority has been germane to AHA's efforts in providing assisted households with a network of resources and support that afford a pathway to economic self-sufficiency and an improved quality of life. AHA accomplishes this by facilitating strategic investments and linkages for AHA-assisted households to help address and solve the problems that serve as obstacles to persons achieving self-sufficiency and success in the workforce and in mainstream America. Clients are connected to mainstream resources coupled with counseling and support to ensure healthy outcomes with the goals of:

- economically independent families
- educated children
- self-sufficient elderly and disabled persons

During FY 2009, AHA invested more than $18 million for its Resident Services and Human Development activities to further facilitate a number of initiatives, programs and community engagement activities with local service providers and stakeholders. The following describes these supporting activities and respective outcomes.

## *Supporting Activities*

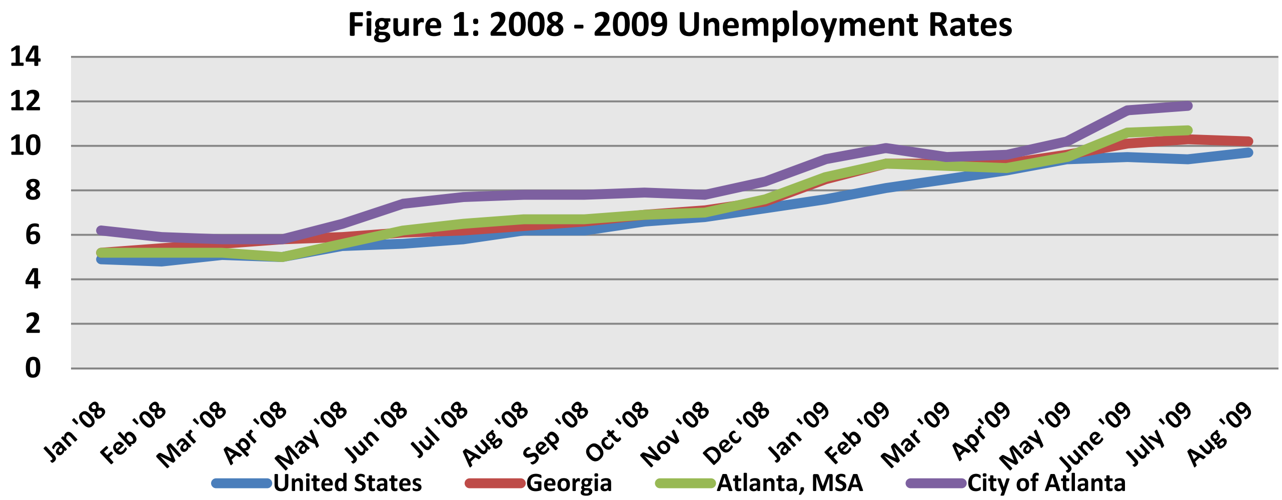
### Work/Program Participation Requirement –

As illustrated in the chart, AHA's work/program participation policy requires that (a) at least one non-elderly, non-disabled adult household member (between the age of 18-61 years) maintain continuous full-time employment (at least 30 hours per week) and (b) all other non-elderly, non-disabled adults maintain work or participation in a combination of school, training and part-time employment as a condition of the household

| CATALYST Compliance Meanings | |
|---|---|
| Full-time Worker | • Employed for 30 or more hours per week |
| Participation in an approved program | • attending an accredited school as a "full-time" student<br>• participating in an approved "full time" training program<br>• attending an accredited school as a "part-time" student, AND successfully participating in an approved "part-time" training program |
| Part-time Job and Part-time Program Participant | • Employed as a part-time employee (at least 16 hours) AND successfully participating in an approved training program<br>• Employed as a part-time employee (at least 16 hours) AND successfully participating in an accredited school as a "part-time" student |

receiving and maintaining subsidy assistance.

**Figure 1** illustrates rising unemployment trends from January 2008 to August 2009 for Georgia, the Atlanta Metro region, and the City of Atlanta, which have been consistently higher than the national unemployment rates. By the end of FY 2009, the US unemployment rate peaked at 9.5, while Georgia's unemployment rates exceeded the national rate, peaking in the double digits: the City of Atlanta - 11.8; Atlanta Metro region - 10.7 and Georgia - 10.3.




***Source:*** *Bureau of Labor Statistics*

The steady rise in unemployment has contributed to the decline in AHA's family work/program compliance benchmark, which dropped from 71 percent in FY 2008 to 62 percent in FY 2009. For the remaining households that did not meet the work/program compliance requirement (38 percent) the personal circumstances of each household is reviewed and, when appropriate, the household's work compliance standing is placed in a deferment status provided the household is cooperating with AHA and participating in a training and/or education program. This status means that termination of assistance is "deferred" for a specified period of time and allows AHA and its human service providers an opportunity to examine families' personal circumstances and provide more intensive assistance in connecting them to needed resources.

Examples of prevailing circumstances by which a deferment is offered:

1. At least one target household member is working full-time at 30 or more hours per week, but the remaining target household members are not compliant.
2. All target household members are working, but not at the full-time equivalent of 30 or more hours.
3. All target household members are attending training or school full-time and there is no

target household member working full-time.

4. A target household member is self-employed and working full-time, but not earning a gross income amount equivalent to the income earned working full-time at the federally mandated minimum wage rate.
5. A target household member was working full-time and recently became unemployed through no fault of their own.
6. A target household member is temporarily disabled or experiencing a verified short-term disability.
7. A target household member, who is not disabled, is not able to maintain a job due to physical or mental health issues.
8. A target household member not employed because he or she is a caregiver for a household member who has a disability.
9. A target household is impacted by AHA Quality of Life-related relocation.

All of the non-compliant households relocating under AHA's Quality of Life Initiative (QLI) were placed in deferment status for a year to allow time for these households to transition and get settled in their new living environments. Additionally, because of the effects of the downturn in the economy and high unemployment rates, AHA is sensitive to this and is proactively working with families, through its human development service providers to make sure the housing subsidy is not terminated when families experience circumstances beyond their control.

**Connections to the Service Provider Network (SPN) –** AHA continued to implement its referral system that connects AHA-assisted families to services provided through the Service Provider Network (SPN). This referral system includes contracted Human Service providers and on-staff Client Services Counselors (see Human Development and Support Services narrative below). During FY 2009, the following list the top five referrals made by Human Development providers and Client Counselors:

- Employment Placement – 3,416
- Supportive Services – 2,680
- Health Services – 822
- Youth Programs – 554
- Employment Preparation and Retention Services – 495

**Service Provider Network** – AHA continues to manage the SPN as a resource for AHA-assisted families. During FY 2009, AHA along with its Human Services providers and a number of SPN partners conducted a day-long "Empowering Your S.E.L.F for Success" conference where 562 AHA-assisted households participated. The comprehensive training uses the acronym S.E.L.F to describe its goals for clients:


**Self-sufficient** *individuals and families focused on building generational wealth*

**Education** *to improve the quality of life for you and your children*

**Living Environment** *building on self-pride, program compliance and becoming productive citizens*

**Focus** *on life-long learning and continuous self-improvement*

Participating partners included Integral Youth and Family Project, Families First, Atlanta Workforce Development Agency, Columbia Residential, Lincoln Property Company, Empire Board of Realtors, Atlanta Public Schools, Georgia State University, Atlanta Area Technical College, 100 Black Men of Atlanta and Atlanta Police Department. The interactive breakout sessions focused on three topical areas:

1. Community Standards and Responsibilities
2. Education – The Great Equalizer
3. Problem Solving and Decision Making for Personal Success

Additionally, during FY 2009 the SPN formed a Grant Consortium to collaboratively identify and pursue funding opportunities that benefit AHA-assisted households. One grant was awarded to a partner, Fulton-Atlanta Community Action Authority in the amount of $614,000 for the Youthbuild Program. Three additional grant proposals (focused on early learning, family health and services for seniors) were submitted between March and May 2009 and are awaiting response.

AHA also held a Senior Wellness and Resource Fair and a Seniors Farmers Market where over 300 AHA-assisted seniors participated at each event. At the Senior Wellness and Resource Fair, 26 providers and elected officials participated offering an array of resources to include 30-minute Empowerment Session, health screenings and fitness and nutrition education. The Senior Farmer's Market was a quality of life event for seniors and persons with disabilities. AHA had a number of key sponsors participating to include local City Council Members, AARP, Wal-Mart, Kroger, Jason's Deli, Carlyle's and Atlanta Food Bank. The event was set up similar to an open-air Farmer's Market and AHA-assisted participants were able to take home fresh produce at no cost and participate in a number of activities.

AHA continues to operate its highly structured Good to Great (G2G) GED Program in partnership with Atlanta Metropolitan College, Atlanta Technical College, and Atlanta Public Schools (all SPN partners) enabling committed participants to be deferred from the work requirement for as long as it takes for them to obtain their GED – no matter their grade level upon entry into the program. At Fiscal Year-end 2009, 117 had enrolled in the program. This program differs from conventional GED programs in that it has stringent program and participation requirements, participants receive materials and supplies, transportation assistance, coverage of GED testing fees and other support services. Evening classes are designed to offer participants more flexibility in their attendance schedule.

**CATALYST Resource Guide –** AHA continues to distribute the CATALYST Resource Guide to tenants, which provides information on a multitude of services including educational, literacy, family, employment and training, homeownership counseling, childcare, and services for seniors and persons with disabilities. The Resource Guide was last updated during FY 2008 to include more than 200 local community organizations. It continues to be distributed as needed during the Housing Choice re-certification process, to households that are non-compliant or in deferment status, to families in QLI-impacted communities and to seniors and persons with disabilities residing in AHA's high-rise communities.

**Human Development & Support Services –** AHA decided several years ago that a critical component to the relocation process was to work with affected households so that families could make successful transitions and would have an opportunity to work through any barriers to family or individual success. AHA agreed that such an investment in families would occur over a number of years so that families would have a continuum of support during pre- and post-relocation. During FY 2009, Human Development and Support Services' providers Integral

Youth and Family Project and Families First continued this support to 1,455 families impacted by revitalization and 2,420 families impacted by QLI. Additionally, AHA's on-staff Client Services Counselors provided coaching and counseling services and assistance to 524 participants in AHA's Housing Choice program who are not impacted by QLI or revitalization activities.

During FY 2009, a mass mailing of a Client Satisfaction Survey was sent to all clients receiving Human Services. As of the end of FY 2009, responses were coming in. AHA plans to tabulate the results and review and analyze findings during FY 2010. The survey results will be used as a tool to gauge client satisfaction and to enhance the human service delivery model.

**Atlanta Community Scholars Awards (ACSA) –** Launched in 2003, the Atlanta Community Scholars Awards (ACSA) is an AHA initiative which provides post secondary scholarships to eligible AHA residents to attend the college, university or technical school of their choice. The United Negro College Fund (UNCF) has partnered with AHA to provide fiscal oversight for grants and gifts received for ACSA and scholarship disbursements to awardees. During FY 2009, 17 deserving AHA-assisted youth received a total of $29,785 in scholarships and are attending colleges and universities across the southeast including Alabama State University, Valdosta State University, University of Georgia, Emory University, Morehouse College, Spelman College, Berry College, Georgia Southern University, University of West Georgia and Clayton State University. Additionally, AHA employees contributed $15,900 to ACSA and AHA provided an $11,000 corporate match using unrestricted funds. A total of 53 scholarships have been awarded since ACSA's inception with average awards at $1,832. Scholarships are renewable as long as participants continue to meet eligibility requirements.

**Customer and Community Relations Center (CCRC) –** AHA continues to manage customer and community relations which includes access to a dedicated phone line (1-888-AHA-4YOU) that allows the public to voice their concerns and compliments regarding AHA-assisted families in their neighborhoods. Involving the community is integral to the success of the CCRC and AHA4YOU. Both provide an opportunity to connect with the community to include Neighborhood Planning Units (NPUs), Community and Neighborhood Associations, local government officials and staff and other interested parties. During FY 2009, CCR staff participated in 29 community sponsored meetings, particularly in communities where there is a significant presence of Housing Choice participants or where there is a heightened level of issues or complaints from the community. AHA received and followed-up on 606 calls, which is a decrease of 30% from the calls received and responded to during FY 2008.

**Good Neighbor Program II** – AHA's Good Neighbor Program (GNP) is designed to coach and prepare AHA-assisted families to live and blend into the communities where they live and help them to understand as well as value their roles and responsibilities as good neighbors. The GNP II training curriculum is based on feedback from the training provider (Georgia State University), re-occurring community concerns and AHA observations. New Participant Certification requirement was developed during FY 2009, with implementation scheduled for first quarter FY 2010. Participants will be required to take a series of interactive training and receive a certification in one of the following areas:

- Conflict Resolution and Problem Solving
- Community Expectations: *It Takes a Village*
- Valuing Life Long Education

**Placed-Based Supportive Services Strategy Pilot** – AHA, in collaboration with a number of partners, continued the implementation of a placed-based pilot referred to as the NORC (Naturally Occurring Retirement Community) Project at three AHA high-rises: Marian Road, Piedmont Road and Cheshire Bridge Highrise as part of a 2007 ROSS grant award to the Atlanta Regional Commission's (ARC) Division on Aging. NORC is a national program model that focuses on equipping adults to age in place and building the capacity of the community to support them in that process. The NORC places a strong emphasis on resident involvement with priorities set by residents and new initiatives capitalize on the economy of scale created by the concentration of individuals with similar needs. The primary partners on this pilot include ARC, AHA, Visiting Nurse Health System, Piedmont Hospital, Jewish Family and Career Services, Jewish Federation of Greater Atlanta and Private Management Companies that manage the targeted high-rise communities (Lane Management, The Habitat Company and IMS Management Services)

Based on lessons learned from the NORC, during FY 2009, an ARC Collaborative including Grady Hospital, Fulton County, Visiting Nurses, Jewish Family and Career Services, Peachford and Northside Hospitals began developing a protocol document to address the proper handling of residents with disabilities living in any of AHA's high-rise communities. This protocol document addresses service provisions, emergency response and critical care for this population. The protocol is slated to be finalized and ready for implementation by second quarter of FY 2010.

In addition, AHA has been in discussions with several prominent Atlanta universities: Emory University, Georgia State University and Mercer University to create a Health and Wellness Field Practicum. The respective universities' schools of Nursing and Social Work, AHA and several NORC partners are collaborating on this initiative to be implemented during FY 2010. The Practicum is intended to be an extension of the expiring ROSS grant to continue connecting AHA-assisted seniors and persons with disabilities to resources to help maintain their independence and prevent premature institutionalization and/or homelessness.

**Rapid Response Foreclosure Team –** During FY 2009, AHA continued with its Rapid Response Team to expeditiously respond to AHA-assisted clients in the Housing Choice program affected by foreclosures. The Rapid Response Team assists affected households by providing relocation assistance and other support to include moving assistance, temporary lodging and assistance with identifying and securing a new place to live. AHA assisted 609 clients, 83 percent or 503 clients of which were affected by foreclosures and the remaining 17 percent or 106 families were impacted by natural disasters or other "emergency" situations. For foreclosures, the number served during FY 2009 is a 28% decrease from FY 2008; however, the number of families impacted by other emergency situations almost doubled from the prior year. AHA's Housing Choice and Resident Services departments work coordinately to streamline the process for addressing foreclosure and emergency moves and refined its policies and procedures to diminish the number of occurrences, to the extent that it is within their control.

# CORPORATE SUPPORT

Using its MTW flexibility and Single Fund Authority, AHA continues to make enhancements to improve its internal business operations and processes to create a more viable and sustainable business enterprise with a focus on excellent customer service delivery.

Using its MTW flexibility, AHA continues to make business enhancements to improve the ongoing operations and economic viability of the agency and AHA-owned communities. These activities include, but are not limited to, enhancements to AHA policies, business systems, technology, financial reporting and analysis which are captured in the following supporting activities.

## *Supporting Activities*

**Asset Management Under the New Operating Subsidy Rule (includes AHA's Project Based Accounting and Fee-for-Service Methodology)** – AHA continues to evolve and refine its project based accounting and management system by designing and implementing a new Cost Allocation Plan. This approach will enhance AHA's ability to capture and report all costs associated with the operation of the cost objectives identified. The Cost Allocation Plan was designed to meet the requirements of MTW Agreement and the requirements of the revised OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments to provide improved financial reporting for each cost objective. AHA also developed and submitted in its FY 2010 MTW Annual Plan to HUD a Local Asset Management Program (LAMP) which outlines the cost accounting system under which AHA will operate. The LAMP outlines:

- Project-based Budgeting and Accounting
- Cost Allocation Approach
- Classification of Costs and Cost Objectives
- AHA's Fee for Service

Contingent on HUD's approval of AHA's 2010 MTW Annual Plan, AHA will implement the Local Asset Management Program during FY 2010.

**Financial Operations (includes discussion on Low Income, Housing Choice and Capital Fund related Income and Housing Choice Budget Utilization Benchmark) –** AHA's MTW Agreement authorizes the agency to combine its low-income operating funds, MTW Housing Choice Voucher funds and capital funds (including certain development funds) into a Single Fund (MTW Funds). When so combined, the individual funds lose most of their programmatic restrictions and requirements and may be used to implement the projects and activities under the auspices of its MTW Agreement and as set forth in AHA's MTW Annual Plan, as amended annually by its MTW Annual Implementation Plan. These projects and activities constitute AHA's "MTW Eligible Activities." AHA's MTW Housing Choice Budget Utilization benchmark under the MTW Agreement requires that the expenditure of fiscal year Housing Choice annual budget allocation for MTW vouchers utilized for MTW eligible activities be greater than or equal to the target benchmark of 98%. During FY 2009, AHA exceeded this benchmark by utilizing 100% of its Housing Choice budget allocation for MTW eligible activities.

AHA has also created its own project based housing choice initiative using the authority under the MTW Agreement. Through this initiative, AHA no longer uses AHAP and HAP Agreements but, instead, uses a Project Based Rental Assistance (PBRA) Agreement. As an innovative subsidy strategy using flexibility granted under its MTW Agreement, AHA uses MTW Funds to support one of AHA's MTW Priority Initiatives, PBRA as a Development Tool, with the goal of (a) facilitating housing opportunities for families in healthy mixed-income communities; (b) facilitating the development of housing for the elderly; (c) facilitating the development of supportive services housing for disabled persons and other transitional housing; and (d) expanding housing opportunities in areas of low poverty. Using a competitive process to ensure the quality of PBRA projects, AHA issues a request for proposals to experienced developers/owners of multi-family rental developments. For those proposals chosen in accordance with the PBRA selection criteria, AHA issues a conditional PBRA Commitment Letter to the developer/owner.

And lastly, since July 1, 2003, the effective date of AHA's MTW Agreement, 100% of AHA's HOPE VI Vouchers and 66% of its Tenant Protection Vouchers have met their one year anniversary and are now part of AHA's MTW Voucher authorization. AHA will, however, continue to report the number of participants whom initially received HOPE VI and Tenant Protection vouchers in the VMS report until they leave the program.

**Replacement Housing Factor (RHF) Funds** – Although the MTW Agreement identifies RHF funds as a component of AHA's MTW Single Fund, AHA and HUD enacted a Replacement Housing Factor Fund protocol outlining its use of these funds. In FY 2007, AHA submitted to HUD its RHF plan which accumulated RHF awards from Federal Fiscal Years (FFY) 2003-2007. Subsequently, AHA has developed a plan of action for expenditure of RHF funds for Grady, McDaniel Glenn, Perry, and Harris revitalization projects. AHA will submit a revised FFY 2003-2007 RHF plan to HUD in the near future.

**Procurement Enhancements** – During FY 2008, AHA completely reorganized its procurement functions and department to expand the breadth of its acquisition activities, streamline operations, increase efficiency and enhance quality control. During FY 2009, AHA examined its purchase and spending patterns for goods and services ≤ $5,000 and developed an approach to better manage agency-wide repeat purchases of certain goods and services and controlling associated costs. Additional enhancements included revising and streamlining the key solicitation process for acquisitions under $100,000 and the redesign and streamlining of the purchase orders process to increase speed of approvals and provide more efficient contract administration.

## *Longer-Term Hold Communities*

By September 30, 2010, AHA will have successfully completed the relocation and demolition phases of its family communities as part of its QLI program, at which date, AHA will close the door on concentrating households in obsolete, distressed and dysfunctional large family public housing projects. The two senior highrises, Palmer House and Roosevelt House, are scheduled to complete relocation and demolition activities by January 2011. As part of this strategic shift, during FY 2009, AHA moved to give priority focus, on improving the quality of the facilities at the remaining AHA-owned public housing developments (i.e. longer-term hold properties) and developing more extensive expertise in housing and supportive services needs of elderly and persons with disabilities. The longer-term hold properties include 11 highrise buildings which provide housing for elderly and young disabled persons and two small family developments (Westminster – 32 units and Martin Street Plaza – 60 units). AHA will use its MTW authority to reposition these longer-term hold properties and strategically invest capital resources to improve the quality of life of its residents. AHA will also use approximately $18.5 million of its $26.5 million allocation of American Recovery and Reinvestment Act (ARRA) formula Capital Funds for rehabilitation of its longer-term hold properties. The following reflect activities conducted as part of the on-going management of the longer-term hold properties and reflect priorities to improve the viability, community safety, code compliance and quality of life enhancements for seniors and persons with disabilities.

**Utility Allowance Waiver –** During FY 2009, AHA examined the cost/benefit of its excess utility billing program for the highrise communities. AHA's analysis found that administrative costs outweighed the collected revenue and subsequently elected to discontinue the program beginning in FY 2010. During FY 2010, AHA will assess the effects of this change and implement supplemental resident education forums for encouraging energy conservation behaviors.

**Energy Management Initiative (formerly Energy Performance Contracting) –**AHA is committed to improving the energy conservation and efficiency of its facilities while at the same time enhancing the quality of living environments provided to its residents. The energy management initiative takes a holistic and comprehensive approach to energy management as a component of AHA's asset management strategy for its longer-term hold communities. AHA commissioned an energy audit for the AHA-owned public housing assisted properties that was completed in June 2008. The recommendations of the energy audit that are cost effective will be implemented beginning in FY 2010 with a portion of the ARRA formula Capital Funds. These improvements will create communities that are more energy efficient while also improving the quality of life through enhanced living conditions.

**Enhanced Accessibility Initiative –** AHA has long been committed to meeting the special needs of persons with disabilities. To AHA works directly with applicants and program participants to assist them effectively with their particular disability-related needs. Through AHA's Enhanced Accessibility Initiative, AHA has provided significant assistance to persons with disabilities to help them participate in and benefit, in a meaningful manner, from AHA programs and facilities.

AHA has designated a team of real estate management professionals, the Accessibility Team, to advance the Enhanced Accessibility Initiative. The Accessibility Team includes a highly qualified Section 504/ADA Coordinator who coordinates AHA's compliance with applicable disability laws, tracks progress toward reasonable accommodations and reasonable modifications requests and provides guidance to AHA staff, property managers and AHA families about a wide variety of disability-related issues.

AHA has updated its guiding policy documents, including the Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments and the Statement of Policies

Governing the Housing Choice Tenant-Based Program, to make sure that persons with disabilities are aware of AHA's fair housing responsibilities, their rights to request reasonable accommodations and their rights to dispute any denial of a reasonable accommodations request.

AHA educates applicants and program participants about AHA's commitment to provide reasonable accommodations and reasonable modifications. AHA includes specific references to their right to make such requests in leasing applications, on its website, in its policy documents and in other written and verbal communications. AHA also provides regular training, by a nationally recognized fair housing expert, to AHA and property management agents so that they can better assist persons with disabilities.

To make it easier for applicants and program participants to get their requests approved quickly, AHA has simplified the process for requesting reasonable accommodations. AHA developed easy to use forms to assist in submitting requests and securing verification of the need for requests. Because the process has been simplified, AHA staff and its agents are better able to approve and comply with requests quickly. AHA provided a significant number of reasonable accommodations and reasonable modifications during FY 2009, including approval of live-in aides, providing alternative forms of communication, waiving transfer fees, making physical modifications to units specifically tailored to the needs of particular residents and making accessibility improvements to leasing offices and parking lots.

AHA is particularly proud of its significant investment to increase the number of fully accessible units that meet the Uniform Federal Accessibility Standards (UFAS units) in AHA-sponsored public housing-assisted communities, including mixed-income Signature communities and AHA longer-term hold communities. AHA is ahead of schedule in the construction of the additional UFAS units AHA committed to develop in the Voluntary Compliance Agreement it executed with HUD in 2007. As of the end of FY 2009, AHA completed the construction of a total of 143 UFAS units, 83 of which were constructed and certified in FY 2009 alone. In addition, AHA has implemented well-organized procedures and tracking mechanisms, including the centralized database of persons who require UFAS units, to ensure that UFAS units are being most effectively used by persons with disabilities who require their features. AHA has also worked with landlords participating in the Housing Choice program to make accessibility modifications to their units to meet the needs of Housing Choice participants with physical disabilities.

For residents relocating from AHA-owned communities impacted by QLI, AHA's Relocation staff and Human Services Counselors work closely with them to identify their family's disability-related needs and to assist them in securing new housing options that address their particular needs and desires. Additionally, AHA has established relationships with organizations with expertise in the issues affecting persons with physical and mental disabilities. AHA provides families information about these agencies and when requested, connects them with these organizations. These organizations have proven to be a valuable resource for our families with disabilities.

Further, in recognition of the particular housing challenges encountered by persons with mental and developmental disabilities, AHA funded the renovation of The Gardens at CollegeTown (formerly John O. Chiles Annex) to provide 26 units of service-enriched housing for residents with mental and developmental disabilities. Work was completed in FY 2009 as part of the Harris Homes HOPE VI revitalization. The on-site property manager, Integral Management Services, has partnered with the Integral Youth and Family Project, LLC in a pilot program to offer comprehensive intensive supportive services targeted to persons with developmental and mental disabilities. By directly connecting residents with various in-home services and resources, residents will be linked to service providers who can assist with housekeeping and laundry services, medication, activities of daily living including personal care and meals, transportation, health monitoring, care management and therapeutic activities. The Gardens at CollegeTown will serve as a model in developing best practices for service-enriched supportive housing for persons with disabilities.

**Enhanced Real Estate Inspection Systems** – As part of AHA's efforts to improve physical conditions at its properties, AHA has developed a system of primary and secondary real estate inspections to provide an integrated assessment of the physical condition of each property. Inspection types include Rental Integrity Monitoring (RIM) review, asset control and risk assessment, enhanced Uniform Physical Conditions Standards (UPCS) and Real Estate Assessment Center (REAC) inspections, security, major systems and elevator preventative maintenance. AHA has enhanced its quality assurance (QA) inspections process for its longer-term hold properties by adding a supplemental inspection for all UFAS certified units. Through its integrated inspections system, AHA will continue to inspect the communities several times a year with a focus on each of the priority inspection areas at least once per year.

**Video Call Down Systems** – By September 30, 2009, AHA's obsolete family properties will be vacant as part of its QLI initiative. The video call down systems at these properties will be kept in place until demolition starts at which time the cameras and equipment will be removed for redeployment to other AHA properties. AHA's longer-term hold communities will primarily utilize the video and recording capabilities of these systems. Additionally, the community safety programs focus for AHA's senior/disabled communities will include improved resident services activities and community workshops to increase resident awareness. Each site will have a security officer to monitor site controls and handle visitor access management during non-business hours. The security guards are augmented with a video camera and recording system that is focused on the building site, building entrances and selected common area spaces.

**4 to 1 Elderly Admissions Policy at AHA's HighRise Communities –** AHA continues to implement strategies at its highrise communities to address the complex social issues associated with mixing seniors and young disabled persons. AHA commenced implementation of a 4:1 elderly/almost elderly admissions policy at its highrise communities as of March 1, 2006. This admissions policy allows the Private Management Companies (PMCOs) to admit 4 elderly (62 and older) or almost elderly (55-61) residents on the waiting list before admitting a non-elderly disabled resident until such time as an optimal mix of elderly/almost elderly and non-elderly disabled residents is reached for the community. During FY 2009, all AHA highrise communities continue to implement the policy and most properties are closing in on the 4:1 split.

**Enhanced Business Systems –** To ensure consistency and uniformity of information and handling of AHA's policies and operating procedures for staff at the property level, during FY 2008, AHA rolled out the PMCO Occupancy Guidebook and fully trained the PMCO staff. All of AHA's longer-term hold properties continue to follow the procedures described in the guidebook.

**Comcast Cable Partnership –** AHA, in partnership with Comcast Cable, the cable franchise for Atlanta, has established two primary cable information channels at each of its highrise communities. One channel serves as a "security" channel and is dedicated to security cameras at various locations within each community enabling residents to monitor their own community. The other channel serves as an "information channel" and provides a mechanism to broadcast information and announcements for residents such as health information, alerts, fire prevention education, and management announcements. In addition to its regular programming and announcements, during FY 2009, AHA aired AHA's FY 2010 MTW Annual Plan public hearing notice and taped public hearing for notification and viewing by the residents.

## Corporate Policies Governing Eligibility, Occupancy and Program Administration

**Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments (Statement of Corporate Policies) –** The Board of Commissioners last adopted Revision Four of AHA's Statement of Corporate Policies or SCP on April 30, 2008 after conducting a properly advertised and noticed public hearing held on April 15, 2008. The revised Statement of Corporate Policies was included in AHA's submission of its FY 2010 MTW Annual Plan (CATALYST Implementation Plan) to HUD on April 15, 2009. The SCP was last updated to clarify established policies and revise existing language, as appropriate, to ensure consistency in rent and occupancy policies governing the public housing and Housing Choice Voucher programs.

**Statement of Policies Governing the Housing Choice Tenant-Based Program (Statement of Housing Choice Policies) –** The Board of Commissioners adopted Revision Seven of the Statement of Housing Choice Policies on September 3, 2008, to elevate one of AHA's special programs, Housing Choice Homeownership Program, to have its own policy statement in the Statement of Housing Choice Policies. This policy statement is consistent with the discussion of AHA's Comprehensive Homeownership Program covered in the FY 2009 MTW Annual Plan, FY 2008 MTW Annual Report and public hearing held in April 2008. The revised Statement of Housing Choice Policies was included in AHA's submission of its FY 2010 MTW Annual Plan (CATALYST Implementation Plan) to HUD on April 15, 2009.

As part of these policy documents, AHA continues to implement the following initiatives and policies which applies to clients across all programs:

- **Violence Against Women Act (VAWA) –** The *Violence Against Women and Department of Justice Reauthorization Act of 2005* (Public Law No: 109-162) promulgates requirements in the law that serve and protect the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking. AHA developed administrative procedures for its Public Housing and Housing Choice programs. AHA and its Private Management Partners continued with its implementation during FY 2009.

- **Elderly Income Disregard –** On October 1, 2004, AHA implemented an income disregard for the Public Housing and Housing Choice programs for employment income earned by elderly residents or elderly participants on fixed income. AHA continued to implement this income disregard as part of its routine operations during FY 2009. Also, AHA conducted a rent impact analysis on this policy in FY 2009. The Elderly Income

Disregard policy did not have a negative impact on elderly participants in either the public housing or Housing Choice program. In fact, 92 percent or more of the elderly in these programs were on fixed income only (no additional employment income) and therefore were not subject to the policy. The rent impact analysis for the Elderly Income Disregard is included in the FY 2009 MTW Annual Report Appendices book.

- **$125 Minimum Rent –** Effective October 1, 2004, AHA raised its minimum rent from $25 to $125 under its Public Housing and Housing Choice programs. Households on fixed incomes, where all members are either elderly or disabled, are exempt from the minimum rent increase and their total tenant payment continues to be based on 30 percent of their adjusted gross incomes. Hardship waivers may be granted under certain limited circumstances, on a case-by-case basis, based on criteria established in AHA's SCP or Statement of Housing Choice policies. AHA conducted a Rent Impact Analysis of its minimum rent policy for both the public housing and Housing Choice Programs. The minimum rent policy did not have a negative impact on families. Over 80 percent of households in both programs paid rents at or above the minimum rent. The rent impact analysis for the Minimum Rent is included in the Annual Report Appendices book.

- **30% of Adjusted Income –** AHA adopted this policy in FY 2008, and began its full implementation during FY 2009. This policy was implemented to stabilize total tenant payments to not exceed 30% of adjusted income for rent and utilities in recognition of the financially fragile situation of low-income families and to alleviate the degree of rent burdens. This is a decisive shift from the previous practice which allowed participants to pay up to 40% of their adjusted income for the initial lease term and the ability to pay an even higher percentage of adjusted income upon renewal. Moving forward, AHA will conduct an annual rent impact analysis to examine and monitor the impact of this policy.

- **Rent Simplification –** During FY 2008, AHA adopted a policy permitting AHA to develop standard deductions for determining adjusted annual incomes in order to calculate the participant's portion of rent. The intent of the policy is to facilitate greater operating efficiency and improve customer service and relationship management by eliminating the costly and labor-intensive burden of collecting and verifying receipts for unreimbursed expenses for allowable deductions. During FY 2009, AHA developed a larger standard deduction for individuals, dependents and seniors and persons with disabilities, i.e. $750 per dependent and $1,000 for elderly/disabled households. The elimination of the time and labor intensive determination of unreimbursed expenses and development of increased amounts of standard deductions were approved by the Board and AHA began implementation in FY 2009. Similar to the policy above, an annual rent impact analysis will be conducted to monitor the impact of this policy.

- **Work/Program Participation Policy –** Established in FY 2005, AHA's work/program participation policy requires at least one adult (age 18-61, excluding elderly and disabled persons) in the household to work full-time at least 30 hours per week and all other adults in the household to be either work or program compliant.

**Enhanced Relocation Procedures and Database Enhancements –** During FY 2009, AHA continued to refine and streamline its relocation procedures and Consolidated Relocation Management System (CRMS) database in order to enhance operational efficiency, client services, tracking and reporting, and to ensure compliance with applicable HUD regulations. Improvements made to the existing system included new/added features and reporting capabilities to include:

- Replacement Housing Factor Payments Claim Form
- Split Head of Household Functionality
- Relocation Staff Progress Report
- Initial Inspection Report Relocation Zip Code
- Exception Report
- Atlanta Public Schools Report
- Payment Summary Checklist

System enhancements improve reporting and work efficiency of Quality Assurance Services team and Relocation team leads.

**Develop Re-occupancy Process –** During FY 2009, AHA improved the functionality and reporting of CRMS to more effectively track clients re-occupancy associated with AHA's revitalization activities. The redesigned module provides a complete historical tracking of clients for Quality Assurance Services team and Real Estate Development project managers to monitor re-occupancy at the revitalized communities. The system also provides an improved reporting component.

**Organizational Initiatives** – AHA continues to evaluate and re-define programs, systems and processes in an effort to build the organizational human resource capital necessary to successfully carry out its Business Plan. The intended focus is on positioning AHA as a high performing, diversified real estate company with a public mission and purpose. Beginning in FY 2009 and into FY 2010, Human Resources will be working with AHA leadership to develop the "people strategy" needed to support this positioning. This priority will be implemented in phases in conjunction with the organizational assessment process to be conducted in FY 2010. Human Resources will work with the CEO, procured business consultants and key business unit leaders to define the people strategy, organizational structure and change management initiatives to support AHA's continued transformation to a diversified real estate enterprise.

As part of its Communication Plan, AHA has procured The Alisias Group, an Atlanta-based public relations firm, to manage media relationships at the national, state and local levels; manage certain external community relationships; develop innovative approaches to positive and consistent messaging to AHA-assisted households, local state and national political bodies and stakeholders; and manage the development of AHA's CATALYST collateral materials. This work includes developing CATALYST fliers, pamphlets, brochures and materials that are designed to inform, educate and motivate AHA-assisted families towards success. This communication strategy continues to be a part of AHA's targeted investment in Human Development activities and further engages community stakeholders, elected officials and the public on the work of AHA.

**Permanent Designated Housing** – This activity has been moved from under Corporate Support to the Revitalization Priority and is discussed in detail in that section of this Annual Report.

# MTW BENCHMARKING STUDY UPDATE

EuQuant found that AHA has made significant progress in utilizing the statutory and regulatory relief granted under its MTW Agreement. In its June 30, 2010 report, EuQuant will examine the impact of QLI, will also investigate the effectiveness of other policies that have been designed to benefit assisted families.

AHA's Revitalization Program and Quality of Life Initiative ("QLI") and the statutory and regulatory relief afforded by AHA's MTW Agreement have had a significantly positive impact on assisted families. As a result of these programs and statutory and regulatory relief, the composition and mix of AHA's portfolio have intentionally changed. As AHA has demolished its distressed and obsolete public housing, it has applied for and received Housing Choice Vouchers to support the relocation of affected households and to replace a significant portion of the demolished housing units that are not otherwise replaced through the Revitalization Program. Under AHA's MTW Agreement, AHA has leveraged its Housing Choice Voucher funds through innovative and creative partnerships and relationships with private sector developers and owners to create additional mixed-income communities and to reposition AHA to be a more nimble and strategic provider of affordable housing in healthier mixed-income communities. From 1994, when AHA initiated its Revitalization Program through June 30, 2008, AHA's Housing Choice Voucher funds have increased approximately 400%. During this same period, AHA has demolished approximately 10,000 distressed and obsolete public housing units.

Faced with the continuing deterioration of its obsolete public housing projects; escalating crime associated with concentrated poverty in these housing projects; the costs of managing and repairing these obsolete housing projects outpacing the associated revenues; and an increasing demand by AHA-assisted households and Atlanta citizens for better living conditions, AHA accelerated the pace of its strategic plan to end concentrating low-income households in distressed and obsolete housing projects through QLI. AHA successfully accomplished the relocation of affected households from the first phase of QLI (i.e. Leila Valley, Jonesboro South, Jonesboro North, U-Rescue Villa and Englewood Manor) and substantially completed the demolition of those housing projects. During the same period, HUD had approved the demolition of Bowen Homes, a housing project in the second phase of QLI, and AHA was engaged in the relocation of affected households from Bowen Homes. After July 1, 2008, the beginning of AHA's 2009 fiscal year, HUD approved the second phase of QLI demolition applications for Bankhead Courts, Herndon Homes, Hollywood Courts, Thomasville Heights, Palmer House Highrise and Roosevelt House Highrise. Relocation of affected households at all of these housing projects, except Palmer House and Roosevelt House, commenced and was underway. General relocation activities at Palmer House Highrise and Roosevelt House Highrise commenced in May 2009. See the QLI section of the MTW Annual Report for a detailed discussion of this priority.

By September, 2010, AHA will have closed the door on concentrating households in obsolete, distressed and dysfunctional large family public housing projects. The two senior high-rises, Palmer House and Roosevelt House, are scheduled to complete relocation and demolition by January 2011. After this time, AHA will own 11 senior high-rise buildings and two small family public housing-assisted developments – Martin Street Plaza (60 units) and Westminster Apartments (32 units), all of which are located in economically integrated neighborhoods. Each of these communities will continue to be owned by AHA and comprehensively managed by professional private management firms in accordance with AHA's goals, objectives and financial resources. During the next three years, AHA intends to use the authority under its MTW Agreement to reposition these properties with the goal of substantially improved quality of life, with increased emphasis on supportive services for elderly and persons with disabilities.

The preceding summary, in highlighting AHA's progress under MTW, emphasizes the importance of understanding the positive impact of AHA's MTW statutory and regulatory relief. EuQuant, formerly Boston Research Group, is continuing its research in benchmarking that progress through the next fiscal year. Since the interim report, which reported EuQuant's findings through June 30, 2006, there have been significant changes in AHA's strategies to accelerate QLI activities, enter into different partnership strategies and arrangements like Project Based Rental Assistance, realign its administrative structure by forming a dedicated asset management function and implement new policies that benefit assisted families. With that understanding, it is also important to examine EuQuant's major findings as EuQuant continues its research and lays the groundwork for its final report for the period ending June 30, 2010. To this end, Dr. Thomas D. Boston prepared the following progress report.[1]

[1] *Dr. Thomas D. Boston is a Professor of Economics at Georgia Institute of Technology and President of EuQuant, Inc.; an Atlanta based economic and statistical consulting company. Dr. Boston is a graduate of Cornell University where he received a Ph.D. Degree in Economics. His research centers on the economics of entrepreneurship, public housing, and community development. He is the former President of the National Economic Association, past editor of The Review of Black Political Economy and past Senior Economist to the Joint Economic Committee of Congress. Dr. Boston has published research, working papers and monographs on public housing assistance including a recent article, "The Effects of Revitalization on Public Housing Residents," in the Journal of the American Planning Association (Autumn 2005, vol.71. no. 4).*

## *Moving to Work Benchmarking Study Progress Report*

This progress report provides an overview of EuQuant's research of AHA's initiatives and activities under the Moving to Work (MTW) Demonstration Program. In early 2004, AHA engaged EuQuant, formerly Boston Research Group, to provide three research reports benchmarking AHA's progress and effectiveness in utilizing its statutory and regulatory relief as an MTW agency under the MTW Agreement. EuQuant has issued two reports, a baseline report as of June 30, 2004 which was released in 2006 and an interim report as of June 30, 2007 which was released in 2008. The final report in this series will be issued in the fall of 2010 for the period ending June 30, 2010.

In the time between EuQuant's interim report and this progress report, HUD approved AHA's Amended and Restated MTW Agreement which extends the term of AHA's MTW Agreement, as amended and restated through June 30, 2018. The MTW Agreement may be automatically extended for additional terms provided AHA performs in compliance with its MTW Agreement and with HUD's consent. . In addition, as stated in the preceding section, AHA has made significant changes in its MTW strategies. Among its new strategic initiatives are the following: the Quality of Life Initiative (QLI), strategic partnerships and arrangements such as its Project Based Rental Assistance, and the realignment of its administrative structure by forming a dedicated asset management function. The benefits to families associated with these new initiatives will be examined by EuQuant in their final report.

The major findings of EuQuant's ongoing MTW Benchmarking Study are listed here.

1. In 1995, 47% of assisted households lived in public housing developments, 33% used Housing Choice vouchers and 20% lived in properties primarily serving the elderly. By 2007, only 15% of households lived in public housing developments while 57% used Housing Choice vouchers, 9% lived in new mixed-income revitalized communities, 18% lived in properties primarily serving the elderly, and 2% lived in project based rental assisted properties.

2. To measure neighborhood quality, the study used a Community Attribute Index (CAI). This is a multi-dimensional metric that contains 15 variables that best describe the characteristics of neighborhoods. The variables were grouped under the following categories: economic opportunity, poverty status, educational attainment, housing and population characteristics, family stability and crime. The study found that the large scale relocation of families from

public housing developments to mainstream market rate housing (using the Housing Choice tenant-based voucher program), to mixed-income communities and to project based rental assisted properties allowed families to live in better neighborhoods. In those neighborhoods assisted families received higher quality housing services and gained access to opportunities that enhanced their upward mobility. As a result, voucher recipients and residents of mixed-income communities displayed significant improvements in self-sufficiency. In contrast, families who relocated from one public housing development to another development experienced the smallest improvement in neighborhood quality and attained the lowest increase in economic self-sufficiency.

3. AHA's Revitalization Program did not cause assisted families to lose housing assistance. To examine this, EuQuant employed a quasi-experimental research design in which we established a control group (that consisted of assisted families who lived in six public housing developments that were not revitalized) and a treatment group (that consisted of assisted families who lived in six public housing developments that were revitalized into mixed-income communities). The groups had similar characteristics in 1995. We measured the difference in attrition rates over time in order to determine if they varied significantly between the groups. Families were tracked longitudinally and observations were recorded in 1995, 2001, 2004 and 2007. The research results showed that there was no statistically significant difference in attrition between the control group and the treatment group. Therefore, families affected by revitalization (the treatment group) did not experience a greater loss of housing assistance than did families who were not affected by revitalization.

4. EuQuant examined Atlanta Public School 3rd and 5th graders whose families received AHA housing assistance. Students whose families lived in market rate housing (with the assistance of voucher) and students whose families lived in mixed-income communities performed significantly better in school when compared to children who lived in public housing developments. A regression analysis revealed that school quality (as measured by the performance of all students in the school) explained 44.0% of the variation in how students performed on a national standardized test. The conclusion is the housing opportunities created by Housing Choice vouchers and the mixed-income communities gave students access to better performing schools. Once enrolled, the children in these two housing categories performed better in comparison to children whose families lived in public housing developments.

5. A Benefit-Cost analysis found that the net benefit to society of the initial 13 phases of mixed-income developments sponsored by AHA was $1.6 billion. The analysis considered the fixed costs of constructing each mixed-income development phase and the on-going operating costs and revenues. Other non-financial benefits and costs associated with mixed-income communities in comparison to public housing developments were monetized. These included the net benefit of living in better quality housing, reducing crime and improving school quality. The average net social benefit of each revitalized mixed-income community was $123 million and the benefit-cost ratio was 1.58 to 1.

6. It is generally believed that assisted families who use Housing Choice vouchers or those who live in mixed-income communities are more highly motivated toward self-improvement than are families who live in public housing developments. We used an advanced statistical procedure to control for this selectivity bias. Having done so, we found that households in the Housing Choice voucher program had an average gain in household income that was $1,427 greater than the household income of identical households who lived in public housing. Likewise, the average gain in household income of households who lived in mixed-income communities was $2,915 greater than the household income of identical households who lived in public housing developments.

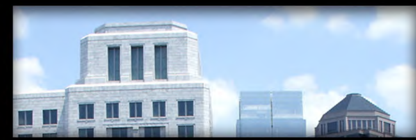
## *Forward Outlook to 2010*

As stated above, EuQuant found that AHA has made significant progress in utilizing the statutory and regulatory relief granted under its MTW Agreement. In its June 30, 2010 report, EuQuant will examine the impact of QLI, AHA's priority initiative to "end the practice of concentrating households in obsolete, distressed and dysfunctional large family public housing projects." We will also investigate the effectiveness of other policies that have been designed to benefit assisted families. Included among these other policies are the following: the 30% of adjusted income limit on the total amount assisted families pay for rent and utilities; AHA Payment Standards (which are not tied to HUD's Fair Market Rents but are instead tied to the market conditions in defined submarkets in the City of Atlanta); rent simplification measures; and the growth of Project Based Rental Assistance. Of course, EuQuant will continue to update and examine the progress AHA-assisted families are making towards greater self-sufficiency.

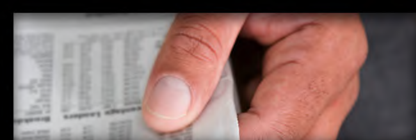
# The Atlanta Blueprint

## Table of Contents

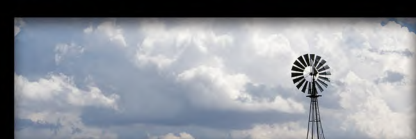











## AHA LEGACY ATTACHMENT B REQUIREMENTS

The following elements for AHA's FY 2009 MTW Annual Report are in accordance with AHA's Legacy Attachment B Requirements included in AHA's Amended and Restated MTW Agreement.

| REQUIREMENT | LOCATION |
|---|---|
| **I. Households Served** | |
| A. Number served: plan vs. actual by unit size, family type, income group, program/housing type, race & ethnicity<br>B. Changes in tenant characteristics<br>C. Changes in waiting list numbers and characteristics<br>D. Narrative discussion/ explanation of difference | *Refer to the MTW Benchmarking Study Update in the MTW Annual Report.* |
| **II. Occupancy Policies** | |
| A. Changes in concentration of lower-income families, by program | **Appendix D**<br>▪ Households Served |
| B. Changes in Rent Policy, if any | **Appendix H**<br>▪ Minimum Rent Policy Impact Analysis |
| C. Narrative discussion/explanation of change | **Appendix H**<br>▪ Minimum Rent Policy Impact Analysis<br>**Appendix C**<br>▪ Deconcentration & Occupancy Policies<br>***NOTE:*** *A copy of AHA's Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments is included as* ***Appendix P*** *of AHA's FY 2010 CATALYST Implementation Plan* |
| **III. Changes in the Housing Stock** | |
| A. Number of units in inventory by program: planned vs. actual -<br>B. Narrative discussion/explanation of difference | **Eliminate.**<br>Public Housing inventory is reported to HUD through the PIC system. We are submitting Housing Choice unit leasing information through the quarterly 52681-B Housing Choice financials submissions. |
| **IV. Sources and Amounts of Funding** | |
| A. Planned vs. actual funding amounts<br>B. Narrative discussion/explanation of difference | **Appendix F**<br>▪ Financial Analysis |

**AHA LEGACY ATTACHMENT B REQUIREMENTS**

| REQUIREMENT | LOCATION |
|---|---|
| **IV. Sources and Amounts of Funding -** *continued* | |
| C. Consolidated Financial Statement | **Appendix G**<br>▪ A Comprehensive Annual Financial Report and Report of Independent Certified Public Accountants |
| **V. Uses of Funds** | |
| A. Budgeted vs. actual expenditures by line item<br>B. Narrative/explanation of difference<br>C. Reserve balance at end of year. Discuss adequacy of reserves. | **Appendix F**<br>▪ Financial Analysis |
| **VI. Capital Planning** | |
| A. Planned vs. actual expenditures by property<br>B. Narrative discussion/explanation of difference | **Appendix F**<br>▪ Financial Analysis |
| **VII. Management Information for Owned / Managed Units** | |
| **(Vacancy) Occupancy Rates** | |
| 1. Target vs. actual occupancies by property | **Appendix E**<br>▪ Management Information for Owned / Managed Units & Assisted Units |
| 2. Narrative/explanation of difference | No explanation of difference (N/A) |
| **Rent Collections (Rents Uncollected)** | |
| 1. Target vs. actual collections | **Appendix E**<br>▪ Management Information for Owned / Managed Units & Assisted Units |
| 2. Narrative/explanation of difference | No explanation of difference (N/A) |
| **Work Orders** | |
| 1. Target vs. actual response rates<br>2. Narrative/explanation of difference | **Appendix E**<br>▪ Management Information for Owned / Managed Units & Assisted Units<br>**Appendix H**<br>▪ MTW Program Benchmarks |

**AHA LEGACY ATTACHMENT B REQUIREMENTS**

| REQUIREMENT | LOCATION |
|---|---|
| **VII. Management Information for Owned / Managed Units -** *continued* | |
| **Inspections** | |
| 1. Planned vs. actual inspections completed | **Appendix E**<br>▪ Management Information for Owned / Managed Units & Assisted Units |
| 2. Narrative/explanation of difference | N / A |
| 3. Results of independent PHAS inspections | **Appendix H**<br>▪ MTW Program Benchmarks |
| **E. Security** | |
| 1. Narrative: planned vs. actual actions/explanation of difference | **Appendix E**<br>▪ Management Information for Owned / Managed Units & Assisted Units |
| **VIII. Management Information for Leased Housing** | |
| **A. Leasing Information** | |
| 1. Target vs. actual lease ups at end of period | Eliminate.<br><br>We are submitting Housing Choice unit leasing information through the quarterly 52681-B Housing Choice financials submissions. |
| 2. Information and Certification of Data on Leased Housing Management including:<br>▪ Ensuring rent reasonableness;<br>▪ Expanding housing opportunities;<br>▪ Deconcentration of low-income families<br><br>3. Narrative/explanation of differences | **Appendix C**<br>▪ Deconcentration and Occupancy Policies<br><br>***NOTE:*** *A copy of AHA's Statement of Policies Governing the Housing Choice Voucher Program is included as* ***Appendix Q*** *of AHA's FY 2010 CATALYST Implementation Plan.* |
| **Inspection Strategy** | |
| 1. Results of strategy, including: a) Planned vs. actual inspections completed by category: Annual HQS inspections; Pre-contract HQS inspections; HQS Quality Control inspections; b) HQS Enforcement<br><br>2. Narrative/discussion of difference | **Appendix H**<br>▪ MTW Program Benchmarks |

**AHA LEGACY ATTACHMENT B REQUIREMENTS**

| REQUIREMENT | LOCATION |
|---|---|
| **VIII. Resident Programs** | |
| A. Narrative: planned vs. actual actions/explanation of difference | *Refer to the Human Development Priority section in the MTW Annual Report* |
| B. Results of latest PHAS Resident Survey, or equivalent as determined by HUD. | **Appendix B**<br>▪ Resident Satisfaction Survey |
| **X. Other Information as Required by HUD** | |
| A. Results of latest completed 133 Audit, (including program-specific OMB compliance supplement items, as applicable to AHA's Agreement) | **Appendix G**<br>▪ Reports of Independent Certified Public Accountants in Accordance with Government Auditing Standards and OMB Circular A-133 |
| B. Required Certifications and other submissions from which the Agency is not exempted by the MTW Agreement | **Appendix H**<br>▪ MTW Program Benchmarks |
| C. Submissions required for the receipt of funds | **Appendix K**<br>▪ Submissions Required for Receipt of Funds |

**OMB Control Number: 2577-0216**
**Expiration Date: 12/31/2011**

**Form 50900: Elements for the Annual MTW Plan and Annual MTW Report**

**Attachment B**

**to AMENDED AND RESTATED MOVING TO WORK AGREEMENT BETWEEN U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AGENCY**

The information on this form is being collected so the Department is able to respond to Congressional and other inquiries regarding outcome measures obtained and promising practices learned throughout the Moving to Work (MTW) demonstration. The information reported through this form is not confidential. Respondents will report outcome information to accurately evaluate the effects of MTW policy changes on residents, the Agency's operations and the local community. The estimated burden per year per Agency is 81 hours. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The Agency may not conduct or sponsor, and are not required to respond to, a collection of information unless that collection displays a valid OMB control number. All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the standard Amended and Restated Agreement, and will follow the following order and format.

| Annual MTW Report | Location |
|---|---|
| **I. Introduction** | |
| **A.** Table of Contents, which includes all the required elements of the Annual MTW Report; and | • Annual Report Table of Contents<br>• Annual Report Appendices Table of Contents |
| **B.** Overview of the Agency's ongoing MTW goals and objectives. | **Annual Report:**<br>• Six Priority Activities<br>• Corporate Support |

| II. General Housing Authority Operating Information | |
|---|---|
| ***A. Housing Stock Information*** | |
| Number of public housing units at the end of the Plan year, discuss any changes over 10%; | **Appendix I:**<br>• Housing Innovations Chart A1 |
| Description of any significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year ); | **Appendix I:**<br>• Housing Innovations Chart A2 |
| Description of any new public housing units added during the year by development (specifying bedroom size, type, accessible features, if applicable); | **Appendix I:**<br>• Housing Innovations Chart A3 |
| Number of public housing units removed from the inventory during the year by development specifying the justification for the removal; | **Appendix I:**<br>• Housing Innovations Chart A4 |
| Number of MTW HCV authorized at the end of the Plan year, discuss any changes over 10%; | **Appendix I:**<br>• Housing Innovations Chart A5 |
| Number of non-MTW HCV authorized at the end of the Plan year, discuss any changes over 10%; | **Appendix I:**<br>• Housing Innovations Chart A6 |
| Number of HCV units project-based during the Plan year, including description of each separate project; and | **Appendix I:**<br>• Housing Innovations Chart A7 |
| Overview of other housing managed by the Agency, e.g., tax credit, state-funded, market rate. | **Appendix I:**<br>• Housing Innovations Chart A8 |
| ***B. Leasing Information - Actual*** | |
| Total number of MTW PH units leased in Plan year; | **Appendix I:**<br>• Housing Innovations Chart B1 |
| Total number of non-MTW PH units leased in Plan year; | **Appendix I:**<br>• Housing Innovations Chart B2 |
| Total number of MTW HCV units leased in Plan year; | **Appendix I:**<br>• Housing Innovations Chart B3 |
| Total number of non-MTW HCV units leased in Plan year; | **Appendix I:**<br>• Housing Innovations Chart B4 |
| Description of any issues related to leasing of PH or HCVs; and | **Appendix I:**<br>• Housing Innovations Chart B5 |

| | |
|---|---|
| ***B. Leasing Information – Actual-****continued* | |
| Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year). | **Appendix I:**<br>• Housing Innovations Chart B6 |
| ***C. Waiting List Information*** | |
| Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year; and<br>Description of waiting lists (site-based, communitywide, HCV, merged) and any changes that were made in the past fiscal year. | **Appendix I:**<br>• Housing Innovations Charts C1 & C2 |
| **III. Non-MTW Related Housing Authority Information *(Optional)*** | |
| **A**. List planned vs. actual sources and uses of other HUD or other Federal Funds (excluding HOPE VI); and<br>**B.** Description of non-MTW activities implemented by the Agency. | N/A |
| **IV. Long-term MTW Plan *(Optional)*** | |
| Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement. | N/A |
| **V. Proposed MTW Activities: HUD approval requested** | |
| (provide the listed items below grouped by each MTW activity) | |
| **A.** Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these activities were not implemented.<br><br>(All proposed activities that are granted approval by HUD will be reported on in Section VI as "ongoing activities.") | **Annual Report:**<br>• Re-engineering the Housing Choice Voucher Program Priority |
| **VI. Ongoing MTW Activities: HUD approval previously granted** | |
| (provide the listed items below grouped by each MTW activity) | |
| **A.** List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented; | **Annual Report:**<br>• Priority Activities<br>• Corporate Support |
| **B.** Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests. [The Agency will need to develop benchmarks and evaluation metrics for all ongoing MTW activities. For MTW activities that were implemented prior to the execution of this Amended and Restated Agreement, the Agency does not have to provide this information for past years. The Agency will establish the benchmarks | **Appendix H:**<br>• MTW Program Benchmarks<br>• Minimum Rent Policy Impact Analysis<br>• Elderly Income Disregard Policy Impact Analysis |

| | |
|---|---|
| and metrics in the first year that it Reports under this new format.]; | |
| **C.** If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective; | **Appendix H:**<br>• MTW Program Benchmarks |
| **VI. Ongoing MTW Activities: HUD approval previously granted -** *continued* | |
| (provide the listed items below grouped by each MTW activity) | |
| **D.** If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases); | N/A |
| **E.** If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected; | N/A |
| **F.** If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary; and<br><br>**G.** Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity With respect to requirements related to statutory or regulatory cites, the following is agreed: Every effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative; However, failure to cite to the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative. | On November 13, 2008, AHA and HUD executed AHA's Amended and Restated MTW Agreement. On January 16, 2009, AHA and HUD executed a further amendment to the Amended and Restated MTW Agreement (collectively, the "Amended and Restated MTW Agreement"), which clarified and expanded AHA's ability to use MTW Funds outside of Section 9 and Section 8 of the U.S. Housing Act of 1937, as amended ("1937 Act"). The Amended and Restated MTW Agreement re-affirmed, in all material respects, all of the authorizations set forth in Appendix A of the Original MTW Agreement and includes these authorizations in Attachment D. AHA has all of the authorizations needed from HUD under the Amended and Restated MTW Agreement to implement the activities described in AHA's FY 2009 MTW Annual Report. |
| **VII. Sources and Uses of Funding** | |
| **A.** List planned vs. actual sources (Operating, Capital, and HCV) and uses of MTW Funds (excluding HOPE VI). Provide a narrative description of any major changes from the approved MTW Plan; | **Appendix F:**<br>• Financial Analysis |
| **B.** List planned vs. actual sources and uses of State or local funds; | AHA received city funds for public improvements in FY 2009. |
| **C.** If applicable, list planned vs. actual sources and uses of the COCC (Central Office Cost Center); | N / A |

| **VII. Sources and Uses of Funding -** *continued* | |
|---|---|
| **D.** If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the actual deviations that were made during the Plan year; and | **Annual Report:**<br>• Corporate Support section |
| **E.** List or describe planned vs. actual use of single-fund flexibility. | **Annual Report:**<br>• Corporate Support section<br>**Appendix F:**<br>• Financial Analysis |
| **F.** Optional - List planned vs. actual reserve balances at the end of the plan year. | N / A |
| **G.** Optional - In plan appendix, provide planned vs. actual sources and use by AMP. | N / A |
| **VIII. Administrative** | |
| The Agency will provide the following: | |
| **A.** Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable; | **Appendix E:**<br>• Management Information for Owned/ Managed Units and Assisted Units |
| **B.** Results of latest Agency-directed evaluations of the demonstration, as applicable; | **Annual Report:**<br>• MTW Benchmarking Study Update Section |
| **C.** Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and | **Appendix J:**<br>• ARRA Submissions |
| **D.** Certification that the Agency has met the three statutory requirements of:<br>1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families;<br>2) continuing to assist substantially the same total number of eligible low income<br>families as would have been served had the amounts not been combined; and<br>3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration. | **Appendix H:**<br>• Certification |

## Atlanta Housing Authority
## FY 2009 Resident Satisfaction Survey
## Summary of Results

| Property Maintenance | Never | 1 to 3 times | More than 3 times | No Response | Multiple Responses |
|---|---|---|---|---|---|
| 1. In the past year, how often did you need assistance from the maintenance staff? | | | | | |
| Number of responses | 43 | 457 | 205 | 63 | 0 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 5.5% | 58.3% | 26.1% | 8.0% | 0.0% |
| | **Yes** | **No** | **Does Not Apply** | **No Response** | **Multiple Responses** |
| 2. Do maintenance workers complete work orders in one week or less? | | | | | |
| Number of responses | 632 | 83 | 25 | 29 | 6 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 80.6% | 10.6% | 3.2% | 3.7% | 0.8% |
| 3. Do maintenance workers complete emergency repairs in one day or less? | | | | | |
| Number of responses | 574 | 97 | 70 | 31 | 3 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 73.2% | 12.4% | 8.9% | 4.0% | 0.4% |
| 4. Do maintenance workers fix your work orders in a single visit? | | | | | |
| Number of responses | 568 | 136 | 28 | 36 | 7 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 72.4% | 17.3% | 3.6% | 4.6% | 0.9% |
| 5. Do maintenance workers answer your questions? | | | | | |
| Number of responses | 613 | 89 | 22 | 39 | 12 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 78.2% | 11.4% | 2.8% | 5.0% | 1.5% |
| 6. When you go to the laundry room do the machines work? | | | | | |
| Number of responses | 399 | 265 | 28 | 58 | 25 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 50.9% | 33.8% | 3.6% | 7.4% | 3.2% |
| 7. Is there trash on the ground or in the streets around the apartments? | | | | | |
| Number of responses | 143 | 5 | 31 | 18 | 4 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 18.2% | 0.6% | 4.0% | 2.3% | 0.5% |

The total of 784 represents the total number of surveys that were returned by residents. The "No Response" category is inclusive of individuals who returned the survey but did not respond to a particular question on the survey. The "Multiple Responses" category is inclusive of individuals who returned the survey and provided multiple responses to a particular question on the survey.

**Atlanta Housing Authority**
**FY 2009 Resident Satisfaction Survey**
**Summary of Results**

| Property Management | | | | | | |
|---|---|---|---|---|---|---|
| | Never | 1 to 3 times | More than 3 times | No Response | Multiple Responses | |
| 8. In the past year, how often did you need assistance from the property management staff? | | | | | | |
| Number of responses | 142 | 348 | 98 | 38 | 0 | |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 | |
| Percentage | 18.1% | 44.4% | 12.5% | 4.8% | 0.0% | |
| | Yes | No | Does Not Apply | No Response | Multiple Responses | |
| 9. Do the people in the rent office answer the phone? | | | | | | |
| Number of responses | 677 | 37 | 31 | 24 | 3 | |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 | |
| Percentage | 86.4% | 4.7% | 4.0% | 3.1% | 0.4% | |
| 10. When you visit the rent office is someone there to help you? | | | | | | |
| Number of responses | 718 | 25 | 12 | 18 | 2 | |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 | |
| Percentage | 91.6% | 3.2% | 1.5% | 2.3% | 0.3% | |
| 11. Do the people in the rent office answer your questions? | | | | | | |
| Number of responses | 555 | 39 | 12 | 22 | 4 | |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 | |
| Percentage | 70.8% | 5.0% | 1.5% | 2.8% | 0.5% | |
| Performance | Very Good | Good | Average | Poor | No Response | Multiple Responses |
| 12. Overall, how would you describe living in your community? | | | | | | |
| Number of responses | 217 | 199 | 125 | 31 | 34 | 1 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 | 784 |
| Percentage | 27.7% | 25.4% | 15.9% | 4.0% | 4.3% | 0.1% |
| | Yes | No | No Response | Multiple Responses | | |
| 13. Would you recommend your community to a friend? | | | | | | |
| Number of responses | 419 | 101 | 65 | 0 | | |
| Total number of surveys returned | 784 | 784 | 784 | 784 | | |
| Percentage | 53.4% | 12.9% | 8.3% | 0.0% | | |

**Atlanta Housing Authority**
**FY 2009 Resident Satisfaction Survey**
**Summary of Results**

## Resident Services

| | Never | 1 to 3 times | More than 3 times | No Response | Multiple Responses |
|---|---|---|---|---|---|
| 14. In the past year, how often did the resident services staff help you? | | | | | |
| Number of responses | 154 | 340 | 95 | 41 | 1 |
| Total number of surveys returned | 784 | 784 | 784 | 784 | 784 |
| **Percentage** | 19.6% | 43.4% | 12.1% | 5.2% | 0.1% |

| | Yes | No | No Response | Multiple Responses |
|---|---|---|---|---|
| 15. Does the resident services staff help you? | | | | |
| Number of responses | 610 | 135 | 29 | 1 |
| Total number of surveys returned | 784 | 784 | 784 | 784 |
| **Percentage** | 77.8% | 17.2% | 3.7% | 0.1% |
| 16. Do you know when the resident association meetings are held? | | | | |
| Number of responses | 654 | 90 | 30 | 1 |
| Total number of surveys returned | 784 | 784 | 784 | 784 |
| **Percentage** | 83.4% | 11.5% | 3.8% | 0.1% |
| 17. Do you feel the resident association meetings are important? | | | | |
| Number of responses | 593 | 147 | 31 | 4 |
| Total number of surveys returned | 784 | 784 | 784 | 784 |
| **Percentage** | 75.6% | 18.8% | 4.0% | 0.5% |
| 18. Do you regularly attend the resident association meetings? | | | | |
| Number of responses | 415 | 340 | 18 | 2 |
| Total number of surveys returned | 784 | 784 | 784 | 784 |
| **Percentage** | 52.9% | 43.4% | 2.3% | 0.3% |

## Safety

| | Yes | No | No Response | Multiple Responses |
|---|---|---|---|---|
| 19. Do you feel safe inside your apartment? | | | | |
| Number of responses | 678 | 86 | 10 | 1 |
| Total number of surveys returned | 784 | 784 | 784 | 784 |
| **Percentage** | 86.5% | 11.0% | 1.3% | 0.1% |
| 20. Do you feel safe in your apartment community? | | | | |
| Number of responses | 659 | 91 | 24 | 1 |
| Total number of surveys returned | 784 | 784 | 784 | 784 |
| **Percentage** | 84.1% | 11.6% | 3.1% | 0.1% |

# Appendix C: DECONCENTRATION AND OCCUPANCY POLICIES

The Atlanta Housing Authority (AHA) continues its commitment to deconcentrate poverty and create healthy mixed-income communities in the City of Atlanta. Through its Guiding Principles, AHA is focused on revolutionizing its programs and strategies to reverse the effects of concentrated poverty and improve outcomes for families. Several of AHA's priorities as outlined in its FY 2009 MTW Annual Report include strategies for deconcentrating poverty:

- Continuing with its strategic revitalization initiatives in partnership with private sector development partners with the goal of creating healthy and economically sustainable, mixed-use, mixed-income communities;
- Repositioning its public housing portfolio under the Quality of Life Initiative while relocating families to healthier, mixed-income communities;
- Using Project Based Rental Assistance as a development tool to offer substantially better housing opportunities by promoting the development of quality affordable housing for families, seniors and persons with disabilities;
- Developing its own system of payment standards inside of its Housing Choice Program enabling eligible families to choose rental housing in low poverty areas and opening up a broader area of affordable housing opportunities within AHA's jurisdiction; and
- Enhancing its market approach for attracting and fostering long-term relationships with landlords, private owners, property management companies, and rental housing industry groups to expand AHA's housing resource network.

Additionally, AHA has developed two policy documents governing its eligibility, occupancy and program administration of its Public Housing and Housing Choice Voucher Programs.

The first is *AHA's Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments* (Statement of Corporate Policies – or SCP). AHA's Board of Commissioners amended Revision Four of the SCP on April 30, 2008, after conducting a properly advertised and noticed public hearing on April 15, 2008. The SCP was updated to clarify established policies and revise existing language, as appropriate, to ensure consistency in rent and occupancy policies governing the Public Housing and Housing Choice Voucher Programs.

The second is AHA's *Statement of Policies Governing the Housing Choice Tenant Based Program* (Statement of Housing Choice Policies). AHA's Board of Commissioners also amended Revision Seven of the Statement of Housing Choice Policies on September 3, 2008. Similar to the SCP, the Statement of Housing Choice Policies was updated to clarify established policies and revise existing language to ensure consistency in rent and occupancy policies governing the public housing and Housing Choice Voucher Programs. Additionally, policy language was included with respect to reasonable accommodations which afford persons with disabilities full participation in the Housing Choice Voucher Program and related AHA activities, and added policy language related to the development of special programs.

Both the SCP and Statement of Housing Choice Policies were included in AHA's FY 2010 MTW Plan (CATALYST Implementation Plan) which was submitted to HUD on April15, 2009. AHA received HUD approval on its FY 2010 MTW Annual Plan on August 27, 2009.

## Appendix D: Change in Households Served - HOUSEHOLD INCOME AS A PERCENTAGE OF AMI

| PROGRAM/COMMUNITY TYPE | < 30% of AMI | | | 30 - 50% of AMI | | | 51 - 80% of AMI | | | > 80% of AMI | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg |
| **Public Housing Assisted** | | | | | | | | | | | | | | | |
| High-Rise | 2,118 | 1,956 | -8% | 157 | 153 | -3% | 22 | 23 | 5% | 1 | 2 | 100% | 2,298 | 2,134 | -7% |
| Family | 1,461 | 211 | -86% | 227 | 35 | -85% | 29 | 4 | -86% | 3 | 0 | -100% | 1,720 | 250 | -85% |
| Mixed-Income | 1,077 | 1,370 | 27% | 532 | 518 | -3% | 122 | 181 | 48% | 0 | 6 | | 1,731 | 2,562 | 48% |
| **PHA Total** | **4,656** | **3,537** | **-24%** | **916** | **706** | **-23%** | **173** | **208** | **20%** | **4** | **8** | **100%** | **5,749** | **4,946** | **-14%** |
| Housing Choice | 7,298 | 7,964 | 9% | 1,840 | 1,887 | 3% | 240 | 269 | 12% | 4 | 7 | 75% | 9,382 | 10,127 | 8% |
| [1]PBRA | 684 | 1,042 | -- | 712 | 858 | -- | 296 | 657 | -- | 5 | 5 | -- | 1,697 | 2,562 | -- |
| PBRA Homeless Demonstration | 86 | 110 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 86 | 110 | -- |
| **AHA Total** | **12,724** | **12,653** | **-1%** | **3,468** | **3,451** | **0%** | **709** | **1,134** | **60%** | **13** | **20** | **54%** | **16,914** | **17,745** | **5%** |

*[1] The figures reflected for the PBRA units (and PH units at mixed income communities) represent only those communities that have achieved stabilization and does not include communities in the lease-up phase. Therefore, this data is not indicative of the total universe of units.*

## Appendix D: Change in Households Served - BEDROOM SIZE PROFILE

| PROGRAM / COMMUNITY TYPE | Studio | | | 1 Bedroom | | | 2 Bedrooms | | | 3 Bedrooms | | | 4+ Bedrooms | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg |
| **Public Housing Assisted** | | | | | | | | | | | | | | | | | | |
| High-Rise | 553 | 481 | -13% | 1,740 | 1,647 | -5% | 5 | 6 | 20% | 0 | 0 | 0% | 0 | 0 | 0% | 2,298 | 2,134 | -7% |
| Family | 16 | 0 | -100% | 230 | 22 | -90% | 622 | 133 | -79% | 498 | 60 | -88% | 354 | 35 | -90% | 1,720 | 250 | -85% |
| Mixed-Income | 0 | 0 | 0% | 309 | 539 | 74% | 925 | 1,022 | 10% | 446 | 464 | 4% | 51 | 50 | -2% | 1,731 | 2,075 | 20% |
| **PHA Total** | **569** | **481** | **-15%** | **2,279** | **2,208** | **-3%** | **1,552** | **1,161** | **-25%** | **944** | **524** | **-44%** | **405** | **85** | **-79%** | **5,749** | **4,459** | **-22%** |
| Housing Choice | 0 | 0 | 0% | 820 | 1,215 | 48% | 3,531 | 3,594 | 2% | 3,841 | 3,972 | 3% | 1,190 | 1,346 | 13% | 9,382 | 10,127 | 8% |
| [1]PBRA | 2 | 0 | -100% | 910 | 1,737 | 91% | 597 | 619 | 4% | 188 | 198 | 5% | 0 | 8 | | 1,697 | 2,562 | 51% |
| PBRA Homeless Demonstration | -- | -- | -- | 12 | 77 | 542% | 66 | 33 | -50% | 8 | -- | -- | -- | -- | -- | 86 | 110 | 28% |
| **AHA Total** | **571** | **481** | **-16%** | **4,021** | **5,237** | **30%** | **5,746** | **5,407** | **-6%** | **4,981** | **4,694** | **-6%** | **1,595** | **1,439** | **-10%** | **16,914** | **17,258** | **2%** |

[1] *The figures reflected for the PBRA units (and PH units at mixed income communities) represent only those communities that have achieved stabilization and does not include communities in the lease-up phase. Therefore, this data is not indicative of the total universe of units.*

## Appendix D: Change in Household Members Served - FAMILY SIZE PROFILE

| PROGRAM/COMMUNITY TYPE | 1 Member | | | 2 Members | | | 3 Members | | | 4 Members | | | 5 + Members | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2007 | June 2008 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg | June 2008 | June 2009 | % Chg |
| **Public Housing Assisted** | | | | | | | | | | | | | | | | | | |
| High-Rise | 2,192 | 2,022 | -7.76% | 106 | 112 | 6% | 0 | 0 | 0% | 0 | 0 | 0% | 0 | 0 | 0% | 2,298 | 2,134 | -7% |
| Family | 372 | 39 | -89.52% | 360 | 56 | -84% | 354 | 70 | -80% | 284 | 42 | -85% | 350 | 43 | -88% | 1,720 | 250 | -85% |
| Mixed-Income | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A |
| **PHA Total** | **2,564** | **2,061** | **-20%** | **466** | **168** | **-64%** | **354** | **70** | **-80%** | **284** | **42** | **-85%** | **350** | **43** | **-88%** | **4,018** | **2,384** | **-41%** |
| Housing Choice | 2,209 | 2,366 | 7.11% | 1,939 | 2,108 | 8.72% | 2,014 | 2,135 | 6.01% | 1,629 | 1,734 | 6.45% | 1,591 | 1,784 | 12.13% | 9,382 | 10,127 | 7.94% |
| [1]PBRA | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A |
| PBRA Homeless Demonstration | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A | N /A |
| **AHA Total** | **4,773** | **4,427** | **-7%** | **2,405** | **2,276** | **-5%** | **2,368** | **2,205** | **-7%** | **1,913** | **1,776** | **-7%** | **1,941** | **1,827** | **-6%** | **13,400** | **12,511** | **-7%** |

## Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

Additional Narrative discussion / explanation of differences for Occupancy Rates, Rent Collections, Work Orders, and Inspections are in the MTW Program Benchmarks located in ***Appendix H***: "FY 2009 MTW Annual Report Resolution & Certifications."

**Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009**

| E-1 Public Housing Assisted Units – Occupancy Rates | | | |
|---|---|---|---|
| Program / Community Type | Target | Percentage of Occupancy Level | Difference |
| Highrise | | | |
| Barge Road | 98% | 100% | 2.00% |
| Cheshire Bridge Road | 98% | 99.4% | 1.40% |
| Cosby Spear | 98% | 99.6% | 1.60% |
| East Lake | 98% | 99.3% | 1.30% |
| Georgia Avenue | 98% | 100% | 2.00% |
| Hightower Manor | 98% | 99.2% | 1.20% |
| Juniper and Tenth | 98% | 98.6% | 0.60% |
| Marian Road | 98% | 100% | 2.00% |
| Marietta Road | 98% | 98.4% | 0.40% |
| Palmer House | 98% | 100% | 2.00% |
| Peachtree Road | 98% | 100% | 2.00% |
| Piedmont Road | 98% | 100% | 2.00% |
| Roosevelt House | 98% | 100% | 2.00% |
| High-Rise Totals | 98% | 99.6% | 1.6% |
| | | | |
| Family | | | |
| Herndon Homes | 98% | 100% | 2% |
| Hollywood Courts | 98% | 100% | 2% |
| Martin Street Plaza | 98% | 98.3% | 0% |
| Thomasville Heights | 98% | 100% | 2% |
| Westminster | 98% | 100% | 2% |
| Family Totals | 98% | 99.7% | 1.7% |
| | | | |
| [1]Mixed-Income | | | |
| Ashley CollegeTown | 98% | 100% | -2.0% |
| Ashley Courts at Cascade I | 98% | 97.8% | 0.2% |
| Ashley Courts at Cascade II | 98% | 87.8% | 10.2% |
| Ashley Courts at Cascade III | 98% | 79.3% | 18.7% |
| Ashley Terrace at West End | 98% | 97.1% | 0.9% |
| Atrium at CollegeTown | 98% | 100% | -2.0% |
| Capital Gateway I | 98% | 98.9% | -0.9% |
| Capital Gateway II | 98% | 100% | -2.0% |
| Centennial Place I | 98% | 98.6% | -0.6% |
| Centennial Place II | 98% | 95.7% | 2.3% |
| Centennial Place III | 98% | 89.2% | 8.8% |
| Centennial Place IV | 98% | 91.6% | 6.4% |
| Columbia Creste (West Highlands) | 98% | 93.4% | 4.6% |
| Columbia Estates (West Highlands) | 98% | 100% | -2.0% |
| Columbia Commons | 98% | 85.4% | 12.6% |
| Columbia Grove | 98% | 94.6% | 3.4% |

**Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009**

| E-1 Public Housing Assisted Units – Occupancy Rates | | | |
|---|---|---|---|
| Program / Community Type | Target | Percentage of Occupancy Level | Difference |
| [1]Mixed-Income - *continued* | | | |
| Columbia Mechanicsville (Family) | 98% | 100% | -2.0% |
| Columbia Mechanicsville (Senior) | 98% | 100% | -2.0% |
| Columbia Park Citi (West Highlands) | 98% | 98.4% | -0.4% |
| Columbia Village | 98% | 100% | -2.0% |
| Magnolia Park I | 98% | 98.9% | -0.9% |
| Magnolia Park II | 98% | 98.6% | -0.6% |
| Veranda at Auburn Pointe | 98% | 100% | -2.0% |
| The Villages at Carver I | 98% | 97.3% | 0.7% |
| The Villages at Carver II | 98% | 97.0% | 1.0% |
| The Villages at Carver III | 98% | 94.4% | 3.6% |
| The Villages at Carver V | 98% | 92.5% | 5.5% |
| Villages at Castleberry I | 98% | 100% | -2.0% |
| Villages at Castleberry II | 98% | 100% | -2.0% |
| Villages of East Lake I | 98% | 97.8% | 0.2% |
| Villages of East Lake II | 98% | 98.9% | -0.9% |
| Mixed-Income Totals | 98% | 96.2% | -1.8% |
| PHA TOTAL | 98% | 97.5% | -0.5% |

**Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009**

| E-2 Public Housing Assisted Units - % Uncollected Rents | | | |
|---|---|---|---|
| Program / Community Type | Target | Percentage of Rents Uncollected | Difference |
| High-Rise | | | |
| Barge Road | 2% | 0.1% | -2% |
| Cheshire Bridge Road | 2% | 0.0% | -2% |
| Cosby Spear | 2% | 0.1% | -2% |
| East Lake | 2% | 0.1% | -2% |
| Georgia Avenue | 2% | 0.1% | -2% |
| Hightower Manor | 2% | 0.0% | -2% |
| Juniper and Tenth | 2% | 0.0% | -2% |
| Marian Road | 2% | 0.0% | -2% |
| Marietta Road | 2% | 0.3% | -2% |
| Palmer House | 2% | 0.1% | -2% |
| Peachtree Road | 2% | 0.1% | -2% |
| Piedmont Road | 2% | 0.0% | -2% |
| Roosevelt House | 2% | 0.1% | -2% |
| High-Rise Totals | 2% | 0.1% | -1.9% |
| | | | |
| Family | | | |
| Herndon Homes | 2% | 0.1% | -2% |
| Hollywood Courts | 2% | 0.3% | -2% |
| Martin Street Plaza | 2% | 0.6% | -1% |
| Thomasville Heights | 2% | 0.1% | -2% |
| Westminster | 2% | 1.2% | -1% |
| Family Totals | 2% | 0.5% | -1.5% |
| | | | |
| [2]Mixed-Income | | | |
| Ashley CollegeTown | 2% | 0.0% | 0.0% |
| Ashley Courts at Cascade I | 2% | 5.7% | 3.7% |
| Ashley Courts at Cascade II | 2% | 12.7% | 10.7% |
| Ashley Courts at Cascade III | 2% | 2.4% | 0.4% |
| Ashley Terrace at West End | 2% | 0.0% | 0.0% |
| Atrium at CollegeTown | 2% | 0.0% | 0.0% |
| Capital Gateway I | 2% | 0.8% | -1.2% |
| Capital Gateway II | 2% | 2.2% | 0.2% |
| Centennial Place I | 2% | -0.7% | -2.7% |
| Centennial Place II | 2% | -0.2% | -2.2% |
| Centennial Place III | 2% | -2.5% | -4.5% |
| Centennial Place IV | 2% | -1.8% | -3.8% |
| Columbia Creste (West Highlands) | 2% | 0.8% | -1.2% |
| Columbia Estates (West Highlands) | 2% | 0.6% | -1.4% |
| Columbia Commons | 2% | 2.2% | 0.2% |

**Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009**

| E-2 Public Housing Assisted Units - % Uncollected Rents | | | |
|---|---|---|---|
| Program / Community Type | Target | Percentage of Rents Uncollected | Difference |
| Mixed-Income - *continued* | | | |
| Columbia Grove | 2% | 0.5% | -1.5% |
| Columbia Mechanicsville (Family) | 2% | -0.5% | -2.5% |
| Columbia Mechanicsville (Senior) | 2% | 5.7% | 3.7% |
| Columbia Park Citi (West Highlands) | 2% | 12.5% | 10.5% |
| Columbia Village | 2% | 1.0% | -1.0% |
| Magnolia Park I | 2% | 2.3% | 0.3% |
| Magnolia Park II | 2% | 1.3% | -0.7% |
| Veranda at Auburn Pointe | 2% | 28.4% | 26.4% |
| The Villages at Carver I | 2% | 22.5% | 20.5% |
| The Villages at Carver II | 2% | 23.8% | 21.8% |
| The Villages at Carver III | 2% | 18.3% | 16.3% |
| The Villages at Carver V | 2% | 14.9% | 12.9% |
| Villages at Castleberry I | 2% | 2.1% | 0.1% |
| Villages at Castleberry II | 2% | -0.4% | -2.4% |
| Villages of East Lake I | 2% | 4.3% | 2.3% |
| Villages of East Lake II | 2% | 1.8% | -0.2% |
| Mixed-Income Totals | 2% | 5.2% | 3.2% |
| PHA TOTAL | 2% | 2% | 0.0% |

**Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009**

| E-3 Public Housing Assisted Units - Emergency Work Order Responses | | | |
|---|---|---|---|
| Program/Community Type | Target | % of Emergency Work Orders Completed or Abated within 24 hours | Difference |
| High-Rise | | | |
| Barge Road | 99% | 100% | 1% |
| Cheshire Bridge Road | 99% | 100% | 1% |
| Cosby Spear | 99% | 100% | 1% |
| East Lake | 99% | 100% | 1% |
| Georgia Avenue | 99% | 100% | 1% |
| Hightower Manor | 99% | 100% | 1% |
| Juniper and Tenth | 99% | 100% | 1% |
| Marian Road | 99% | 100% | 1% |
| Marietta Road | 99% | 100% | 1% |
| Palmer House | 99% | 100% | 1% |
| Peachtree Road | 99% | 100% | 1% |
| Piedmont Road | 99% | 100% | 1% |
| Roosevelt House | 99% | 100% | 1% |
| High-Rise Totals | 99% | 100% | 1% |
| | | | |
| Family | | | |
| Herndon Homes | 99% | 99.5% | 1% |
| Hollywood Courts | 99% | 99.5% | 1% |
| Martin Street Plaza | 99% | 99.5% | 1% |
| Thomasville Heights | 99% | 99.5% | 1% |
| Westminster | 99% | 99.5% | 1% |
| Family Totals | 99% | 99.5% | 0.5% |
| | | | |
| Mixed-Income | | | |
| Ashley CollegeTown | 100% | 100% | 0.0% |
| Ashley Courts at Cascade I | 100% | 100% | 0.0% |
| Ashley Courts at Cascade II | 100% | 100% | 0.0% |
| Ashley Courts at Cascade III | 100% | 100% | 0.0% |
| Ashley Terrace at West End | 100% | 100% | 0.0% |
| Atrium at CollegeTown | 100% | N /A | N /A |
| Capital Gateway I | 100% | 100% | 0.0% |
| Capital Gateway II | 100% | 100% | 0.0% |
| Centennial Place I | 100% | 100% | 0.0% |
| Centennial Place  II | 100% | 100% | 0.0% |
| Centennial Place III | 100% | 100% | 0.0% |
| Centennial Place IV | 100% | 100% | 0.0% |
| Columbia Creste (West Highlands) | 100% | 88.7% | -11.3% |
| Columbia Estates (West Highlands) | 100% | 100% | 0.0% |
| Columbia Commons | 100% | 100% | 0.0% |

## Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

| E-3 Public Housing Assisted Units - Emergency Work Order Responses | | | |
|---|---|---|---|
| Program/Community Type | Target | % of Emergency Work Orders Completed or Abated within 24 hours | Difference |
| Mixed-Income - *continued* | | | |
| Columbia Grove | 100% | 100% | 0.0% |
| Columbia Mechanicsville (Family) | 100% | 100% | 0.0% |
| Columbia Mechanicsville (Senior) | 100% | 100% | 0.0% |
| Columbia Park Citi (West Highlands) | 100% | 100% | 0.0% |
| Columbia Village | 100% | 100% | 0.0% |
| Magnolia Park I | 100% | 100% | 0.0% |
| Magnolia Park II | 100% | 100% | 0.0% |
| Veranda at Auburn Pointe | 100% | 100% | 0.0% |
| The Villages at Carver I | 100% | 100% | 0.0% |
| The Villages at Carver II | 100% | 100% | 0.0% |
| The Villages at Carver III | 100% | 100% | 0.0% |
| The Villages at Carver V | 100% | 100% | 0.0% |
| Villages at Castleberry I | 100% | 100% | 0.0% |
| Villages at Castleberry II | 100% | 100% | 0.0% |
| Villages of East Lake I | 100% | 100% | 0.0% |
| Villages of East Lake II | 100% | 100% | 0.0% |
| Mixed-Income Totals | 100% | 99.6% | -0.4% |
| PHA TOTAL | 99% | 99.7% | 0.7% |

**Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009**

| E-4 Public Housing Assisted Units - Routine Work Order Responses | | | |
|---|---|---|---|
| Program / Community Type | Target | Average Number of Days to Complete Routine Work Orders | Difference |
| High-Rise | | | |
| Barge Road | 7 | 1.0 | -6.0 |
| Cheshire Bridge Road | 7 | 1.0 | -6.0 |
| Cosby Spear | 7 | 1.0 | -6.0 |
| East Lake | 7 | 1.0 | -6.0 |
| Georgia Avenue | 7 | 2.2 | -4.8 |
| Hightower Manor | 7 | 1.3 | -5.7 |
| Juniper and Tenth | 7 | 1.4 | -5.6 |
| Marian Road | 7 | 1.8 | -5.2 |
| Marietta Road | 7 | 1.5 | -5.5 |
| Palmer House | 7 | 1.0 | -6.0 |
| Peachtree Road | 7 | 1.0 | -6.0 |
| Piedmont Road | 7 | 1.2 | -5.8 |
| Roosevelt House | 7 | 1.2 | -5.8 |
| High-Rise Totals | 7 | 1.3 | -5.7 |
| | | | |
| Family | | | |
| Herndon Homes | 7 | 1.4 | -5.6 |
| Hollywood Courts | 7 | 1.3 | -5.7 |
| Martin Street Plaza | 7 | 2.8 | -4.2 |
| Thomasville Heights | 7 | 1.0 | -6.0 |
| Westminster | 7 | 1.5 | -5.5 |
| Family Totals | 7 | 1.6 | -5.4 |
| | | | |
| Mixed-Income | | | |
| Ashley CollegeTown | 7 | 1.00 | -6.00 |
| Ashley Courts at Cascade I | 7 | 1.00 | -6.00 |
| Ashley Courts at Cascade II | 7 | 1.00 | -6.00 |
| Ashley Courts at Cascade III | 7 | 1.00 | -6.00 |
| Ashley Terrace at West End | 7 | 1.00 | -6.00 |
| Atrium at CollegeTown | 7 | 1.00 | -6.00 |
| Capital Gateway I | 7 | 0.98 | -6.02 |
| Capital Gateway II | 7 | 0.97 | -6.03 |
| Centennial Place I | 7 | 1.00 | -6.00 |
| Centennial Place II | 7 | 1.00 | -6.00 |
| Centennial Place III | 7 | 1.00 | -6.00 |
| Centennial Place IV | 7 | 1.00 | -6.00 |
| Columbia Creste (West Highlands) | 7 | 0.98 | -6.02 |
| Columbia Estates (West Highlands) | 7 | 1.00 | -6.00 |
| Columbia Commons | 7 | 1.00 | -6.00 |

## Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

| E-4 Public Housing Assisted Units - Routine Work Order Responses | | | |
|---|---|---|---|
| Program / Community Type | Target | Average Number of Days to Complete Routine Work Orders | Difference |
| Mixed-Income-*continued* | | | |
| Columbia Grove | 7 | 1.00 | -6.00 |
| Columbia Mechanicsville (Family) | 7 | 1.00 | -6.00 |
| Columbia Mechanicsville (Senior) | 7 | 1.00 | -6.00 |
| Columbia Park Citi (West Highlands) | 7 | 1.00 | -6.00 |
| Columbia Village | 7 | 1.00 | -6.00 |
| Magnolia Park I | 7 | 1.00 | -6.00 |
| Magnolia Park II | 7 | 1.00 | -6.00 |
| Veranda at Auburn Pointe | 7 | 1.00 | -6.00 |
| The Villages at Carver I | 7 | 0.94 | -6.06 |
| The Villages at Carver II | 7 | 0.87 | -6.13 |
| The Villages at Carver III | 7 | 0.94 | -6.06 |
| The Villages at Carver V | 7 | 0.89 | -6.12 |
| Villages at Castleberry I | 7 | 1.00 | -6.00 |
| Villages at Castleberry II | 7 | 0.96 | -6.05 |
| Villages of East Lake I | 7 | 0.90 | -6.10 |
| Villages of East Lake II | 7 | 1.00 | -6.00 |
| Mixed-Income Totals | 7 | 0.98 | -6.02 |
| PHA TOTAL | 7 | 1.1 | -5.9 |

## Inspections

Inspection Strategy: Each AHA Affordable Community and the Owner Entity Interest of the mixed-income communities through their respective property management agents are required to inspect 10 percent of the public housing assisted units at each property monthly. At year end, each site's agent is required to certify that 100 percent of all units, buildings, and common areas have been inspected and work orders have been completed to address deficiencies. AHA exceeded the 1.4 percent benchmark for quality control inspections of the units at all AHA-owned public housing assisted communities on an annual basis.

Target Projections for Planned Inspections: AHA anticipates completing 100 percent of its planned inspections of Section 9 units for FY 2010.

**Integrated Inspection System –**Supplemented to the required UPCS+ inspections for each property, AHA continued its enhanced integrated inspection process for AHA-owned Affordable Communities. For all the inspections listed below, the PMCOs are notified of any deficiencies discovered and they report back to AHA to confirm the deficiencies have been corrected in a timely manner. The integrated inspection system includes the following types of inspections:

1. **Enhanced Uniform Physical Conditions Standards (UPCS) and Real Estate Assessment Center (REAC) inspection:** AHA properties were evaluated through REAC inspections as well UPCS+ inspections during FY 2009. The results of the UPCS+ and REAC inspections continue to highlight the obsolescence of the family properties, which are being demolished under the AHA's Quality of Life Initiative.

2. **Major System Inspections:** Each high-rise property was inspected at least once during FY09 to monitor the operational status of major building systems and confirm routine preventative maintenance has been performed with positive results.

3. **Asset Risk Control Inspections:** On an annual basis the asset risk inspections is an unannounced review of site readiness including security systems, emergency systems, path of travel and other areas of potential risk in a community.

4. **Elevator Inspections:** Elevator inspections involve examining the current condition of elevators as well as evaluating performance and the level of preventative maintenance. Elevator inspections were conducted at every property twice during FY09. After the initial inspections, a second inspection was conducted to validate the correction of any deficiencies. This process ensures that elevators meet quality standards for maximized operational efficiency, which result in fewer safety risks, malfunctions, and resident complaints.

5. **Security Compliance Assessment:** AHA modified the scope and frequency of its community safety inspections and completed over 30 inspections across all properties during FY09. The inspections focused on the assessment, including: visible signs of community decay, operational site lighting, operational access control systems, video surveillance, video call down systems, maintenance of banned lists, and quality of guard force. As with AHA's other inspections, the findings were reported to the PMCOs for their corrective actions. Ongoing challenges include: keeping unregistered, illegally parked cars off the properties as well as maintaining operations status of the gates, site lighting and surveillance equipment.

6. **Rental Integrity Monitoring (RIM) Review:** This review focused on review of resident file documentation that pertains to the verification of income and deductible expenses and the calculation of rent. AHA inspected every longer term hold property once during the year.

7. **Procurement and Labor Compliance Review:** The intent of this review was to evaluate PMCO compliance with their corporate sourcing strategy and appropriate federal regulations. A team from the AHA Acquisition Management Services Department performed these reviews by checking a sample of the operational and capital improvement contract files for each PMCO. This review was conducted once for each PMCO during FY09.

8. **Accounting Review:** Fiscal accountability is one of AHA's top priorities. Each PMCO was reviewed once a quarter with reviews covering the 11 functional areas critical to the PMCO and property based. Functional areas include: Tenant Accounts Receivables and Tenant Ledgers, Allowance for Doubtful Accounts, Prepaid Expenses, Accounts Payable, Accrued Payroll & Payroll Related Liabilities, Prepaid Rents & Deferred Revenue, Security Deposit Liability, Petty Cash, Cash Handling, Bad Debt Write-offs & Collections, and Revenue & Expenses.

## Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

| E-5 Public Housing Assisted Units - Unit and Common Areas Inspections | | | |
|---|---|---|---|
| Program / Community Type | Target | Percentage of Units and Common Areas Inspected | Difference |
| High-Rise | | | |
| Barge Road | 100% | 100% | 0% |
| Cheshire Bridge Road | 100% | 100% | 0% |
| Cosby Spear | 100% | 100% | 0% |
| East Lake | 100% | 100% | 0% |
| Georgia Avenue | 100% | 100% | 0% |
| Hightower Manor | 100% | 100% | 0% |
| Juniper and Tenth | 100% | 100% | 0% |
| Marian Road | 100% | 100% | 0% |
| Marietta Road | 100% | 100% | 0% |
| Palmer House | 100% | 100% | 0% |
| Peachtree Road | 100% | 100% | 0% |
| Piedmont Road | 100% | 100% | 0% |
| Roosevelt House | 100% | 100% | 0% |
| High-Rise Totals | 100% | 100% | 0% |
| | | | |
| Family | | | |
| Herndon Homes | 100% | 100% | 0% |
| Hollywood Courts | 100% | 100% | 0% |
| Martin Street Plaza | 100% | 100% | 0% |
| Thomasville Heights | 100% | 100% | 0% |
| Westminster | 100% | 100% | 0% |
| Family Totals | 100% | 100% | 0% |
| | | | |
| Mixed-Income | | | |
| Ashley CollegeTown | 100% | 100% | 0% |
| Ashley Courts at Cascade I | 100% | 100% | 0% |
| Ashley Courts at Cascade II | 100% | 100% | 0% |
| Ashley Courts at Cascade III | 100% | 100% | 0% |
| Ashley Terrace at West End | 100% | 100% | 0% |
| Atrium at CollegeTown | 100% | 100% | 0% |
| Capital Gateway I | 100% | 100% | 0% |
| Capital Gateway II | 100% | 100% | 0% |
| Centennial Place I | 100% | 100% | 0% |
| Centennial Place II | 100% | 100% | 0% |
| Centennial Place III | 100% | 100% | 0% |
| Centennial Place IV | 100% | 100% | 0% |
| Columbia Creste (West Highlands) | 100% | 100% | 0% |
| Columbia Estates (West Highlands) | 100% | 100% | 0% |
| Columbia Commons | 100% | 100% | 0% |

| E-5 Public Housing Assisted Units - Unit and Common Areas Inspections | | | |
|---|---|---|---|
| Program / Community Type | Target | Percentage of Units and Common Areas Inspected | Difference |
| Mixed-Income - *continued* | | | |
| Columbia Grove | 100% | 100% | 0% |
| Columbia Mechanicsville (Family) | 100% | 100% | 0% |
| Columbia Mechanicsville (Senior) | 100% | 100% | 0% |
| Columbia Park Citi (West Highlands) | 100% | 100% | 0% |
| Columbia Village | 100% | 100% | 0% |
| Magnolia Park I | 100% | 100% | 0% |
| Magnolia Park II | 100% | 100% | 0% |
| Veranda at Auburn Pointe | 100% | 100% | 0% |
| The Villages at Carver I | 100% | 100% | 0% |
| The Villages at Carver II | 100% | 100% | 0% |
| The Villages at Carver III | 100% | 100% | 0% |
| The Villages at Carver V | 100% | 100% | 0% |
| Villages at Castleberry I | 100% | 100% | 0% |
| Villages at Castleberry II | 100% | 100% | 0% |
| Villages of East Lake I | 100% | 100% | 0% |
| Villages of East Lake II | 100% | 100% | 0% |
| Mixed-Income Totals | 100% | 100% | 0% |
| PHA TOTAL | 100% | 100% | 0% |

## Security

AHA continued to address crime and safety in the communities through collaborative strategies with its private development partners, PMCOs, local law enforcement, and residents. With the Quality of Life Initiative and demolition of the family properties, AHA has greatly reduced the number of crimes taking place within the portfolio. AHA aggressively combated crime by:

(1) Vacating and demolishing obsolete family communities where concentrated poverty has been a haven for perpetrators of crime,

(2) Dedicating over $5.95 million during FY 2009 to maintain the security presence of off-duty police and security officers at properties,

(3) Collaborating with the Atlanta Police Department to identify strategies to deter crime and enhance safety and security at AHA-owned properties and AHA-sponsored mixed-income communities,

(4) Continuing utilization of enhanced criminal screening standards and processes and strict lease enforcement, and

(5) Completing the necessary preventive maintenance and repairs to ensure security equipment remains operational on a routine basis.

# Atlanta Housing Authority (AHA)
## Revised FY2009 Board Budget[1] vs. Actual Results (unaudited)
## Overview

As shown below, AHA used $13.9 million less of its MTW Cash Reserves and Program Income than budgeted for FY2009. The Variance Analysis beginning on page five provides explanations for line item variances of 10% and $500,000 between the Revised Board Budget and Actual Results.

| Description | Revised FY2009 Budget | FY2009 Actual Results[2] | Variance | Page Reference |
|---|---|---|---|---|
| **Net Assets before Capital Grants Revenue** **(Revenue less Expenses)** | ($8,602,802) | ($1,781,993) | **$6,820,809** | page 2 |
| **Use of MTW Cash Reserves** **(Used for Cash Expenditures Not Resulting in a Change in Net Assets)** | ($25,462,116) | ($22,502,441) | **$2,959,675** | page 4 |
| Total Use of MTW Cash Reserves | ($34,064,918) | ($24,284,434) | $9,780,484 | |
| **Use of Program Income** **(Other Funding Sources)** | ($7,807,043) | ($3,708,363) | **$4,098,680** | page 4 |
| Total Use of MTW Cash Reserves and Program Income | ($41,871,961) | ($27,992,797), | **$13,879,164** | |
| **Total Capital Grants Revenue** | $26,755,305 | $26,929,864 | **$174,559** | page 3 |

[1] As approved by AHA's Board of Commissioners on May 27, 2009.

[2] Since certain Non-Cash Expenditures and City-Funded Public Improvements have no impact on AHA's cash reserves, they have been excluded from this schedule.

# Atlanta Housing Authority

## Revised FY2009 Board Budget vs. Actual Results (unaudited)

***Variance Criteria:*** *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

| | Revised FY2009 Budget | FY2009 Actuals | Variance | % Variance |
|---|---|---|---|---|
| **Revenue:** | | | | |
| Housing Choice Operating Subsidy | $171,985,609 | $174,039,469 | $2,053,860 | 1.2% |
| Tenant Dwelling Revenue | 10,094,626 | 9,946,947 | (147,679) | -1.5% |
| Low Income Operating Subsidy | 22,300,949 | 24,980,891 | 2,679,942 | 12.0% |
| Capital Fund Program Used for Operations | 12,170,342 | 6,273,980 | (5,896,362) | -48.4% |
| ARRA Grant Used for Demolition | 500,000 | - | (500,000) | -100.0% |
| Development and HOPE VI Grants | 17,362,227 | 11,514,248 | (5,847,979) | -33.7% |
| Development and Transaction Fees | 504,087 | 700,435 | 196,348 | 39.0% |
| Other Revenue | 2,664,276 | 3,389,589 | 725,313 | 27.2% |
| Interest Income | 2,208,246 | 1,842,361 | (365,885) | -16.6% |
| **Total Revenue** | **$239,790,362** | **$232,687,920** | **($7,102,441)** | **-3.0%** |
| **Expenses:** | | | | |
| Housing Assistance Payments | $124,869,293 | $124,829,729 | $39,564 | 0.0% |
| Administrative | 46,864,740 | 45,880,743 | 983,997 | 2.1% |
| Resident Services including Relocation | 19,910,800 | 17,780,873 | 2,129,927 | 10.7% |
| Utilities for AHA-Owned Properties | 9,641,072 | 9,455,681 | 185,391 | 1.9% |
| Ordinary Maintenance and Operation | 12,614,651 | 11,585,359 | 1,029,292 | 8.2% |
| Protective Services | 5,713,133 | 5,184,390 | 528,743 | 9.3% |
| General Expenses | 5,651,379 | 4,992,960 | 658,419 | 11.7% |
| Extraordinary Maintenance | 2,168,819 | 2,061,706 | 107,113 | 4.9% |
| Extraordinary Sitework and Remediation | 9,604,999 | 7,590,221 | 2,014,778 | 21.0% |
| Demolition Expenses | 11,002,412 | 4,776,430 | 6,225,982 | 56.6% |
| Interest Expense | 351,866 | 331,821 | 20,045 | 5.7% |
| **Total Expenses** | **$248,393,164** | **$234,469,913** | **$13,923,251** | **5.6%** |
| **Increase/(Decrease) in Net Assets before Capital Grants Revenue and Non-Cash Expenditures** | **($8,602,802)** | **($1,781,993)** | **$6,820,809** | **79.3%** |

**Operating**



Appendix - F

# Atlanta Housing Authority

## Revised FY2009 Board Budget vs. Actual Results (unaudited)

***Variance Criteria:*** *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

| | | *Revised FY2009 Budget* | *FY2009 Actuals* | *Variance* | *% Variance* |
|---|---|---|---|---|---|
| | **Increase/(Decrease) in Net Assets before Capital Grants Revenue and Non-Cash Expenditures** | **($8,602,802)** | **($1,781,993)** | **$6,820,809** | **79.3%** |
| **Capital** | **Capital Grant Revenue** | | | | |
| | Modernization of AHA-Owned Properties | $5,841,959 | $4,948,674 | ($893,285) | -15.3% |
| | Developer Loans for Revitalization | 14,998,122 | 13,563,770 | (1,434,352) | -9.6% |
| | Homeownership Subsidy | 560,000 | 578,434 | 18,434 | 3.3% |
| | Site Improvements for Revitalization | 4,183,508 | 2,074,942 | (2,108,566) | -50.4% |
| | Site Work for Revitalization | - | | - | |
| | Site Acquisitions | - | 5,392,329 | 5,392,329 | 100.0% |
| | Public Improvement Advances - Grant Funded | 371,715 | 371,715 | - | 0.0% |
| | Non-dwelling Structures | 800,000 | - | (800,000) | -100.0% |
| | **Total Capital Grants Revenue** | **$26,755,305** | **$26,929,864** | **$174,559** | **0.7%** |
| | **Total Increase/(Decrease) in Net Assets before Non-Cash Expenditures** | **$18,152,503** | **$25,147,872** | **$6,995,369** | **38.5%** |
| **Non-Cash** | **Reconciliation to Change in Net Assets*:** | | | | |
| | Capital Asset Write-Off (Loss on Capital Asset Disposition) | | (23,779,910) | | |
| | Depreciation & Amortization Expense | | (7,435,239) | | |
| | Valuation Loss and Bad Debt Expense | | (3,895,166) | | |
| | **Change in Net Assets** | | **($9,962,443)** | | |

**Since Non-Cash Expenditures have no impact on AHA's cash reserves, they have been excluded from the Variance Analysis.*

# Atlanta Housing Authority

## Revised FY2009 Board Budget vs. Actual Results (unaudited)

***Variance Criteria:*** *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

| | | Revised FY2009 Budget | FY2009 Actuals | Variance | % Variance |
|---|---|---|---|---|---|
| | **Cash Expenditures Not Resulting in a Change in Net Assets** | | | | |
| | **MTW Cash Reserves:** | | | | |
| **Reserves** | Secured Line of Credit Pay Off | $10,906,077 | $10,906,077 | - | 0.0% |
| | Amortization of Debt | 728,300 | 728,288 | 12 | 0.0% |
| | Modernization of AHA-Owned Properties | 3,308,908 | 4,994,071 | (1,685,163) | -50.9% |
| | Other Loans | 4,544,673 | 4,340,165 | 204,508 | 4.5% |
| | Public Improvement Advances (Bridge Loans)** | (1,378,802) | (2,186,205) | 807,403 | -58.6% |
| | Acquisitions | 5,356,270 | 1,615,349 | 3,740,921 | 69.8% |
| | Site Improvements | 978,027 | 950,321 | 27,706 | 2.8% |
| | Predevelopment Loans (Advances) | 1,018,663 | 1,154,375 | (135,712) | -13.3% |
| | **Total MTW Cash Reserves** | **25,462,116** | **22,502,441** | **2,959,675** | **11.6%** |
| | **Program Income (Other Funding Sources):** | | | | |
| | Homeownership Subsidy - Perry Program Income | $100,000 | $20,000 | $80,000 | 80.0% |
| | Site Acquisitions - various funding sources | 3,114,570 | 709,826 | 2,404,744 | 77.2% |
| | Site Improvements - various funding sources | 287,044 | 37,044 | 250,000 | 87.1% |
| | Public Improvements Advances - Perry Program Income | 4,305,429 | 2,941,493 | 1,363,936 | 31.7% |
| | **Total Program Income (Other Funding Sources)** | **$7,807,043** | **$3,708,363** | **$4,098,680** | **52.5%** |
| | **City-Funded Public Improvements:** | | | | |
| **City Funds** | Water & Sewer Bond Proceeds | $11,162,747 | $10,035,060 | $1,127,687 | 10.1% |
| | Quality of Life Bond Proceeds | 292,477 | 39,865 | 252,612 | 86.4% |
| | Livable Center Initiative | 123,938 | 46,717 | 77,221 | 62.3% |
| | Tax Allocation District Bond Proceeds | 971,794 | 161,963 | 809,831 | 83.3% |
| | Housing Opportunity Bond Proceeds | 1,701,733 | 592,388 | 1,109,345 | 65.2% |
| | **Total City-Funded Public Improvements** | **$14,252,688** | **$10,875,993** | **$3,376,695** | **23.7%** |
| | Total Cash Expenditures Not Resulting in a Change in Net Assets | $47,521,847 | $37,086,797 | $10,435,050 | 22.0% |

** *Negative actual resulted from reclassification of prior year MTW expenses.*

# Atlanta Housing Authority
## Revised FY2009 Board Budget vs. Actual Results (unaudited)
## Variance Analysis

**Realignment of Funding Sources in FY2009**

Subsequent to the Board of Commissioners' approval of the Revised FY2009 Board Budget in May 2009, AHA made a strategic decision to realign the funding sources used for various expenses incurred in FY2009 to optimize the use of its Capital grant revenues[3] and preserve its cash reserves. The primary goals of the analysis and realignment were to:

1. Ensure that AHA was meeting all of the eligibility criteria associated with the different sources of funds,
2. Optimize the use of capital funds and insure that the associated obligation and expenditure deadlines were met,
3. Preserve MTW Cash Reserves because AHA uses its MTW Cash Reserves as a revolving working capital line of credit.

AHA made two realignments, which are described below and are identified in the following Variance Analysis within the categories which were affected.

- **Realignment 1.** To ensure that AHA continues to meet the eligibility criteria associated with the different sources of funds in the FY2010 Budget, AHA realigned the source of funding in FY2009 to use MTW Cash Reserves for $2.146 million in operating expenses and $1.972 million in capital expenditures, rather than using the Capital Fund Program (CFP) grant. This realignment resulted in preserving the CFP funds to cover eligible uses in FY2010. Variances impacted by this realignment include ***Capital Funds Program Used for Operations, Capital Grant Revenue, Modernization of AHA-Owned Properties, MTW Cash Reserves*** and ***Modernization of AHA-Owned Properties*** as described further on the following pages.

- **Realignment 2.** To ensure that AHA continues to meet Replacement Housing Factor (RHF) fund obligation and expenditure deadlines and to preserve MTW Cash Reserves, AHA realigned the source of funding in FY2009 to use RHF funds for $5.392 million in acquisition expenditures rather than using $3.176 million in MTW Cash Reserves and $2.216 million in Program Income. Since the RHF revenue was not budgeted, but was used and drawn down in FY2009, variances impacted by this realignment include ***Capital Grant Revenue: Site Acquisitions***, ***MTW Cash Reserves: Acquisitions***, and ***Program Income (Other Funding Sources): Site Acquisition*** as described further on the following pages.

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[3] Capital Grants include HUD's Capital Fund Program, Replacement Housing Factor Fund, and HOPE VI funds.

# Atlanta Housing Authority
## Revised FY2009 Board Budget vs. Actual Results (unaudited)
## Variance Analysis

***Variance Criteria:*** *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% <u>and</u> $500,000.*

**<u>Revenues:</u>**

- **Low Income Operating Subsidy — $2.680 million greater than budget.** HUD funds AHA on a calendar year basis but does not typically finalize the funding level until after the calendar year begins. HUD provided higher than budgeted subsidy levels for the January–June period, and then adjusted the subsidy for the remainder of the calendar year to bring the total funding in line with the annual Federal funding level.

- **Capital Fund Program Used for Operations[4] — $5.896 million under budget.** Capital Fund Program (CFP) funds of $2.433 million were budgeted for the demolition of Bowen Homes, which will now occur in FY2010. CFP funds totaling $1.317 million were budgeted for extraordinary maintenance and protective services at the QLI properties, but were not needed for this purpose due to relocation progressing ahead of schedule. In addition, CFP funds of $2.146 million were not used in FY2009 and are available for FY2010 as described in Realignment 1.

- **American Recovery and Rehabilitation Act (ARRA) Grant Used for Demolition — $500,000 under budget.** ARRA funds were not used in FY2009 and have been included in the FY2010 budget.

- **Development and HOPE VI Grants[4] — $5.848 million under budget.** This variance is primarily attributable to Development and HOPE VI Grant funds that were unused during FY2009 related to the Grady Homes Revitalization, which includes University Homes, Antoine Graves Highrise, and Antoine Graves Annex. Delays due to permit and mobilization impediments resulted in slower spending rates for the University Homes demolition, and delays occurred due to unanticipated building remediation for Antoine Graves Highrise and Antoine Graves Annex.

- **Other Revenue — $725,313 greater than budget.** This variance is primarily due to an increase in administrative fees earned on the non-MTW vouchers and higher-than-budgeted revenues for Georgia HAP Administrators, Inc.

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[4] Capital Funds Program (CFP), Development and HOPE VI grants, and other multi-year grants are held by HUD (for AHA's account) and are made available to AHA pursuant to a draw-down process on a reimbursement basis. When AHA incurs expenses to be paid for with multi-year grants, AHA's right to be reimbursed by HUD is perfected, and revenue is simultaneously recorded. Therefore, any variance in revenues has an offsetting variance in expenditures resulting in no net impact.

# Atlanta Housing Authority
## Revised FY2009 Board Budget vs. Actual Results (unaudited)
## Variance Analysis

**Expenses:**

- **Resident Services including Relocation — $2.130 million under budget.** AHA budgeted relocation-related case management expenses for all relocating families, however, expenses were not incurred for families that were terminated from the program, moved without notice, or ported into jurisdictions that were not reasonably close in proximity to AHA's jurisdiction. Additionally, a cost savings resulted when some of the families achieved success sooner than anticipated. The variance was also a result of completing relocations ahead of schedule, which reduced AHA staffing levels necessary to administer the relocation process.

- **General expense — $658,419 under budget.** This variance is primarily due to a reduction in contingent reserves for workers' compensation and other contingent liabilities.

- **Extraordinary Sitework and Remediation — $2.015 million under budget.** This variance is primarily a result of extraordinary sitework that was delayed due to inclement weather and lower environmental remediation expenses associated with the Grady Homes Revitalization.

- **Demolition expenses — $6.226 million under budget.** This variance was due to demolition expenses budgeted for the following, which will now occur in FY2010: Bowen Homes; other QLI properties using ARRA grant funds; University Homes, which was delayed due to permit and mobilization impediments; and Antoine Graves Highrise and Antoine Graves Annex, which were delayed due to unanticipated building remediation.

**Capital Grant Revenue[4]:**

- **Modernization of AHA-Owned Properties — $893,285 under budget.** This variance represents unused CFP funds resulting from the use of $1.972 million in MTW Reserves in lieu of CFP funding as described in Realignment 1. This variance was partially offset by additional life and safety improvements completed at the longer-term hold communities.

- **Site Improvements for Revitalization — $2.109 million under budget.** This variance is primarily a result of delays in completing the remedial sitework related to the Grady Homes Revitalization due to inclement weather and environmental issues; delays in the Harris Phase V closing, and expensing certain expenditures such as extraordinary sitework and remediation for Harris Phase V.

- **Site Acquisitions — $5.392 million greater than budget.** As described in Realignment 2, AHA used Replacement Housing Factor (RHF) funds for site acquisitions in lieu of cash reserves in support of the Perry Homes, Grady Homes and Harris Homes Revitalizations.

- **Non-dwelling Structures — $800,000 under budget.** This variance is related to the construction of the Dunbar Community Center, which will now occur in FY2010. The construction of the community center is in support of the McDaniel Glenn Revitalization.

[4] Capital Funds Program (CFP), Development and HOPE VI grants, and other multi-year grants are held by HUD (for AHA's account) and are made available to AHA pursuant to a draw-down process on a reimbursement basis. When AHA incurs expenses to be paid for with multi-year grants, AHA's right to be reimbursed by HUD is perfected, and revenue is simultaneously recorded. Therefore, any variance in revenues has an offsetting variance in expenditures resulting in no net impact.

# Atlanta Housing Authority

## Revised FY2009 Board Budget vs. Actual Results (unaudited)
## Variance Analysis

**MTW Cash Reserves:**

- **Modernization of AHA-Owned Properties — $1.685 million greater than budget.** This variance results primarily from the use of MTW Reserves in lieu of CFP funding as described in Realignment 1.
- **Public Improvement Advances (Bridge Loans) — $807,403 under budget.** AHA realigned certain multi-year development budgets in order to meet grant deadlines, which affected how the related expenses were charged in the current year. AHA made more adjustments than contemplated, resulting in a variance during the period.
- **Acquisitions — $3.741 million under budget.** As described in Realignment 2, AHA used $3.176 million in Replacement Housing Factor (RHF) funds for site acquisitions in lieu of MTW cash reserves in support of the Grady Homes and Harris Homes Revitalizations. In addition, the 180 Elm Street acquisition made in support of the Grady Homes Revitalization was budgeted in FY2009 but closed in FY2010.

**Program Income (Other Funding Sources):**

- **Site Acquisitions — $2.405 million under budget.** As described in Realignment 2, AHA used $2.216 million in RHF funds for site acquisitions in lieu of Program Income in support of the Perry Homes Revitalization.
- **Public Improvement Advances — Perry Program Income — $1.364 million under budget.** This variance primarily relates to delays in completing the public improvement work supporting the construction of single family homes associated with the Perry Homes Revitalization. Rock and other unsuitable materials were discovered, which had to be removed before the public improvement work continued.

**City-Funded Public Improvements:**

- **Water & Sewer Bond Proceeds — $1.128 million under budget.** Public improvement work associated with the Grady Homes Revitalization was delayed until the developer could obtain the necessary design approvals required from the City of Atlanta.
- **Tax Allocation District Bond Proceeds — $809,831 under budget**. Public improvement work associated with the Capitol Homes Revitalization was completed under budget in FY2009.
- **Housing Opportunity Bond Proceeds — $1.109 million under budget**. Public improvement work associated with the Harris Homes Revitalization has been put on hold until environmental investigation of the subsurface is complete. Construction will resume in FY2010, once the problem has been mitigated.

| Property | DESCRIPTION | 7/1/08 Budget | 6/30/09 Budget | Paid Through 6/30/09 |
|---|---|---|---|---|
| **Barge Road** | Unit Remodeling UFAS Upgrades | 308,000.00 | 431,769.08 | 431,769.08 |
| | UFAS Community Kitchen | 0.00 | 9,150.90 | 9,150.90 |
| | Barge Road Elevator Modernization | 330,000.00 | 339,374.20 | 298,991.27 |
| | Barge Road Boiler Replacement | 132,000.00 | 161,388.70 | 161,388.70 |
| | Life Safety Upgrades Survey | 0.00 | 2,805.00 | 2,805.00 |
| | Life Safety Upgrades | 192,500.00 | 265,477.08 | 250,442.89 |
| | **Barge Road Total** | **962,500.00** | **1,209,964.96** | **1,154,547.84** |
| **Hightower Manor** | Generator Replacement | 55,000.00 | 70,620.00 | 55,725.60 |
| | Plumbing Upgrades | 19,800.00 | 0.00 | 0.00 |
| | Hot Water Tank | 0.00 | 87,892.63 | 87,892.63 |
| | Life Safety Upgrades Survey | 0.00 | 3,135.00 | 3,135.00 |
| | Mechanical Room Insulation Abatement | 0.00 | 4,246.00 | 4,246.00 |
| | Life Safety Upgrades | 192,500.00 | 166,701.21 | 160,358.62 |
| | **Hightower Manor Total** | **267,300.00** | **332,594.84** | **311,357.85** |
| **Juniper and 10th** | Unit Remodeling UFAS Upgrades | 352,000.00 | 502,494.02 | 502,494.02 |
| | Community Room HVAC | 11,000.00 | 0.00 | 0.00 |
| | Fire Alarm Upgrade | 0.00 | 76,935.10 | 76,935.10 |
| | Life Safety Upgrades Survey | 0.00 | 4,015.00 | 4,015.00 |
| | Life Safety Upgrades | 192,500.00 | 149,058.65 | 141,474.18 |
| | **Juniper and 10th Total** | **555,500.00** | **732,502.77** | **724,918.30** |
| **Marian Road** | Chiller Repair and Service | 0.00 | 28,108.30 | 28,108.30 |
| | Piping Insulation | 93,500.00 | 21,367.50 | 21,367.50 |
| | Water Heater Replacement | 0.00 | 7,238.00 | 7,238.00 |
| | **Marian Road Total** | **93,500.00** | **56,713.80** | **56,713.80** |
| **Marietta Road** | Domestic Water Upgrades | 148,500.00 | 0.00 | 0.00 |
| | Life Safety Upgrades Survey | 0.00 | 3,355.00 | 3,355.00 |
| | Life Safety Upgrades | 192,500.00 | 271,434.01 | 255,301.77 |
| | **Marietta Road Total** | **341,000.00** | **274,789.01** | **258,656.77** |
| **Westminster** | Community Room HVAC | 7,700.00 | 0.00 | 0.00 |
| | Roof Replacement | 0.00 | 2,420.00 | 2,420.00 |
| | Basement and Exterior Repair | 0.00 | 17,985.00 | 17,985.00 |
| | **Westminster Total** | **7,700.00** | **20,405.00** | **20,405.00** |
| **Cheshire Bridge** | Site/Infrastructure - Design | 22,000.00 | 0.00 | 0.00 |
| | Common Area - Lobby Renovations | 110,000.00 | 0.00 | 0.00 |
| | Elevators | 100,000.00 | 0.00 | 0.00 |
| | HVAC Replacement | 330,000.00 | 41,024.50 | 41,024.50 |
| | Cheshire Bridge Electrical Panel Replacement | 0.00 | 79,867.91 | 79,867.91 |
| | Cheshire Bridge Appliance Replacement | 82,500.00 | 56,540.73 | 56,540.73 |
| | **Cheshire Bridge Total** | **644,500.00** | **177,433.14** | **177,433.14** |
| **Peachtree Road** | Roof Repairs | 49,500.00 | 19,745.00 | 19,745.00 |
| | Peachtree Appliance Replacement | 165,000.00 | 169,802.60 | 169,802.60 |
| | Exterior Light Pole Removal | 0.00 | 5,390.00 | 5,390.00 |
| | UFAS Fire Alarm Modification | 0.00 | 17,286.00 | 17,286.00 |
| | **Peachtree Road Total** | **214,500.00** | **212,223.60** | **212,223.60** |

FY2009 Planned vs. Actual Capital Expenditures

| Property | DESCRIPTION | 7/1/08 Budget | 6/30/09 Budget | Paid Through 6/30/09 |
|---|---|---|---|---|
| **Roosevelt House** | Roosevelt Water Storage Tank Replacement | 27,500.00 | 10,991.75 | 10,991.75 |
| | **Roosevelt House Total** | **27,500.00** | **10,991.75** | **10,991.75** |
| **Cosby Spears** | Phase II UFAS Design | 0.00 | 178,272.60 | 178,272.60 |
| | Common Area Ceramic Tile and Painting | 0.00 | 1,548.14 | 1,548.14 |
| | Unit & Site Upgrades UFAS | 1,743,690.00 | 1,392,840.77 | 1,392,840.77 |
| | Multi-Site Shower Valve Replacement | 440,000.00 | 537,432.37 | 537,432.37 |
| | Emergency Chiller Replacement | 0.00 | 33,414.70 | 33,414.70 |
| | **Cosby Spears Total** | **2,183,690.00** | **2,143,508.58** | **2,143,508.58** |
| **Eastlake Highrise** | Site/Infrastructure - Exterior Fence | 6,600.00 | 0.00 | 0.00 |
| | Multi-Site Shower Valve Replacement | 247,500.00 | 296,912.55 | 296,912.55 |
| | Generator Replacement | 0.00 | 57,153.00 | 57,153.00 |
| | **Eastlake Highrise Total** | **254,100.00** | **354,065.55** | **354,065.55** |
| **Georgia Avenue** | Site/Infrastructure - Exterior Fence & Lighting | 29,150.00 | 0.00 | 0.00 |
| | Common Area Ceramic Tile and Painting | 0.00 | 8,501.16 | 8,501.16 |
| | Multi-Site Shower Valve Replacement | 133,650.00 | 151,181.36 | 151,181.36 |
| | **Georgia Avenue Total** | **162,800.00** | **159,682.52** | **159,682.52** |
| **Martin Street Plaza** | Plumbing - Disposal Installation | 8,250.00 | 0.00 | 0.00 |
| | Phase II UFAS Design | 0.00 | 21,939.50 | 21,939.50 |
| | Martin Street Phase II UFAS | 22,000.00 | 88,773.33 | 88,773.33 |
| | **Martin Street Plaza Total** | **30,250.00** | **110,712.83** | **110,712.83** |
| **Piedmont Road** | Site/Infrastructure - Exterior Lighting | 22,000.00 | 0.00 | 0.00 |
| | Elevators - Car Upgrades | 22,000.00 | 0.00 | 0.00 |
| | Phase II UFAS Design | 0.00 | 71,437.30 | 71,437.30 |
| | Piedmont Phase II UFAS | 1,292,310.00 | 776,666.87 | 776,666.87 |
| | Piedmont Boiler Repairs | 0.00 | 15,955.50 | 15,955.50 |
| | **Piedmont Road Total** | **1,336,310.00** | **864,059.67** | **864,059.67** |
| **Grand Total** | | **7,081,150.00** | **6,659,648.02** | **6,559,277.20** |

**Explanation of Differences: Planned vs. Actual Capital Expenditures**

AHA did not have significant differences between planned and actual capital expenditures for FY2009.

## Local Asset Management System

AHA followed the Fee for Service system described in its protocol for FY2009. AHA developed and submitted in Appendix T of AHA's FY2010 MTW Annual Plan a Local Asset Management Program which outlines the cost accounting system under which AHA will operate. The Local Asset Management System outlines:

- Project-based Budgeting and Accounting
- Cost Allocation Approach
- Classification of Costs and Cost Objectives
- AHA's Fee for Service
- Explanation of differences between the Local Asset Management System and HUD's Asset Management Requirements.

## Adequacy of Reserves or Working Capital

As of June 30, 2009, AHA's overall reserves or working capital (current assets minus current liabilities) exceeded $78.1 million, which includes $18.1 million in MTW fund working capital which will be used for MTW purposes in 2010 and future years. This level is adequate for future operations.

**Table 1: Definition of Terms Used in Appendix F**

| Term | Definition |
|---|---|
| Capital Expenditures | Capital expenditures are measured according to AHA's accounting treatment for capitalization which includes the purchase, acquisition, or funds outlay for an asset with a life of more than one year, or one that extends the useful life of an asset by more than one year. |
| Reserves or Working Capital at the end of Fiscal Year | Total Current Assets minus Total Current Liabilities as of 6/30/2009 on a consolidated basis |
| MTW Reserves or MTW Working Capital at the end of Fiscal Year | Total Current Assets minus Total Current Liabilities as of 6/30/2009 for MTW programs, which include Housing Choice, Low Rent, and CFP funding |

# Reports of Independent Certified Public Accountants in Accordance with *Government Auditing Standards* and OMB Circular A-133

The Housing Authority of the City of Atlanta, Georgia

Atlanta Housing Authority

For the fiscal year ended June 30, 2008

# REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND OMB CIRCULAR A-133

## THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

**For the fiscal year ended June 30, 2008**

# CONTENTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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*Certified Public Accountants*

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

We have audited the basic financial statements of **The Housing Authority of the City of Atlanta, Georgia** as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated January 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered **The Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of **The Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **The Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects **The Housing Authority of the City of Atlanta, Georgia's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of **The Housing Authority of the City of Atlanta, Georgia's** financial statements that is more than inconsequential will not be prevented or detected by **The Housing Authority of the City of Atlanta, Georgia's** internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by **The Housing Authority of the City of Atlanta, Georgia's** internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **The Housing Authority of the City of Atlanta, Georgia's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of **The Housing Authority of the City of Atlanta** in a separate letter dated January 27, 2009.

This report is intended for the information and use of the Board of Commissioners, **The Housing Authority of the City of Atlanta, Georgia's** management and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Metcalf Davis

Atlanta, Georgia
January 27, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

**Compliance**

We have audited the compliance of **The Housing Authority of the City of Atlanta, Georgia** ("Authority" or "AHA")**,** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. **The Housing Authority of the City of Atlanta, Georgia's** major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of **The Housing Authority of the City of Atlanta, Georgia's** management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred.

An audit includes examining, on a test basis, evidence about **The Housing Authority of the City of Atlanta, Georgia's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **The Housing Authority of the City of Atlanta, Georgia's** compliance with those requirements.

In our opinion, **The Housing Authority of the City of Atlanta, Georgia** complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01.

**Internal Control over Compliance**

The management of **The Housing Authority of the City of Atlanta, Georgia** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered **The Housing Authority of the City of Atlanta, Georgia's** internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **The Housing Authority of the City of Atlanta, Georgia's** internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We considered the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by **The Housing Authority of the City of Atlanta, Georgia's** internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

**Schedule of Expenditures of Federal Awards**

We have audited the combined financial statements of **The Housing Authority of the City of Atlanta, Georgia,** as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated January 27, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise **The Housing Authority of the City of Atlanta, Georgia's,** basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**The Housing Authority of the City of Atlanta, Georgia's** response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit **The Housing Authority of the City of Atlanta's** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, **The Housing Authority of the City of Atlanta, Georgia's** management and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Metcalf Davis

Atlanta, Georgia
January 27, 2009

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

# SECTION I

# SUMMARY OF AUDITOR'S RESULTS

## Section I
## Summary of Auditors' Results

***Financial Statements***

| | |
|---|---|
| Type of auditors' report issued: | Unqualified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(s) identified that are not considered to be material weaknesses? | No |
| Noncompliance material to financial statements noted? | No |

***Federal Awards***

| | |
|---|---|
| Internal control over major programs: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(s) identified that are not considered to be material weaknesses? | Yes |
| • Type of auditors' report issued on compliance for major programs: | Unqualified |
| • Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |

Identification of major programs:

| CFDA Number | Name of Federal Program |
|---|---|
| 14.850 | Public and Indian Housing |
| 14.871 | Section 8 Housing Choice Vouchers |

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $ 3,000,000 |
| Auditee qualified as low-risk auditee? | Yes |

# SECTION II
# FINANCIAL STATEMENT FINDINGS AND RESPONSES

## Section II
## Financial Statement Findings

There were no financial statement findings for the fiscal year ended June 30, 2008.

## SECTION III
## FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

## Section III
## Federal Award Findings and Questioned Costs

### 2008-01 - Inadequate Monitoring of Owner and Management Agent's Performance of Project Based Voucher Properties – Significant Deficiency

**Federal Program**

Housing Choice Vouchers - CFDA 14.871

**Criteria**

As presented in HUD's Annual Contributions Contract and further in its MTW contract with HUD, AHA is accountable to HUD for the property owner and/or management company's performance relating to: waiting list administration; determination of program eligibility; accuracy of family information; calculation of total tenant payment and housing assistance payments; unit and other physical inspections in compliance with housing quality standards; and re-certifications along with the proper adherence to other Federal laws. Subsidy payments received by an ineligible family/tenant is considered a disallowed cost. AHA is required to monitor and perform certain management oversight functions that reduce the risk of noncompliance to a low level even when these program compliance requirements along with adherence to them are transferred to the property owner/management company by virtue of an agreement.

**Condition**

During 2007 and 2008, AHA management identified certain changes and "enhancements" that they consider necessary to improve operating efficiencies, eliminate duplicate procedures and improve and enhance the long-term viability of the Project Based Voucher (PBV) Program. While implementing these betterments to this program, AHA experienced significant employee turnover and the loss of key managers of this program as well as the loss of key information deemed necessary to assure compliance with housing quality standards and HUD contract provisions. Therefore, AHA was unable to demonstrate and provide evidence that key control activities and monitoring efforts were adequately performed during the audit period.

**Context**

We selected a sample of five properties or 33 percent, among 15 properties identified by management as active and fully stabilized. These 15 properties were among a portfolio of 33 total properties comprising 2,438 units of which 2,008 units were rented at year end. Housing assistance payments paid to the owners of these units for the year was in excess of $11 million.

AHA performed 15 Site-Based Waiting List/Tenant File Audits and one Rental Integrity Monitoring ("RIM") Review during the period July 1, 2007 through December 31, 2007. The purpose of the reviews is to monitor internal controls and procedures performed by the owner such as (a) waiting list maintenance, (b) determination of family eligibility, (c) verification of family income, (d) unit inspections (e) calculation of tenant share of rent to owner, (f) adherence to other general provisions including but not limited to fair housing, civil rights and prohibition of discrimination in Federally assisted programs. We were advised that, during the year under audit, the records of these reviews were purged by AHA personnel and therefore were not available for our review. Upon further inquiry AHA provided site inspections performed for three of the five properties sampled but they were conducted in the prior year and not the year under audit. Documentation of the results of site visits is necessary to support that designed internal controls are in place and being monitored in a timely manner.

Upon further inquiry we were informed that part of AHA's control environment is to rely on site examinations performed by the Georgia Department of Community Affairs ("DCA"). We obtained four reports of site visits performed by the DCA and noted physical condition findings in all four reports and income verification findings in two of the reports. Two of the site visits were conducted during the year under audit; two of the site visits were conducted after year end. No report had been received on one of these properties as of the date of this report. Only one property's response to the findings was made available to us. However, it should be noted that one property owner's response was not due at the time of the audit fieldwork. Documented follow-up thereof is considered necessary to ascertain adequate monitoring by AHA.

**The Effect and Questioned Costs**

AHA is accountable to HUD for assuring procedures and processes are in place that are reasonable and necessary to achieve compliance with rules, regulations and other contract provisions of the Section 8 Housing Choice Project Based Voucher program. Total Housing Assistance Payments ("HAP") made to private owners during FY2008 was approximately $11 million dollars. Total questioned costs have not been determined. Reliance on work performed by DCA or other outside entities including private management companies in connection with their compliance testwork may be adequate if combined with oversight and other procedures performed by AHA including but not limited to periodic site visits, tenant file reviews, along with the testing of other administrative requirements.

**Cause**

Changes in personnel, management, and the restructuring of AHA's oversight procedures attributed to the lack of information available for our review and examination including the loss of documentation supporting AHA testwork. During the year management redirected its monitoring efforts and oversight which resulted in a transfer of direct responsibility for program administration between departments. This transition along with a change in personnel caused an interruption in certain control activities designed to achieve program compliance.

**Recommendation**

We recommend management strengthen internal controls over compliance with program requirements, laws and other provisions of the Housing Choice Voucher Project Based Program by fully implementing their planned enhancements and should consider creating a position or assign oversight responsibilities to an individual that will monitor the performance of activities performed by Asset Management in conjunction with DCA to ensure that properties are in substantial compliance with program requirements.

**Management Response**

During the first half of FY2008 AHA's executive team examined the effectiveness of the Project-Based Voucher (PBV) program administered by the Housing Choice division and determined that changes needed to be made in order to align the program with the Project Based Rental Assistance (PBRA) initiative, one of AHA's MTW priority goals. PBRA was moved out of Housing Choice, the PBRA development component was transferred to Real Estate Development and Acquisitions, and the fiduciary oversight and relationship management components was transferred to Asset Management.

During the third quarter of FY2008, Asset Management implemented AHA's new PBRA Agreement, which replaced the PBV HAP contract, and created a payment application invoicing system which would be administered on a purchase order basis separate from Housing Choice's DDI payments system. By the end of FY2008 the majority of PBRA communities were under the new agreement and using the payment application. Asset Management conducted PBRA training sessions for property management staff on March 2, 2008 and April 14, 2008. Physical inspections of PBRA properties will be conducted during FY2009 and on a regular basis thereafter. Asset Management developed management and occupancy on-site file review procedures for PBRA communities and will begin conducting those reviews in FY2009. Such reviews may not be conducted annually depending on the outcomes of DCA audits.

While the audit team raised concerns with respect to internal controls, AHA is developing and refining its compliance procedures, protocols for internal controls and servicing guidelines through Asset Management. The risks for noncompliance are reduced by internal controls that were in place such as desk reviews of HUD 50058 forms to ensure accurate calculation and reporting of subsidy determinations, a more robust review and subsidy approval process under the payment application invoicing system, due diligence tied to a concise review of market studies in establishing contract rents and the institution of an account management framework for managing the day-to-day relationships with property managers and owners. Considering that PBRA has been in the operational phase for a relatively short period of time, AHA is making successful progress in improving processes relating to PBRA administration and internal controls.

# SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Housing Authority of the City of Atlanta, Georgia

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2008

| Federal Program/Cluster Title | CFDA/Grant Number | Pass Thru Entity I.D. Number | Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Housing and Urban Development** | | | |
| **Public and Indian Housing** | 14.850 | N/A | $ 33,987,854 |
| **Public Housing Development Program** | 14.850/GA06P006076 | N/A | 6,540,362 |
| **Housing Choice Vouchers** | 14.871 | N/A | 166,494,383 |
| **Public Housing Capital Funds and Replacement Housing Factor Programs** | 14.872 | N/A | 15,698,002 |
| **Demolition and revitalization of Severely Distressed Public Housing (HOPE VI)** | 14.866 | N/A | 20,031,046 |
| Total direct programs | | | 242,751,647 |
| **Pass through from City of Atlanta** | | | |
| Community Development Block Grant | 14.218 | 58-6000511 | 24,917 |
| Total U.S. Department of Housing and Urban Development | | | 242,776,564 |
| **Department of Justice** | | | |
| **Public Safety Partnership and Community Policing Grant** | 16.710 | N/A | 178,537 |
| Total Department of Justice | | | 178,537 |
| Total Federal Expenditures | | | $ 242,955,101 |

The accompanying notes are an integral part of this schedule.

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2008

### NOTE A – SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES

The Schedule of Expenditures of Federal Awards included herein represents all of the Federal grant awards of The Housing Authority of the City of Atlanta, Georgia ("AHA") over which AHA exercised direct operating control for the fiscal year ended June 30, 2008. Under the Moving to Work Agreement ("MTW Agreement"), the Low Rent and Public Housing, Housing Choice Voucher Program, Capital Fund and Development Fund Program are funded as a "block grant" with funds fully fungible; and are allowed to be spent for any MTW eligible activity as provided in the MTW Agreement and MTW Business Plan as amended.

During the fiscal year ended June 30, 2008, a portion of the Housing Choice Voucher Program funds were expended with other Federal programs as allowed. These expenditures were subjected to the compliance requirements of the Federal program where they were spent and those compliance requirements contained in AHA's MTW Agreement and MTW Business Plan, as amended.

### NOTE B – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting and reflects expenses incurred by AHA during its fiscal year ended June 30, 2008.

### NOTE C – SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

All Federal grant operations of AHA are included in the scope of the Office of Management and Budget ("OMB") Circular A-133 audit (the "Single Audit").

For fiscal year ended June 30, 2008, major programs were selected using a risk-based approach to determine which Federal programs are major programs. This risk-based approach includes consideration of current and prior year audit experience, oversight by Federal agencies, inherent risk over the program, professional judgment and other criteria contained in the Federal guidelines. Audit coverage applying to AHA as a low risk auditee requires at least 25 percent of the total Federal awards is examined. Actual coverage for the fiscal year ended June 30, 2008 is approximately 83 percent.

The Housing Authority of the City of Atlanta, Georgia

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the fiscal year ended June 30, 2008

## NOTE D – SUMMARY OF MAJOR PROGRAM EXPENDITURES

The following schedule represents the MTW Fund Transfers from Housing Choice Vouchers Program to Public Housing for the fiscal year ended June 30, 2008.

Summary of Major Program expenditures:

| CFDA Number | Name of Federal Program | Grant Expenditures | MTW Fund Transfers | Total Program Expenditures |
|---|---|---|---|---|
| 14.850 | Public and Indian Housing | $ 33,987,854 | $ 28,661,609 | $ 62,649,463 |
| 14.871 | Housing Choice Vouchers | 166,494,383 | (28,661,609) | 137,832,774 |
| | | $ 200,482,237 | $ - | $ 200,482,237 |

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

## Summary Schedule of Prior Audit Findings and Questioned Costs

The prior audit report for the fiscal year ended June 30, 2007 contained one audit finding. The status of this finding is as follows:

**Finding 2007-1**

There was a lack of compliance with certain rules and regulations and respective policies and procedures required to be performed when relocating families from public housing communities planned and approved for demolition.

<u>Status</u>

AHA has implemented their corrective action plan including revising its Relocation Operations Manual, has strengthened its' internal control environment, implemented file checklists and quality control procedures requiring 100% review of each processed relocation file. These changes were noted to have been implemented at various times throughout the year. This finding is considered closed.

# A Comprehensive Annual Financial Report and Report of Independent Certified Public Accountants

## The Housing Authority of the City of Atlanta, Georgia

For the fiscal years ended June 30, 2008 and 2007

# A COMPREHENSIVE ANNUAL FINANCIAL REPORT AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

## THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

**For the fiscal years ended June 30, 2008 and 2007**

**Prepared by Atlanta Housing Authority**
**Finance Department**

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## C O N T E N T S

## **C O N T E N T S** - Continued

**Page**

# INTRODUCTORY SECTION

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January 27, 2009

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

We are pleased to present the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 (FY2008) of The Housing Authority of the City of Atlanta, Georgia (AHA or the Authority).

The information presented in this report is the responsibility of the management of AHA. To the best of our knowledge and belief, the information as presented is accurate in all material respects, is presented in a manner designed to fairly state the financial position and the results of operations of the Authority, and includes all necessary disclosures to enable the reader to gain a complete understanding of AHA's financial position.

The U.S. Department of Housing and Urban Development (HUD) requires that each local housing authority publish, within nine months of the close of its fiscal year, a complete set of financial statements prepared in accordance with generally accepted accounting principles (GAAP), consistently applied, and audited by a firm of independent certified public accountants. Metcalf Davis, hired by AHA to audit its FY2008 financial statements, issued an unqualified opinion on the financial statements of the Authority for the fiscal years ended June 30, 2008 and 2007, indicating that the Authority's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is included as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority is part of a broader, Federally mandated "Single Audit," designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require an independent auditor to report not only on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance with Federal Program requirements.

The basic financial statements for AHA's single enterprise fund consist of Combined Statements of Net Assets, Combined Statements of Revenues, Expenses and Changes in Net Assets, and Combined Statements of Cash Flows. Notes to the Basic Financial Statements are an integral part of the financial statements.

The Housing Authority of the City of Atlanta, Georgia
230 John Wesley Dobbs Avenue, N.E. • Atlanta, Georgia 30303-2421 • Phone: 404.892.4700 • www.atlantahousing.org

AHA has created several affiliate entities to implement and execute a number of our program activities and initiatives. The financial statements of these affiliates are included in AHA's financial statements as blended component units. AHA has one affiliate that is not a component unit, but is considered a related entity. As such, the financial statements for this entity have been excluded from the Authority's financial statements. See Note A of the Notes to the Basic Financial Statements for further details.

GAAP also requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent public accountants.

## AHA's MISSION

***To provide quality affordable housing for the betterment of our community***

AHA, a public body corporate and politic created under the Housing Authorities Laws of the State of Georgia, is a diversified real estate company with a public mission and purpose. AHA meets its mission by deploying its assets to facilitate affordable housing opportunities for low-income, elderly and disabled households in the City of Atlanta. AHA has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing, invest and lend money, create for-profit and not-for-profit entities, administer vouchers, issue bonds for affordable housing purposes and develop commercial, retail and market rate properties that benefit affordable housing. Many of AHA's programs are funded, in part, and regulated by HUD under the provisions of the U.S. Housing Act of 1937, as amended, as modified by AHA's Moving to Work Agreement dated September 23, 2003, as amended and restated effective as of November 13, 2008 and as further amended effective as of January 16, 2009 (MTW Agreement).

Under the Housing Authorities Laws, the governing body of AHA is the Board of Commissioners, whose members are appointed by the Mayor of the City of Atlanta. The Board of Commissioners hires the President and Chief Executive Officer, who, in turn, hires the staff of the Authority. The current President and Chief Executive Officer is Renée Lewis Glover, who was hired on September 1, 1994.

Under Ms. Glover's leadership, AHA chartered a new course and embarked on an important and ambitious vision: to transform its delivery of affordable housing by ending the practice of concentrating low income families and abandoning the traditional 100% public housing model through implementing its comprehensive and strategic revitalization program (Revitalization Program). Under AHA's Revitalization Program, public housing-assisted households are relocated to housing of their choice, primarily to private housing (using Housing Choice vouchers to close the gap for the cost of rent and utilities) or to other AHA-owned public housing developments. The distressed and obsolete housing projects are demolished and the sites remediated and prepared for development; and through partnerships with excellent private sector developers, market rate quality mixed-use, mixed-income communities are developed. AHA's Revitalization Program is designed to create communities where Atlanta's families, from every socio-economic status, can live, learn, work and play, as they pursue their version of the American dream. AHA believes that every person has unlimited human potential and promise, but the quality of his or her living environment impacts the outcome.

**AHA's VISION**
***Healthy Mixed-Income Communities***

The Revitalization Program is governed by five guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Develop communities through public/private partnerships using public and private sources of funding, using market principles.
3. Create mixed-income communities with the goal of creating market rate communities with a seamless affordable component.
4. Create healthy communities using a holistic and comprehensive approach to ensure long-term marketability and sustainability and to support excellent outcomes for families, especially children, with emphasis on excellent, high performing neighborhood schools and excellent quality of life amenities, such as first-class retail and green space.
5. Residents should be supported with adequate resources to assist them to achieve their life goals, focusing on self-sufficiency and educational advancement of the children. Expectations and standards for personal responsibility should be benchmarked for success.

Since 1994, AHA has been able to successfully deconcentrate poverty through implementing its Revitalization Program. The Revitalization Program requires that AHA leverage its public housing development funds, its land, and its operating subsidies to facilitate the availability of quality affordable housing opportunities in mixed-use, mixed-income communities throughout the City of Atlanta. Since 1994, by partnering with excellent private sector developers, leveraging private sources of financing and using market principles, AHA has sponsored the creation of 15 mixed-use, mixed-income communities, leveraging over $300 million in HOPE VI and other public housing development funds, resulting in total financial investment of over $4 billion. As a result, neighborhoods throughout the City of Atlanta have been transformed to healthy economically integrated communities with great neighborhood schools and other wonderful quality of life amenities. The real estate and human development outcomes have been outstanding – healthier economically integrated, amenity-rich communities, increasing real estate values, dramatically lower rates of crime, improved student and school performance and substantially higher participation in the workforce by the assisted-households.

Having moved from troubled agency status in 1994 to high performer status in 1999 and sustained that status thereafter, AHA applied for and received a Moving to Work (MTW) designation in 2001. After protracted negotiations with HUD, AHA executed its MTW Agreement with HUD on September 23, 2003, effective as of July 1, 2003. AHA's MTW Agreement provides substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended. AHA's program design for implementing its MTW Agreement leverages the guiding principles, the lessons learned and best practices from AHA's Revitalization Program.

Under AHA's MTW Agreement, AHA has the statutory and regulatory flexibility to implement local solutions to address local challenges in providing affordable housing opportunities. The MTW Agreement allows AHA to combine multiple types of HUD funding: Housing Choice Voucher budget authority, Low-Income Operating Subsidy and Capital Fund Program grants into a single fund to be used for MTW eligible activities as set forth in AHA's MTW Agreement and Business Plan, as amended. AHA's MTW Agreement was effective as of July 1, 2003 through June 30, 2010. On November 13, 2008 AHA and HUD signed an amended and restated agreement which extends the term of AHA's MTW Agreement until June 30, 2018. AHA's MTW Agreement was further amended effective as of January 16, 2009. HUD may further extend AHA's MTW Agreement for additional ten-year periods, subject to AHA meeting certain agreed-upon conditions. As AHA concludes its fifth year under its MTW Agreement period, it continues to make substantial strides in achieving its vision.

Consistent with AHA's guiding principles, its Business Plan sets forth three **primary goals.**

1. Developing quality living environments in mixed-income communities;
2. Enhancing AHA's economic viability and sustainability; and
3. Increasing self-sufficiency, financial independence and successful outcomes for families by leveraging AHA's human development and support services investments.

In 2004, AHA submitted our first MTW Business Plan to HUD. AHA refers to its comprehensive Business Plan as "CATALYST." AHA's Business Plan and its subsequent annual implementation plans set forth AHA's goals and objectives.

AHA's goals and objectives for FY2008 were aligned around the six **major priorities** of the Plan which are highlighted below:

1. **Quality of Life Initiative (QLI) –** In response to the deteriorating conditions in AHA's distressed and obsolete public housing projects and the escalating rates of crime in these projects and the need to facilitate assisted-households in moving from such detrimental conditions, AHA designed and implemented in Fiscal Year 2007 a program called the "Quality of Life Initiative" (QLI). QLI empowers families in 10 distressed and obsolete family developments and two distressed and obsolete senior high-rise developments to relocate to privately owned housing, using Housing Choice vouchers. The affected families are supported with 27 months of individualized coaching, counseling and human development services to insure the families adjust in their new neighborhoods and achieve their goals of achieving financial independence and self-sufficiency. After the families are relocated, the projects are demolished. Subject to market and financial conditions, AHA intends to solicit the private sector development and investor community for proposals to develop additional mixed-use, mixed-income communities. When relocation is completed on or about June 30, 2010, AHA will no longer own or operate any large family public housing projects, thereby ending the era of warehousing low-income families in distressed and obsolete developments in isolated and depressed areas. AHA will continue to own 11 senior high-rise buildings and two small family public housing-assisted communities, all of which are well located in economically integrated neighborhoods.

The remaining developments will continue to be comprehensively managed by professional private management companies in accordance with AHA's goals, objectives and financial resources. AHA will use its MTW relief to develop creative and innovative ways to reposition these properties with the goal of substantially improved quality of life, with increased emphasis on supportive services for elderly and disabled persons.

2. **Revitalization Program** – AHA and its private sector development partners will continue implementing AHA's strategic Revitalization Program in accordance with the HUD-approved Revitalization Plans for each revitalization community.

3. **Human Development** – AHA will continue to invest in, facilitate and provide linkages for AHA-assisted families to human services providers to ensure healthy outcomes with the goals of economically independent families, educated children, and self-sufficient elderly and persons with disabilities.

4. **Project Based Rental Assistance (PBRA) as a Development Tool** – AHA will expand its PBRA program, contracting with owners of private apartment communities to provide quality housing opportunities in healthy mixed income communities. PBRA provides a ten-year renewable stream of rent subsidy that closes the affordability gap for households who earn between the minimum wage and 60% of the metropolitan area median income. Through a competitive process, AHA solicits private developers and owners interested in reserving a percentage of their multi-family rental units for at least ten years.

5. **Asset Management** – AHA will continue to develop and evolve its systems, processes, procedures and human resources to create comprehensive and integrated asset management capacity, with an emphasis on external business relationship management and technology-oriented solutions.

6. **Re-engineering the Housing Choice Voucher Program** – AHA will continue to enhance the Housing Choice Voucher Program including redesigning business systems, implementing technology solutions, improving customer service delivery, human resources development, and refining participant and landlord policies and procedures. Using its statutory and regulatory relief under our MTW Agreement, AHA is also making innovative operational changes to the Housing Choice Program so that the households who elect tenant-based vouchers as their affordable housing resource can use the vouchers in lower poverty, opportunity-enriched neighborhoods throughout the City of Atlanta, while continuing to pay no more than 30% of their adjusted income towards rent and utilities.

**RESULTS AS OF JUNE 30, 2008**

**<u>Revitalization Program—Since 1994, AHA has sponsored the creation of 15 mixed-use, mixed-income communities leveraging</u>** over $300 million of public housing development funds, AHA land and operating subsidies resulting in over $4 billion of new investment in once distressed and economically disinvested neighborhoods.

**<u>PBRA as a Development Tool</u>**. AHA's strategy of working with private partners to deliver affordable housing resources includes converting a significant portion of its tenant-based vouchers to PBRA with the goals of (a) facilitating housing opportunities for families in healthy mixed-income communities; (b) facilitating the development of housing for the elderly; and (c) facilitating the development of supportive services housing for persons with disabilities and other transitional housing. Piloted in FY2003, AHA began using PBRA as a development tool to increase the supply of affordable units in privately owned developments. Since FY2003, AHA has entered into commitments for over 3,000 units in mixed-income rental communities.

**QLI**. During FY2008, HUD approved the demolition applications for Englewood Manor, Jonesboro North, Jonesboro South, Leila Valley, U-Rescue Villa and Bowen Homes. The relocation of approximately 702 households was completed in FY2008. The demolition applications for the remaining QLI properties: Bankhead Courts, Thomasville Heights, Hollywood Courts, Herndon Homes, Palmer House and Roosevelt House were submitted in FY2008 and were approved in FY2009. AHA expects that relocation from such developments will be completed by June 30, 2010. AHA intends to demolish the distressed, obsolete properties and solicit mixed-use, mixed-income development proposals for the individual properties.

**Economic Viability and Sustainability**. AHA's financial position is strong as a result of the effective implementation of its Revitalization Program, QLI Initiative and other Business Plan Initiatives. By intentionally changing the composition and mix of its portfolio and demolishing its distressed and obsolete public housing, AHA has substantially reduced the operating and capital costs associated with managing these properties. Since 1994, AHA's annual capital fund program award has decreased from \$26.4 million to \$14.1 million and its annual public housing operating subsidy award has decreased from \$39.8 million to \$33.7 million. Consequently, AHA has applied for and received Housing Choice vouchers to support the relocation of affected assisted-households and to replace a portion of the demolished housing units that are otherwise not replaced through the development of mixed-income communities. Using its MTW relief, AHA also has been able to leverage our Housing Choice voucher funding through innovative and creative partnerships and relationships with private sector developers and owners (PBRA and other) to create additional mixed-income housing opportunities. The financial impacts of the Revitalization Program, QLI, and other Business Plan Initiatives are more fully discussed in the Management's Discussion and Analysis (MD&A) which follows.

**Human Development Policies and Investments**. The move from traditional public housing-assisted developments to apartments and single-family homes owned by private owners provides both challenges and opportunities to affected households. To facilitate this transition, AHA has developed an extensive support program. AHA funds 27 months of case management to support the households through their transition. Case management includes coaching, counseling and human development services to connect families with mainstream society and accomplish the following objectives: (a) successful resettlement in privately-owned housing; (b) achieving economic independence; and (c) achieving family success.

The flexibility of MTW has allowed AHA to implement higher expectations and standards of responsibility for AHA-assisted households. Using the statutory and regulatory relief under its MTW Agreement, AHA adopted policies, effective November 2004, requiring AHA-assisted families to (a) work as a condition of receiving subsidy and (b) pay a minimum of \$125 toward their cost for rent and utilities. Such policy changes have had positive financial impacts on AHA and the families.

AHA's work program policy requires that i) at least one non-elderly, non-disabled adult family member maintains continuous full-time employment for 30 hours a week, and ii) all other non-elderly, non-disabled adults maintain full-time employment or participate in a combination of school, job training, or part-time employment as a condition of the family receiving or maintaining subsidy assistance. Families on fixed incomes, where all members are elderly and/or disabled, are exempt from the minimum rent, and continue to pay rent and utilities based on 30% of their adjusted gross incomes. Following full implementation of the new standards, the average annual income among non-elderly, and non-disabled, AHA-assisted families increased. Because rent is based on 30% of adjusted income, AHA's share of the cost of providing affordable housing in these families decreased as a result of the higher resident income. More importantly, families served under the MTW program, are faring better in terms of employability, increased wages and connectivity to resources and opportunities that promote family success. As of June 30, 2008, in excess of 71% of AHA-assisted households were in compliance with the work program requirement.

## Awards and Acknowledgement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 2006 and June 30, 2007. A certificate of achievement is valid for one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Authority also received the GFOA's Distinguished Budget Presentation Award for its comprehensive budget for fiscal years 2006 and 2007. In order to qualify for the Distinguished Budget Presentation Award, the Authority's budget document was judged proficient as a policy document, a financial plan, an operations guide and a communications device.

We wish to express our appreciation to all of the individuals who contributed to the preparation of this Report.

Sincerely,

| | |
|---|---|
| Renée Lewis Glover | Stephen D. Nolan, CPA |
| President and Chief Executive Officer | Chief Financial Officer |

# AHA's Board of Commissioners

**Cecil Phillips**
***Chairman***
HOD AFA
IC

**James Brown**
***Vice Chair***
HOD AFA

**Carol Jackson**
***Commissioner***
AFA
IC

**Margarette Paulyne Morgan White**
***Commissioner***
HOD

**Aaron Watson**
***Commissioner***
AFA
IC

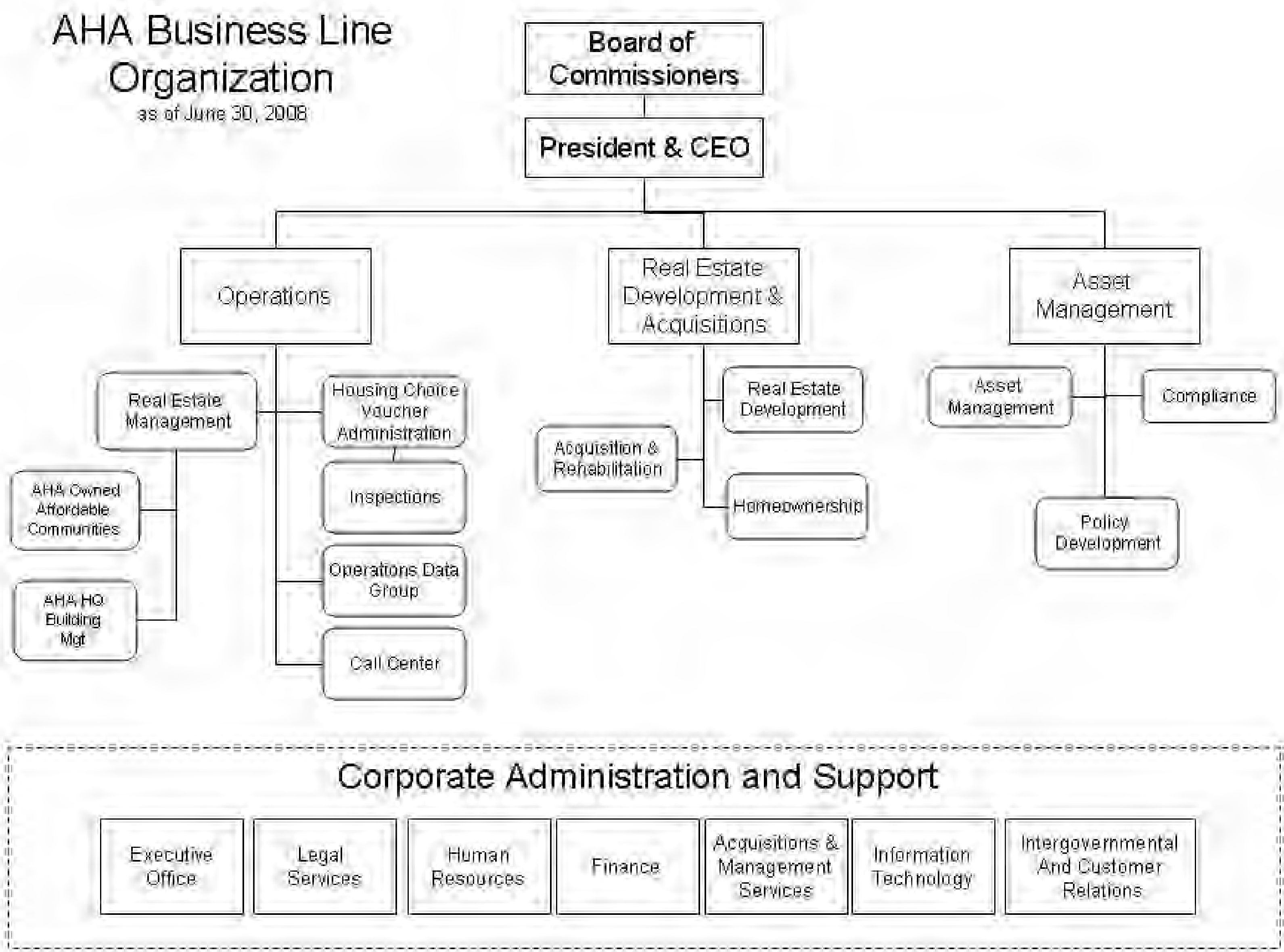
**Eva Davis**
***Commissioner***
HOD

**Justine Boyd**
***Commissioner***
HOD

**Renée Lewis Glover**
***President and CEO & Secretary to the Board***

**Committee Memberships**

| | |
|---|---|
| HOD | Housing Operations, & Development |
| AFA | Administration, Finance, and Audit |
| IC | Investment Committee (a subcommittee of the AFA) |


AHA Business Line Organization
as of June 30, 2008
Board of Commissioners
President & CEO
Operations
Real Estate Development & Acquisitions
Asset Management
Real Estate Management
Housing Choice Voucher Administration
Inspections
Operations Data Group
Call Center
AHA Owned Affordable Communities
AHA HQ Building Mgt
Real Estate Development
Acquisition & Rehabilitation
Homeownership
Asset Management
Compliance
Policy Development
Corporate Administration and Support
Executive Office
Legal Services
Human Resources
Finance
Acquisitions & Management Services
Information Technology
Intergovernmental And Customer Relations

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Atlanta Housing Authority
## Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

# FINANCIAL SECTION

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Metcalf Davis

*Certified Public Accountants*

Independent Auditors' Report

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

We have audited the accompanying basic financial statements of **The Housing Authority of the City of Atlanta, Georgia,** as of and for the fiscal years ended June 30, 2008 and 2007, as listed in the table of contents. These basic financial statements are the responsibility of **The Housing Authority of the City of Atlanta, Georgia's** management. Our responsibility is to express opinions on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of **The Housing Authority of the City of Atlanta, Georgia** as of and for the fiscal years ended June 30, 2008 and 2007 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated January 27, 2009, on our consideration of **The Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering and assessing the results of our audits.

Management's Discussion and Analysis on pages 19 through 32 and the Schedule of Pension Funding Progress on page 74 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of **The Housing Authority of the City of Atlanta, Georgia** taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and notes thereto are presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and is not a required part of the basic financial statements. The Financial Data Schedules and notes thereto, the Reconciliation of Advances, Costs and Budget – Certain HUD programs and Hope VI Grant Program Cost Certification Schedules, listed as other supplementary information in the table of contents are required by the United States Department of Housing and Urban Development and are presented for purposes of additional analysis and are not a required part of the basic financial statements of **The Housing Authority of the City of Atlanta, Georgia**. The Schedule of Expenditures of Federal Awards, the Financial Data Schedules, the Reconciliation of Advances, Costs and Budget – Certain HUD programs and Hope VI Grant Program Cost Certification Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Metcalf Davis

Atlanta, Georgia
January 27, 2009

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of AHA's performance for the fiscal years (FY) ended June 30, 2008, and 2007, is presented as a supplement to the accompanying year-end financial statements. The information presented in this discussion should be read in conjunction with the financial statements and the notes thereto, and additional information furnished in the transmittal letter and supplementary information.

## BACKGROUND AND CONTEXT

### Strategies

AHA's Revitalization Program (as described in the Transmittal Letter), Quality of Life Initiative (QLI) and the statutory and regulatory relief afforded by AHA's MTW Agreement have had a dramatically positive impact on AHA's financial position. As a result of these programs and statutory and regulatory relief, the composition and mix of AHA's portfolio have intentionally changed. As AHA has demolished its distressed and obsolete public housing, it has applied for and received Housing Choice Vouchers to support the relocation of affected households and to replace a significant portion of the demolished housing units that are not otherwise replaced through the Revitalization Program. Under our MTW Agreement, AHA has been able to leverage our Housing Choice Voucher funds through innovative and creative partnerships and relationships with private sector developers and owners to create additional mixed-income communities and to reposition AHA to be a more nimble and strategic provider of affordable housing in healthier mixed-income communities. From 1994 (when AHA initiated its Revitalization Program) through the fiscal year ended June 30, 2008, (i) AHA's Housing Choice Voucher funds have grown approximately 400 percent; (ii) AHA has demolished approximately 10,000 distressed and obsolete public housing units; (iii) AHA's annual public housing subsidy award has decreased from $39.8 million to $33.7 million; and AHA's annual Capital Fund Program Award has decreased from $26.4 million to $14.1 million. Tenant Dwelling Revenue has also continued to decrease. Notwithstanding the significant decrease in Public Housing Program related revenues, AHA expects that Housing Choice Voucher funds and Other Revenue will outpace the decline in these revenue sources resulting from the demolition of AHA-owned public housing projects as AHA is awarded additional Housing Choice Voucher funds relating to the relocation of affected households.

Faced with the continuing deterioration of its obsolete public housing projects; escalating crime associated with concentrated poverty; the costs of managing and repairing these obsolete housing projects outpacing the associated revenues; and an increasing demand by AHA-assisted households and Atlanta citizens for better living conditions, AHA accelerated the pace of implementing its strategic plan to end concentrating low-income households in distressed and obsolete housing projects through QLI.

As of June 30, 2008, relocation of affected households from the Phase I QLI properties - Leila Valley, Jonesboro South, Jonesboro North, U-Rescue Villa and Englewood Manor had been successfully completed and demolition was substantially complete; one of the Phase II QLI properties - Bowen Homes was approved by HUD for demolition and relocation was well underway. The demolition applications for Bankhead Courts, Hollywood Courts, Thomasville Heights, Herndon Homes, Palmer House and Roosevelt House were subsequently approved by HUD in FY2009. Relocation at all properties (except Palmer House and Roosevelt House) commenced in the first quarter in FY2009. General relocation at Palmer House and Roosevelt House will commence in May 2009. By June 30, 2010, AHA will have closed the door on concentrating households in obsolete, distressed and dysfunctional large family public housing projects.

By June 30, 2010, AHA will own 11 senior high-rise buildings and two small family public housing-assisted developments – Martin Street Plaza (60 units) and Westminster Apartments (32 units), all of which are located in economically integrated neighborhoods. Each of these communities will continue to be owned by AHA and comprehensively managed by professional private management companies in accordance with AHA's goals, objectives and financial resources. During the next three years, AHA intends to use the authority under its MTW Agreement to reposition these properties with the goal of substantially improved quality of life for its residents, with increased emphasis on supportive services for elderly and disabled persons.

As of June 30, 2008, AHA served approximately 20,000 households in a broad array of opportunity-enhancing and amenity-rich housing options.

**Accounting Treatment**

AHA receives revenues from HUD including Low Income Operating Subsidy for public housing assisted-units, Housing Choice Voucher funds and Capital Funds. AHA earns Tenant Dwelling Revenue from AHA-owned public housing developments. AHA also receives and/or competes for multi-year grants including Development grants, HOPE VI grants and Replacement Housing Factor (RHF) grants, but these grants do not contribute to the revenue of AHA until costs under the grant are incurred, at which time AHA's right to reimbursement from HUD is perfected. AHA also receives and/or competes for funds or grants from other local and state governmental agencies, which are held and expended exclusively for the purposes set forth in the grants and/or Intergovernmental Agreements. Most of the funding is from the City of Atlanta and related entities and comes from various special purpose bonds (e.g. water and sewer) to pay for public improvements in the public right-of-way that support AHA's Revitalization Program and the City of Atlanta's infrastructure improvements plan. These funds are held by AHA for the City of Atlanta's account and do not increase AHA's Net Assets.

In connection with its Revitalization Program, AHA also earns income from development and other fees and participation in net cash flow from the various mixed-income rental communities. AHA also earns fees as a participating member of Georgia HAP Administrators, Inc. (Georgia HAP) and for services rendered as a subcontractor to Georgia HAP. Georgia HAP earns fees from HUD for contract administration services for HUD-funded project-based Section 8 properties in the States of Georgia and Illinois. Such revenues are not contractually restricted by HUD or restricted by HUD regulations and may be used by AHA consistent with and subject to the limitations of its charter.

When the Authority receives Low Income Operating Subsidy or Housing Choice Voucher funds from HUD, such funds are booked by AHA as Operating Revenue upon receipt from HUD. For Capital Funds and Development Grants and other multi-year grants, such funds under those grants are held by HUD (for AHA's account) and are made available to AHA pursuant to a draw-down process on a reimbursement basis. When AHA completes capital work to be paid for with multi-year grants, AHA's right to be reimbursed by HUD is perfected, and AHA books the funds as Non-Operating Revenue. A portion of the Capital Fund and other multi-year grants may be used by AHA for operating costs. Such funds are made available to the Authority pursuant to a draw-down process on a reimbursement basis and are booked as Operating Revenue when AHA incurs the expense as described above. The unexpended portions of the grants held by HUD for AHA's account remain available to AHA in future years, subject to the terms of the Grant Agreements and other agreements with HUD.

The Development grants, HOPE VI grants and RHF grants are used to pay pre-development and development related costs to advance AHA's Revitalization Program. A portion of these grants leverage private funds raised by AHA's private sector development partners in order to develop the rental phases of mixed-income communities. AHA loans these funds to private/public partnerships, in which an affiliate of AHA's private development partner is the managing general partner, to cover the cost of the AHA-assisted units in mixed-income communities. The amount of development grants drawn down by AHA for these purposes in any given fiscal year is driven and influenced by the conditions in the real estate and financial markets. Similarly, the amount of development and other fees earned by AHA in any given fiscal year is affected by those markets. To support the various Master Plans for the individual properties under the Revitalization Program, AHA will sell land to its private sector development partners and/or other home builders or commercial developers to support the development and sale of single family homes and/or commercial and retail development. AHA earns income from the net sales proceeds from these transactions and such income is booked as Non-Operating Revenues. The entrepreneurial income earned in connection with AHA's Revitalization Program is treated as program income and is subject to various HUD restrictions until the various Grant Agreements are closed out. Therefore, AHA may use such program income for low income housing purposes, subject to HUD conditions and the terms and limitations of its charter. AHA has determined that in addition to those restrictions it will use such program income to advance its Revitalization Program and to earn income from non-HUD sources.

AHA negotiated and entered into a Moving to Work Agreement with HUD in September 2003, effective as of July 1, 2003 through June 30, 2010. On November 13, 2008, AHA and HUD executed an Amended and Restated MTW Agreement, which among other things, extended the term of the Agreement to June 30, 2018. On January 16, 2009, AHA and HUD further amended the Amended and Restated MTW Agreement to clarify the use of MTW Funds. The Moving to Work Agreement, as Amended and Restated and further amended, is referred to herein as the (MTW Agreement). The MTW Agreement provides AHA with substantial statutory and regulatory relief under the U.S. Housing Act of 1937, amended, to implement local solutions to address local challenges in providing affordable housing opportunities to low-income families. The MTW Agreement allows AHA to combine multiple types of HUD funding: Housing Choice Voucher funds, low-income operating subsidy and Capital Fund grants into a single fund (herein, MTW Funds) to be used for MTW eligible activities as provided in the MTW Agreement and AHA's Business Plan, as amended. The MTW Agreement provides that HUD may further extend AHA's MTW Agreement for additional ten-year periods, subject to AHA meeting certain agreed-upon conditions. Notwithstanding AHA's authority to use MTW Funds across program lines, it still must account for and report the use of the individual funds by program.

## FINANCIAL HIGHLIGHTS

### FY2008 vs. FY2007

- Total Revenues increased in FY2008 over FY2007 by $45.0 million primarily due to an increase in Housing Choice Voucher funds received from HUD to cover the relocation costs (rent and utilities) for the households affected by AHA's Revitalization Program and QLI, who were scheduled to relocate during the fiscal year. Upon HUD's approval of the demolition application, AHA may apply for relocation funding for each household affected by such demolition. AHA also received a one-time adjustment of $24.3 million from HUD for calendar year 2008 due to a funding award that had been delayed as part of the Federal Fiscal Year (FFY) 2008 Federal Appropriations.

- Total Operating Expenses, before depreciation and amortization, for FY2008 as compared to FY2007, excluding General and Administrative Expenses, increased $5.3 million as a result of higher Housing Assistance Payment (HAP) expenses for AHA-assisted-units (Section 8 and Section 9) in mixed-income communities and for tenant-based vouchers, for increased security costs at AHA-owned properties undergoing relocation and relocation expenses incurred related to the ongoing implementation of QLI.

- Non-Operating Expenses for FY2008 as compared to FY2007 increased by $54.2 million primarily as the result of (i) the write-off of the net book value of public housing developments approved by HUD for demolition during FY2008, (ii) demolition and extraordinary site work expenses relating to the QLI properties and properties undergoing revitalization; and (iii) valuation allowance and bad debt expenses on related development project notes receivable.

- General and Administrative Expenses for FY2008 increased by $19.4 million as compared to FY2007 primarily due to a $12 million contribution (representing a $9.3 million increase) to AHA's Defined Benefits Plan for the purpose of funding a cash-out of vested and terminated employees under that Plan; and by another $7 million relating to an increase in the number of AHA employees and increased consultant costs to support the re-engineering of the Housing Choice Voucher Program and implementation of QLI.

- AHA's overall financial position remained constant from year to year as reflected in the non-material change in Net Assets for FY2008 versus FY2007.

### FY2007 vs. FY2006

- Operating Revenues decreased by $1.8 million primarily due to decreases in Low Income Operating Subsidy and Tenant Dwelling Revenue resulting from relocation and demolition activities related to AHA's Revitalization Program. Non-Operating Revenues increased by $7.9 million in FY2007 compared to FY2006 primarily due to an increase in reimbursements under the multi-year grants used for capitalized expenditures and pre-development and development activity relating to AHA's Revitalization Program.

- Total Operating Expenses, before depreciation and amortization, decreased $9.5 million for FY2007 as compared to FY2006 primarily due to a decrease in HAP expenses. Non-operating expenses increased $10.8 million for FY2007 over FY2006 primarily due to the write-off of the net book value of $4.6 million relating to McDaniel Glenn, and a valuation allowance of $2.6 million relating to Related Development Project Notes Receivable. AHA also made a $4 million contribution of Carver HOPE VI grant funds ($1.8 million) and ACoRA funds ($2.2 million) for the construction of the Villages at Carver YMCA by the YMCA Metropolitan Chapter.

- AHA's overall financial position improved $4.8 million from FY2006 to FY2007 as reflected in the Change in Net Assets.

### CONDENSED COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

| | FY2008 | FY2007 | FY2006 |
|---|---|---|---|
| **Operating Revenues** | | | |
| Operating subsidies | $ 226,048,696 | $ 174,261,326 | $ 175,078,599 |
| Tenant dwelling revenue | 14,472,567 | 17,282,562 | 18,405,002 |
| Other revenue | 5,306,275 | 6,561,773 | 6,437,735 |
| Total operating revenues | 245,827,538 | 198,105,661 | 199,921,336 |
| **Operating Expenses** | | | |
| Housing assistance payments (HAP) | 87,870,509 | 84,812,490 | 96,382,051 |
| Property operations - utilities, maintenance, protective services | 33,452,784 | 35,945,331 | 36,212,934 |
| Resident services, including relocation | 12,176,401 | 7,422,976 | 5,445,229 |
| General and administrative | 64,960,230 | 45,515,856 | 45,126,076 |
| Total operating expenses | 198,459,924 | 173,696,653 | 183,166,290 |
| **Net operating income before depreciation** | 47,367,614 | 24,409,008 | 16,755,046 |
| **Depreciation and amortization** | 11,611,915 | 13,841,139 | 13,906,235 |
| **Net operating income** | 35,755,699 | 10,567,869 | 2,848,811 |
| **Non-operating Revenue/(Expenses)** | | | |
| Interest and investment income | 5,458,724 | 5,722,435 | 6,197,582 |
| Gain on sale of capital assets | 2,533,256 | 421,431 | 1,179,361 |
| Capital asset write-down | (28,148,332) | (5,721,395) | (632,200) |
| Demolition and extraordinary sitework | (18,980,331) | (5,008,566) | (5,937,886) |
| Other revitalization expenditures | (1,815,878) | (4,030,000) | - |
| Valuation allowance and bad debt expenses on notes receivable | (22,722,390) | (2,569,048) | - |
| Interest expense | (866,836) | (957,866) | (900,881) |
| | (64,541,787) | (12,143,009) | (94,024) |
| Multiyear grants used for capitalized expenditures | 26,269,317 | 30,864,741 | 21,686,827 |
| Total non-operating revenue/(expenses) | (38,272,470) | 18,721,732 | 21,592,803 |
| **Change in Net Assets** | **(2,516,771)** | **29,289,601** | **24,441,614** |
| Net Assets - beginning of year | 369,975,194 | 340,685,593 | 316,243,949 |
| **Net Assets - end of year** | **$ 367,458,423** | **$ 369,975,194** | **$ 340,685,563** |

The *Condensed Combined Statements of Revenues, Expenses, and Changes in Net Assets* present the revenues and expenses of the current and previous fiscal years. Revenues less Expenses results in the change in Net Assets generated for the respective fiscal years.

## OPERATING REVENUES

### FY2008 vs. FY2007

Total Operating Revenues for FY2008 increased $47.7 million over FY2007 primarily due to an increase in Housing Choice Voucher funds received from HUD for the QLI-affected and revitalization households scheduled to relocate during FY2008 and a one-time adjustment from HUD for calendar year 2008 due to a funding award that had been delayed as part of the Federal FY2008 Federal Appropriations.

**Operating Subsidies and Tenant Dwelling Revenue**. AHA's QLI and Revitalization Programs have had a significant impact on operating subsidies as reflected in the $25.0 million increase in Housing Choice Voucher funds relating to households affected by AHA's Revitalization Program and QLI projected to relocate during the fiscal year. AHA also received a one-time adjustment of $24.3 million from HUD for calendar year 2008 due to a funding award that had been delayed as part of the Federal FY2008 Federal Appropriations. Tenant Dwelling Revenue decreased by $2.8 million as households relocated from AHA-owned housing projects as part to the QLI Initiative and the Revitalization Program.

**Other Revenue**. AHA earned $5.3 million in FY2008 as compared to the $6.6 million in FY2007 from development and other fees and participation in net cash flows from the mixed-income rental properties in connection with its Revitalization Program. Further information can be found in Note S to the financial statements on these transactions.

AHA also earned fee income of $1.7 million in FY2008 and $1.6 million FY2007, respectively, from Georgia HAP.

### FY2007 vs. FY2006

Operating Revenues decreased by $1.8 million primarily due to decreases in Low Income Operating Subsidy and Tenant Dwelling Revenue resulting from relocation and demolition activities related to AHA's Revitalization Program.

## NON-OPERATING REVENUES

### FY2008 vs. FY2007

Non-Operating Revenues decreased $2.7 million in FY2008 as compared to FY2007 primarily due to a decrease in reimbursements from multi-year Capital and Development grants as a result of delayed financial closings in light of the softening Atlanta real estate market and declining financial market conditions.

In addition to AHA's Revitalization Program, AHA used Capital Fund grants to fund modernization expenditures at AHA-owned properties. AHA continues to focus on the quality, curb appeal, health and safety, security, and sustainability of its 11 longer-term viable senior high-rise buildings and two smaller family properties. Notwithstanding the overall decrease in Multi-year Grants Used for Capital Expenditures, reimbursements from Capital Funds increased from $6.2 million in FY2007 to $9.0 million in FY2008 primarily due to AHA's increased investment in retro-fitting units in AHA-owned longer-term viable senior high-rise properties for mobility-impaired households in compliance with its Voluntary Compliance Agreement with HUD.

To advance the Centennial Place Master Plan, AHA sold land to an affiliate of its private sector development partner to support a mixed-used project, where a portion of the single family homes will be sold to qualified low-income households. AHA recognized a $2.5 million gain on sale of land in FY2008 from this transaction. See Note S to the financial statements.

**FY2007 vs. FY2006**

Non-Operating Revenues increased by $7.9 million in FY2007 compared to FY2006 primarily due to an increase in reimbursements under the multi-year grants used for capitalized expenditures and pre-development and development activity relating to AHA's Revitalization Program. AHA contributed $4.0 million to the YMCA Metropolitan Chapter for the development and construction of the Villages of Carver YMCA. A $2.2 million ACoRA grant was awarded to AHA, as a sub-grantee, by a City of Atlanta-instrumentality and $1.8 million was drawn from the Carver HOPE VI Revitalization Grant. The Villages of Carver YMCA was a $17 million project developed by the YMCA Metropolitan Chapter in support of the Master Plan for the revitalization of Carver Homes.

## OPERATING EXPENSES

**FY2008 vs. FY2007**

Total Operating Expenses, before depreciation and amortization, including General and Administrative Expenses, increased $24.8 million primarily due to QLI related activities; the re-engineering of the Housing Choice Voucher Program; a $12 million contribution to AHA's Defined Benefits Plan to support the cash-out of vested and terminated employees under that Plan; and higher HAP for AHA-assisted units (both Section 8 and Section 9) in mixed-income communities and for tenant – based vouchers; increased security costs at AHA-owned properties undergoing relocation; and relocation expenses incurred with respect to QLI.

**HAP Expenses**. Total HAP expenses increased $3.1 million. HAP expenses include the rental subsidy and utilities paid for Housing Choice tenant-based vouchers, Project Based Rental Assistance (PBRA), and operating subsidy for public housing-assisted units paid to Owner-Entities of mixed-income communities. In FY2008, the number of vouchers being utilized increased. Most of the QLI- affected households use tenant-based Housing Choice Vouchers to relocate to private housing. AHA also continued to utilize PBRA as a development tool to continue to expand the available supply of high quality units for low-income families in mixed-income communities.

In response to higher than projected operating costs associated with AHA-assisted units in mixed-income communities, higher expectations and requirements for investment returns from financial investors in an ever-tightening economy, and in order to protect AHA's investment, AHA and a number of the Owner-Entities of rental phases of mixed-income communities agreed to revise the budget and increase the amount of operating subsidy for the AHA-assisted units in each such phase, effective as of January 1, 2008. During FY2008 and FY2007, AHA provided subsidy (adjusted as described above) in the amount of $5.4 million and $2.8 million, respectively. AHA expects to complete this process with the remaining Owner Entities during FY2009.

**<u>Property Operations including Utilities, Maintenance, and Protective Services</u>**. The cost of operating AHA's public housing communities was impacted by QLI and the Revitalization Program. Utilities, maintenance, and other property operation expenses decreased by $3.2 million as the households relocated from U-Rescue Villas, Englewood Manor, Jonesboro North, Jonesboro South and Leila Valley (Phase I QLI properties) and from University Homes, Antoine Graves, Graves Annex, and MLK Tower, all of which properties are being revitalized under AHA's Revitalization Program. Security costs, however, increased by approximately $0.7 million to support the ongoing relocation activities.

**<u>Resident Services, including Relocation Expenses</u>**. Resident services, including relocation expenses increased by $4.8 million in FY2008 as compared to FY2007 due to higher levels of staffing, case management, and relocation expenses in support of the affected households relocating from QLI properties and AHA-owned properties undergoing revitalization. AHA continued to invest in human development and supportive services for affected residents provided by professional human services firms. During FY2008, 2,255 households were being supported with these services. Human development and supportive services are provided for at least 27 months to assist each of the affected households with their transition to a new community and to meet their goals of financial independence and self-sufficiency.

**FY2007 vs. FY2006**

Operating Expenses, before depreciation and amortization, decreased $9.5 million for FY2007 as compared to FY2006 primarily due to a decrease in HAP expenses. HAP expenses declined due to ported vouchers being absorbed by other local housing authorities by the end of the 2007 fiscal year, attrition of families from the Housing Choice Program during FY2007, and the effect of participant households earning more income and paying a larger percentage of the total rent for the assisted-unit as a result of the work requirement.

## NON-OPERATING EXPENSES

**FY2008 vs. FY2007**

Total Non-Operating Expenses increased by $54.2 million primarily as a result of the activities described below.

- **<u>Write-Down of Capital Assets</u>**. AHA wrote off $28.1 million in aggregate net book value for the QLI properties (U-Rescue Villas, Englewood Manor, Jonesboro North and South, Leila Valley and Bowen Homes) and properties undergoing revitalization (University Homes, Graves, Antoine Graves Annex, MLK Tower and John O. Chiles main building). AHA writes off the net book value of properties upon receiving approval from HUD for the demolition of the property. In the case of John O. Chiles main building, the write-off was triggered when ownership to the improvements was transferred to the Owner-Entity for tax credit purposes.

- **Demolition and Extraordinary Site Work**. Demolition expenses increased $8.8 million in FY2008 compared to FY2007 due to demolition-related expenses for U-Rescue Villas, Englewood Manor, Jonesboro North, Jonesboro South and Leila Valley. Extraordinary site work increased $5.1 million as work was executed at properties undergoing revitalization.

- **Valuation Allowance and Bad Debt Expense on Related Development Project Notes Receivable**. AHA increased its impairment valuation allowance and recognized bad debt expenses on notes receivable of $22.7 million for FY2008. AHA holds subordinated notes receivable of Related Development Project Partnerships incurred in connection with the development of various rental phases of AHA-sponsored mixed-income communities. The interest and principal are payable primarily from net cash flow, net project proceeds or condemnation proceeds generated from the rental phases owned by such Partnerships. In FY2008, four related development project notes receivable were fully reserved and one partially reserved in the amount of $18.7 million. The notes receivable relating to Summerdale Commons I and II, totaling $4.0 million, were written-off as bad debt expense following bankruptcy of the Owner-Entities and foreclosure of the affected properties. (See Notes A13, A14, D, N and S to the financial statements).

**FY2007 vs. FY2006**

Non-operating expenses increased $10.8 million for FY2007 over FY2006 primarily due to the write-off of the net book value of $4.6 million relating to HUD approval of the demolition application for McDaniel Glenn, and an adjustment to the valuation allowance relating to Related Development Project Notes Receivable. Valuation allowance on Related Development Project Notes Receivable increased by $2.6 million in FY2007 related to reserving against unsecured third position notes receivable with Related Development Project Partnerships. Also, AHA made a $4 million contribution of Carver HOPE VI grant funds ($1.8 million) and ACoRA funds ($2.2 million) for the development and construction of the Villages at Carver YMCA by the YMCA Metropolitan Chapter.

## CONDENSED COMBINED STATEMENTS OF NET ASSETS

| | FY2008 | FY2007 | FY2006 |
|---|---|---|---|
| **ASSETS:** | | | |
| Total current assets | $ 151,259,506 | $ 131,255,864 | $ 126,531,976 |
| Related project notes receivable, net of valuation allowance | 123,102,703 | 125,644,170 | 111,739,378 |
| Capital assets, net of accumulated depreciation | 130,334,865 | 144,758,303 | 151,499,170 |
| Other noncurrent assets | 27,948,711 | 15,119,569 | 7,950,434 |
| **Total Assets** | **$ 432,645,785** | **$ 416,777,906** | **$ 397,720,958** |
| **LIABILITIES:** | | | |
| Total current liabilities | $ 58,743,359 | $ 39,195,882 | $ 47,897,072 |
| Long-term debt, net of current portion | 4,310,832 | 5,039,120 | 5,739,213 |
| Other noncurrent liabilities | 2,133,171 | 2,567,710 | 3,399,080 |
| **Total Liabilities** | **$ 65,187,362** | **$ 46,802,712** | **$ 57,035,365** |
| **NET ASSETS:** | | | |
| Invested in capital assets, net of related debt | $ 125,295,746 | $ 139,019,090 | $ 145,109,703 |
| Restricted | 202,481,912 | 202,084,151 | 165,869,954 |
| Unrestricted | 39,680,765 | 28,871,953 | 29,705,936 |
| **Total Net Assets** | **$ 367,458,423** | **$ 369,975,194** | **$ 340,685,593** |
| **Total Liabilities and Net Assets** | **$ 432,645,785** | **$ 416,777,906** | **$ 397,720,958** |

The *Combined Statements of Net Assets* provide detail about the assets of AHA, as well as its outstanding liabilities. The difference between assets and liabilities is reported as Net Assets. The net asset presentation further details the components of net assets into restricted or unrestricted. See the Notes to the financial statements.

## TOTAL ASSETS

### FY2008 vs. FY2007

Total Assets at June 30, 2008 increased $15.9 million. Total Current Assets at June 30, 2008 increased $20.0 million primarily from increased Housing Choice Voucher funds.

**SUMMARY OF CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION**

| | FY2008 | FY2007 | FY2006 |
|---|---|---|---|
| Land | $ 36,809,231 | $ 31,955,670 | $ 29,975,963 |
| Land improvements | 16,116,811 | 16,957,849 | 16,650,691 |
| Buildings and improvements | 188,067,337 | 255,476,970 | 267,478,172 |
| Equipment | 15,421,844 | 16,046,583 | 14,861,009 |
| Modernization in process | 11,171,524 | 5,503,151 | 5,041,573 |
| **Total Capital Assets, gross** | **$ 267,586,747** | **$ 325,940,223** | **$ 334,007,408** |
| Less, accumulated depreciation | (137,251,882) | (181,181,920) | (172,684,302) |
| Less, assets held for sale | - | - | (9,823,936) |
| **Capital assets, net** | **$ 130,334,865** | **$ 144,758,303** | **$ 151,499,170** |

Capital assets, net of accumulated depreciation decreased by $14.4 million at June 30, 2008 compared to June 30, 2007. AHA wrote-off the net book value of six QLI properties and five properties undergoing revitalization.

AHA continues to focus on the quality of the product and curb appeal, health and safety, community security, and sustaining the longer-term viability of the senior high-rises, Martin Street Plaza and Westminster. Capital expenditures for these and other improvements are primarily represented in Modernization in process, referenced in the chart above.

Capital assets are further discussed in Note A16 and Note E of the financial statements.

**FY2007 vs. FY2006**

Total Assets increased $19.1 million primarily due to a $13.9 million increase in Related Development Project Notes Receivable (See Notes A13, A14, D, N and S to the financial statements), and a $7.2 million increase in other noncurrent assets primarily relating to a $4.8 million bond payment fund for a scheduled mandatory redemption of bonds issued in connection with the development of Villages of Carver Phase V, and public improvement receivables reclassified as long-term. These increases were partially offset by a $6.7 million decrease in capital assets (net of accumulated depreciation) from the write-off of the net book value of properties which were approved by HUD for demolition.

## TOTAL LIABILITIES

### FY2008 vs. FY2007

Total liabilities increased $18.4 million. Total current liabilities increased due to higher balances in public improvement funds, accrued remediation expenses, and accounts payable balances. The liabilities for public improvement funds held by AHA represent cash granted to AHA by the City of Atlanta for public improvement infrastructure work to be performed by AHA's private development partners in the public right-of-way to support development activity at various revitalization sites under the Revitalization Program. As the cash is used to pay for completed work, AHA reduces this liability. During FY2008, AHA accrued environmental remediation expenses for work to be completed in FY2009 at two of its properties undergoing revitalization. (See Notes G, H and I to the financial statements).

Long-term debt, net of current portion decreased $0.7 million. (See Note K to the financial statements).

### FY2007 vs. FY2006

The $10.2 million decrease in total liabilities at June 30, 2007 was related primarily to an $8.7 million decrease in current liabilities resulting from a settlement of litigation claims associated with lead-based paint and a $2.0 million payment to satisfy accrued liabilities under AHA's Defined Benefits Plan.

## TOTAL NET ASSETS (EQUITY)

| | FY2008 | FY2007 | FY2006 |
|---|---|---|---|
| Invested in capital assets, net of related debt | $ 125,295,746 | $ 139,019,090 | $ 145,109,703 |
| Restricted for HUD funded programs | 69,717,789 | 63,608,116 | 45,239,573 |
| Restricted - related development project notes receivable | 123,969,175 | 130,357,010 | 109,180,865 |
| Restricted - related development partnership operating reserves | 8,794,948 | 8,119,025 | 7,495,559 |
| Other restricted | - | - | 3,953,957 |
| Unrestricted | 39,680,765 | 28,871,953 | 29,705,936 |
| **Total Net Assets** | **$ 367,458,423** | **$ 369,975,194** | **$ 340,685,593** |

### FY2008 vs. FY2007

Total Net Assets decreased $2.5 million at June 30, 2008, as compared to June 30, 2007, as a result of implementing plans and activities under AHA's Business Plan, as amended. This reduction in net assets was in accordance with the Board approved FY2008 Budget. The following explains the characterization of AHA's Net Assets.

Net Assets invested in capital assets, net of related debt includes land, building, improvements and equipment, less the related debt outstanding to acquire those assets. AHA uses these assets primarily to provide affordable housing to qualified income eligible families. Although AHA's investment in its capital assets is reported net of debt, the assets generally represent land and buildings that carry a restricted use and cannot be used to liquidate liabilities. Net assets invested in capital assets, net of related debt decreased $13.7 million primarily due to the write-off of the net book value of properties as explained previously in the Total Assets section.

Net Assets restricted for HUD funded programs primarily represents assets held to implement activities and strategies under AHA's Business Plan, as amended.

Net Assets restricted for related development project notes receivable include predevelopment advances and construction and permanent loans related to the mixed-income communities. Although AHA's related development project notes receivable comprise a part of the net assets, they should not be considered available to liquidate liabilities due to the long-term, contingent nature of these notes receivable. Net Assets restricted for related development project notes receivable decreased due to a valuation allowance expense and bad debt expense (See Notes A13, A14, C, D, N and S to the financial statements).

Net Assets restricted for related development partnership operating reserves are held for the purpose of covering any operating subsidy shortfalls for the AHA-assisted units in the various mixed-income rental communities owned by separate Owner-Entities under certain specified conditions.

Unrestricted Net Assets represent the cumulative effect of AHA's entrepreneurial activities. One of AHA's goals is to reduce its dependency on HUD for financial resources. The balance at June FY2008 includes amounts AHA earned from developer fees, transaction fees, and other fees associated with its role as a co-developer, ground lessor, and sponsor of mixed-income communities. Approximately $17.3 million of the unrestricted net assets is associated with these activities. Also, a portion of AHA's unrestricted net assets, approximately $16.6 million, resulted from the sales proceeds of real estate sold over the past several years, primarily associated with AHA's strategic Revitalization Program to further home ownership, retail, and commercial development. AHA is a member of Georgia HAP Administrators, Inc. a consortium of ten Georgia housing authorities and the State of Georgia Department of Community Affairs created to provide contract administration services for HUD's project-based Section 8 and FHA-insured portfolio. The unrestricted net asset balance includes approximately $4.9 million from AHA's net cumulative fees from Georgia HAP Administrators.

More detailed information regarding net assets is presented in Note V to the financial statements.

**FY2007 vs. FY2006**

Total Net Assets at June 30, 2007 increased $29.3 million. Net assets invested in capital assets, net of related debt was $139.0 million in FY2007, as compared to $145.1 million in FY2006. Net assets restricted for HUD funded programs of $63.6 million compares with $45.2 million in FY2006. Net assets restricted for related development project notes receivable included $130.4 million as compared with $109.2 million in FY2006.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

### <u>Anticipated Impact from CATALYST Initiatives</u>

AHA anticipates higher operating subsidy funding under the Housing Choice Program because AHA has applied for and received awards of Housing Choice Vouchers for the QLI and Revitalization Program properties to support the relocation of affected households. Public Housing Program funds (Low Income Operating Subsidy and Capital Funds) and Tenant Dwelling Revenue from AHA-owned properties will continue to decrease with the demolition of public housing units at the QLI-properties and properties undergoing revitalization. The funding from HUD for Low Income Operating Subsidy for public housing assisted-units and Capital Funds uses a formula driven calculation for annual subsidy awards and is primarily tied to the number and age of public housing-assisted units. AHA anticipates an increase in Replacement

Housing Factor funds which may only be used for the development of low income housing. In addition, Low Income Operating Subsidy for public housing assisted-units, Housing Choice Voucher funds face uncertainty as to the level of Congressional Appropriations and Federal budget priorities in the current unstable and depressed economic environment.

**Local Market Issues**

Despite current turmoil in the financial and credit markets, AHA will continue to implement its strategic plans. AHA expects that national and local market conditions will delay the development schedule for AHA's Revitalization Program as the number of financial investors has diminished. Market conditions will also influence the mix of rental and for-sale units in the mixed-use, mixed-income communities.

The mortgage foreclosure rate in the Atlanta metropolitan area is among the highest in the nation. This may have an adverse affect on AHA's Housing Choice voucher holders as increasing numbers of tenants will be forced to relocate from homes undergoing foreclosure. AHA has refined its due diligence process and implemented programs to assist the families affected by such foreclosures.

Utility rates in the City of Atlanta have continued to increase. In July 2008, the utility rates for water and sewer increased 27.5 percent. This increase impacts AHA's expenses for both its Public Housing and Housing Choice Programs.

## CONTACTING AHA'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of AHA's finances and to demonstrate AHA's accountability for the assets it manages to interested persons, including citizens of our local jurisdiction, creditors and other interested parties. If you have questions about this report or wish to request additional financial information, contact the Chief Financial Officer at The Housing Authority of the City of Atlanta, Georgia, 230 John Wesley Dobbs Ave., N.E., Atlanta, Georgia 30303, telephone number 404-892-4700.

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# BASIC FINANCIAL STATEMENTS

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The Housing Authority of the City of Atlanta, Georgia

# COMBINED STATEMENTS OF NET ASSETS

June 30,

| | 2008 | 2007 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | | |
| Unrestricted | $ 75,540,401 | $ 57,943,906 |
| Restricted | 38,800,006 | 25,502,993 |
| | 114,340,407 | 83,446,899 |
| Receivables, net of allowance | 22,117,440 | 32,506,086 |
| Investments, restricted | 13,024,046 | 14,969,633 |
| Prepaid expenses | 1,777,613 | 333,246 |
| Total current assets | 151,259,506 | 131,255,864 |
| **NONCURRENT ASSETS** | | |
| Related development project notes receivable, net of valuation allowance | 123,102,703 | 125,644,170 |
| Capital assets, net of accumulated depreciation | 130,334,865 | 144,758,303 |
| Investments, restricted | 13,668,312 | 12,860,328 |
| Other assets, net of accumulated amortization and allowances | 14,280,399 | 2,259,241 |
| | 281,386,279 | 285,522,042 |
| | $ 432,645,785 | $ 416,777,906 |
| **LIABILITIES AND NET ASSETS** | | |
| **CURRENT LIABILITIES** | | |
| Accounts payable | $ 11,912,802 | $ 7,462,134 |
| Accrued liabilities | 13,486,057 | 6,876,858 |
| Other current liabilities | 21,710,135 | 13,250,720 |
| Line of credit | 10,906,077 | 10,906,077 |
| Current portion of long-term debt | 728,288 | 700,093 |
| Total current liabilities | 58,743,359 | 39,195,882 |
| **NONCURRENT LIABILITIES** | | |
| Long-term debt, net of current portion | 4,310,832 | 5,039,120 |
| Other noncurrent liabilities | 2,133,171 | 2,567,710 |
| Total noncurrent liabilities | 6,444,003 | 7,606,830 |
| Total liabilities | 65,187,362 | 46,802,712 |
| **CONTINGENCIES** | | |
| **NET ASSETS** | | |
| Invested in capital assets, net of related debt | 125,295,746 | 139,019,090 |
| Restricted for: | | |
| HUD funded programs | 69,717,789 | 63,608,116 |
| Related development projects | 123,969,175 | 130,357,010 |
| Related development partnership operating reserves | 8,794,948 | 8,119,025 |
| Unrestricted | 39,680,765 | 28,871,953 |
| Total net assets | 367,458,423 | 369,975,194 |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 432,645,785 | $ 416,777,906 |

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

## COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year ended June 30,

| | 2008 | 2007 |
|---|---|---|
| Operating revenues | | |
| Operating subsidies | $ 226,048,696 | $ 174,261,326 |
| Tenant dwelling revenue | 14,472,567 | 17,282,562 |
| Other revenue | 5,306,275 | 6,561,773 |
| | 245,827,538 | 198,105,661 |
| Operating expenses | | |
| Housing assistance payments | 87,870,509 | 84,812,490 |
| Administrative | 46,029,271 | 36,427,974 |
| Resident services, including relocation | 12,176,401 | 7,422,976 |
| Utilities | 12,523,805 | 15,367,163 |
| Ordinary maintenance and operation | 14,278,827 | 14,662,047 |
| Protective services | 6,650,152 | 5,916,121 |
| General expenses | 18,930,959 | 9,087,882 |
| Total operating expense before depreciation | 198,459,924 | 173,696,653 |
| Net operating income before depreciation | 47,367,614 | 24,409,008 |
| Depreciation and amortization expense | 11,611,915 | 13,841,139 |
| Net operating income | 35,755,699 | 10,567,869 |
| Non-operating revenue/(expense) | | |
| Interest and investment income | 5,458,724 | 5,722,435 |
| Gain on sale of capital assets | 2,533,256 | 421,431 |
| Capital asset write-down | (28,148,332) | (5,721,395) |
| Demolition expenses | (10,965,014) | (2,123,059) |
| Other revitalization expenditures | (1,815,878) | (4,030,000) |
| Extraordinary sitework and maintenance | (8,015,317) | (2,885,507) |
| Bad debt expense on notes receivable | (3,986,000) | - |
| Valuation allowance on related development project notes receivable | (18,736,390) | (2,569,048) |
| Interest expense | (866,836) | (957,866) |
| Net non-operating revenue/(expense) | (64,541,787) | (12,143,009) |
| Multi-year grants used for capitalized expenditures | 26,269,317 | 30,864,741 |
| Change in net assets | (2,516,771) | 29,289,601 |
| Net assets - beginning | 369,975,194 | 340,685,593 |
| Net assets - ending | $ 367,458,423 | $ 369,975,194 |

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

## COMBINED STATEMENTS OF CASH FLOWS

Year ended June 30,

| | 2008 | 2007 |
|---|---|---|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash flows from operating activities | | |
| Operating subsidies | $ 226,422,032 | $ 177,858,559 |
| Receipts from residents | 13,719,243 | 16,356,050 |
| Payments to landlords | (87,870,509) | (84,812,490) |
| Payments to suppliers | (76,357,430) | (71,037,245) |
| Payments for employees | (31,526,274) | (21,312,207) |
| Other receipts (payments) | 18,786,121 | (6,135,781) |
| Net cash provided by operating activities | 63,173,183 | 10,916,886 |
| Cash flows from noncapital financing activities | | |
| Proceeds from borrowings | - | 11,010,577 |
| Repayments of amounts borrowed | - | (104,500) |
| Public improvement receivables | 17,008,496 | (7,627,985) |
| Net cash provided by noncapital financing activities | 17,008,496 | 3,278,092 |
| Cash flows from capital and related financing activities | | |
| Multi-year grants used for capital expenditures | 19,988,427 | 26,100,435 |
| Proceeds from sale of capital assets | 2,756,232 | 11,756,612 |
| Purchase and modernization of capital assets | (25,534,502) | (14,302,632) |
| Demolition expenses | (10,965,014) | (2,123,059) |
| Extraordinary maintenance | (8,015,317) | (2,885,507) |
| Related development project notes receivable and other grants receivable | (32,846,777) | (17,729,709) |
| Payments under capital debt | (1,267,547) | (11,459,909) |
| Net cash used in capital and related financing activities | (55,884,498) | (10,643,769) |
| Cash flows from investing activities | | |
| Purchase of investments | 1,137,603 | (16,249,689) |
| Investment income | 893,084 | 593,711 |
| Interest and dividends | 4,565,640 | 5,128,724 |
| Net cash provided by (used in) investing activities | 6,596,327 | (10,527,254) |
| Net increase (decrease) in cash and cash equivalents | 30,893,508 | (6,976,045) |
| Cash and cash equivalents at beginning of the year | 83,446,899 | 90,422,944 |
| Cash and cash equivalents at end of the year | $ 114,340,407 | $ 83,446,899 |

Continued...

The Housing Authority of the City of Atlanta, Georgia

**COMBINED STATEMENTS OF CASH FLOWS** - Continued

Year ended June 30,

| | 2008 | 2007 |
|---|---|---|
| Reconciliation of Excess Operating Income to Net Cash Provided by (used In) Operating Activities | | |
| Excess operating revenues over operating expenses | $ 35,755,699 | $ 10,567,869 |
| Adjustments to reconcile revenues in excess of expenses to net cash used in operating activities | | |
| Depreciation and amortization expense | 11,611,915 | 13,841,139 |
| Provision for bad debts | 547,127 | 874,454 |
| Change in assets and liabilities | | |
| Decrease (increase) in receivables | 1,096,908 | (1,446,388) |
| Increase in prepaid assets | (1,991,493) | (834,558) |
| Increase (decrease) in accounts payable and accrued liabilities | 8,699,333 | (8,869,114) |
| Increase in deferred revenue and public improvements | 7,888,233 | 10,644,405 |
| Decrease in other noncurrent liabilities | (434,539) | (13,860,921) |
| | 27,417,484 | 349,017 |
| Net cash provided by operating activities | $ 63,173,183 | $ 10,916,886 |

The accompanying notes are an integral part of these statements.

# NOTES TO THE BASIC FINANCIAL STATEMENTS

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

*1. Organization*

The Housing Authority of the City of Atlanta, Georgia (AHA) is a public body corporate and politic created under the Housing Authorities laws of the State of Georgia, and is a diversified real estate company specializing in affordable housing. The primary purpose of AHA is to facilitate affordable housing opportunities for low-income, elderly and disabled families in the City of Atlanta. AHA has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing, invest and lend money, create for-profit and not-for-profit entities, administer vouchers, issue bonds for affordable housing purposes and develop commercial, retail and market rate properties that benefit affordable housing. Many of AHA's programs are funded and regulated by the U.S. Department of Housing and Urban Development (HUD) under the provisions of the U.S. Housing Act of 1937, as amended, as modified by the MTW Agreement as described below.

The governing body of AHA is its Board of Commissioners which is comprised of seven members appointed by the Mayor of the City of Atlanta; five members serve five-year staggered terms and two resident members serve one-year terms. The Board appoints the President and Chief Executive Officer to operate the business of AHA. AHA is not considered a component unit of the City, as the Board independently oversees AHA's operations. AHA is considered a related entity of the City of Atlanta.

AHA executed its Moving to Work Agreement with HUD on September 25, 2003. Moving to Work (MTW) is a demonstration program established by Congress, and administered by HUD, permitting participating public housing authorities to explore more effective and efficient methods of delivering affordable housing and supportive services in their localities. The MTW Agreement constitutes AHA's statutory and regulatory framework with HUD. This framework is documented in AHA's initial MTW Agreement, effective July 1, 2003, and the Amended and Restated MTW Agreement, effective November 13, 2008 and as further amended effective as of January 16, 2009, that extends AHA's MTW Agreement to June 30, 2018. The MTW Agreement may be further extended in 2018 by HUD, subject to AHA meeting agreed upon benchmarks. Under the terms of the MTW Agreement, AHA has been provided significant statutory and regulatory relief including, but not limited to, the operation of AHA's Housing Choice Voucher Program and the Low Rent (Public Housing) Program. The MTW Agreement authorizes AHA to combine Section 9 Operating Subsidy, and Capital Funds (including Development and Replacement Housing Factor Funds) and MTW Section 8 Housing Choice Voucher funds (collectively, MTW Funds) into a single fund for MTW eligible activities as provided in AHA's MTW Agreement and Business Plan, as amended. All references to sections in this Note A are to specific sections in the U.S. Housing Act of 1937, as amended, and as modified by AHA's MTW Agreement. See Note T for further details on the MTW Agreement and its impact on AHA's financials.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

*2. Reporting Entity*

In determining how to define the reporting entity, management has considered all potential component units to AHA. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Sections 2100 and 2600 of the "Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 of the Governmental Accounting Standards Board, The Financial Reporting Entity." This criteria requires the entity to consider factors such as a) manifestation of financial responsibility and financial accountability, b) appointment of a voting majority of the Board, c) imposition of will, d) financial benefit to or burden on a primary organization, e) financial accountability as a result of fiscal dependency, f) potential for dual inclusion and g) organizations included in the reporting entity although the primary organization is not financially accountable. All of the following component units were determined to be blended component units versus discretely presented units after it was determined that criteria a) through e) applies to each of the component units blended into the accompanying financial statements.

To manage its business and financial affairs more effectively, AHA has several affiliates to support its various product lines and ventures. While AHA, the parent entity, manages Federal programs, the following affiliates support the various functions necessary to meet AHA's mission of providing quality affordable housing for the betterment of the community. The reporting entity includes the following blended component units:

a. Atlanta Housing Development Corporation (AHDC) is a Georgia not-for-profit organization, organized solely to serve as an "instrumentality" of AHA for the purpose of issuing tax exempt bonds for operation and development of low-income housing pursuant to Section 11(b) of the Housing Act of 1937, as amended (42 U.S.C. Section 1437i).

b. Atlanta Affordable Housing for the Future, Inc. (AAHFI) is a Georgia 501(c)(3) corporation created at the direction of the AHA Board of Commissioners in order to facilitate the revitalization of AHA-owned distressed public housing communities. AAHFI participates in the revitalization of AHA communities by holding limited partnership interests in the general partner entities of the various public/private partnerships that own the mixed-income, multi-family rental communities.

c. Special Housing and Homeownership, Inc. (SHHI) is a Georgia 501(c)(3) corporation created to develop, maintain and implement programs to assist low-income individuals in achieving the goal of homeownership.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –** Continued

d. 230 John Wesley Dobbs Boulevard Ventures, Inc. (JWD) is a Georgia 501(c)(3) corporation created at the direction of the AHA Board of Commissioners in order to lessen the burdens of government by acquiring and holding title to real property and improvements, and by providing such real property and improvement to government agencies and tax exempt organizations at cost.

e. Renaissance Affordable Housing, Inc. (RAH) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board of Commissioners in order to enhance the ability of AHA to reach its goals and objectives, including participating in the acquisition and development of certain properties to support the overall revitalization program at or near AHA communities or other appropriate locations in metropolitan Atlanta. RAH is the sole member of Renaissance Gates, LLC, a Georgia limited liability company that acquired Gates Park Crossing Apartments, an apartment community consisting of approximately 16.89 acres containing 332 apartment units, in fiscal year 2003. In fiscal year 2007, Gates Park Crossing Apartments was sold to an independent third party.

f. Westside Affordable Housing, Inc. (WAH) is a Georgia 501(c)(3) not-for-profit corporation and was created at the direction of the AHA Board of Commissioners in order to enhance the ability of AHA to reach its goals and objectives, including participating in the acquisition and development of certain properties to support the overall revitalization program at or near AHA communities or other appropriate locations in metropolitan Atlanta. WAH is the sole member of Carver Leasing Facility, LLC, Centennial Place Holdings, LLC, Harris Holdings I, LLC, Pryor Road Corridor, LLC, Westside Pryor Courts, LLC, Westside Joyland, LLC, Pryor Road Corridor I, LLC, and Westside Revitalization Acquisitions, LLC, all of which are Georgia limited liability companies. WAH has an ownership interest in Harris Redevelopment, LLC, Centennial Park North, LLC and Centennial Park East, LLC and Carver Homeownership I, LLC.

g. Strategic Resource Development Corporation, Inc. (SRDC) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board of Commissioners to solicit and accept charitable donations to fund AHA initiatives.

h. Atlanta Housing Investment Company, Inc., (AHICI) is a for-profit corporation created at the direction of the AHA Board of Commissioners in order to assist AHA in its revitalization efforts at or near AHA communities or other appropriate locations in metropolitan Atlanta. AHICI will participate in revitalizations by holding partnership and financial interests in various transactions. AHICI is currently a Class A Special Limited Partner in Columbia Senior Residences at Edgewood, L.P. Columbia Senior Residences at Edgewood, L.P. is the Owner-Entity for Columbia Senior Residences at Edgewood. This is a transaction involving a loan from AHA and Project Based Rental Assistance (PBRA).

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –** Continued

AHA has one affiliate that is not a component unit. The affiliate is considered a related entity to AHA and a component unit of the City of Atlanta.

Atlanta Housing Opportunity, Inc. (AHOI) is a Georgia nonprofit corporation created at the direction of the AHA Board of Commissioners in order to facilitate the Housing Opportunity Bond Program established by the City of Atlanta. The activities of the nonprofit corporation are limited to participation in the Housing Opportunity Program. Since the City of Atlanta is financially accountable, responsible for the debt, imposes its will, and appoints the board, the financial activity of AHOI is not included in AHA's financial statements. See further disclosure in Note R.

*3. Basis of Presentation and Accounting*

The financial statements of AHA have been prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. AHA and its component units maintain their accounts substantially in accordance with the chart of accounts prescribed by HUD and are organized utilizing the Fund Accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. AHA's operations are reported in a single Enterprise Fund. Enterprise Funds account for those operations financed and operated in a manner similar to private business or where AHA has decided that determination of revenues earned, costs incurred and net revenue over expenses is necessary for management accountability. The financial statements represent the consolidated results of AHA. All significant inter-company balances and transactions have been eliminated. Enterprise Funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB 34. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of providing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –** Continued

*4. Budgets*

Annually, AHA submits a Comprehensive Operating and Capital budget to the Board of Commissioners for approval. This annual budget is prepared on a basis consistent with generally accepted accounting principles for each major operating program and is used as a management tool throughout the accounting cycle. The budget is used by management and various program supervisors to evaluate interim activity and is used to plan, control and evaluate proprietary fund spending. The capital projects budget is adopted on a work-item basis. Other revitalization and development project budgets are adopted on a project-length basis. Budgets are not required for financial statement presentation.

*5. Inter-company and Inter-fund Receivables and Payables*

Inter-fund receivables/payables are the result of the use of a central fund as the common paymaster for shared costs of AHA. All inter-company and inter-fund balances net to zero in consolidation and hence, are eliminated for presentation purposes in the combined statements of net assets which aggregates all programs into the single Enterprise Fund. Cash settlements are made periodically.

*6. Investments*

Investments are recorded at fair value. Investments consist of items specifically approved for public housing agencies by HUD. AHA requires all uninsured funds on deposit be collateralized in accordance with HUD requirements and in AHA's name if held by a third party.

*7. Inventories*

AHA maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are nominal.

*8. Prepaid Expenses*

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid expenses. Prepaid expenses at June 30, 2007 consist primarily of prepaid insurance premiums and service contracts. At June 30, 2008, the balance also included prepaid housing assistance payments.

*9. Restricted Assets*

Certain assets may be classified as restricted assets on the combined statement of net assets because their use is restricted by time or specific purpose.

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

*10. Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts. Accounting estimates for such items as depreciation, valuation of related development project notes receivable including the realization of accrued interest, other operating receivables and contingent liabilities are all reflected in AHA's financial statements and disclosed in the notes to financial statements.

*11. Risk Management*

AHA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. AHA carries commercial insurance and certain reserves deemed sufficient to meet current requirements.

*12. Fair Value of Financial Instruments*

The carrying amount of AHA's financial instruments at June 30, 2008 and 2007, including cash, investments, accounts receivable, notes receivable, accounts payable and long-term debt closely approximates fair value due to the relatively short maturity of these instruments.

*13. Related Development Project Notes Receivable*

A significant portion of the related development project notes receivable represents loans to related party Owner-Entities, as further described in Notes C, D and S. AHA subordinated mortgage loans to Owner-Entities in conjunction with financing arrangements related to the development of mixed-income, multi-family rental communities, in most cases, on land owned by AHA. Such loans are interest-bearing and are payable from cash flow from the property owned by each respective Owner-Entity. Such loans are typically funded from Development, HOPE VI, and Capital fund grants, representing a significant portion of the construction costs associated with the AHA-assisted component of the mixed-income rental property. Because interest and principal on these loans are subordinated and are contingent on cash flow from the property, interest income recognition does not occur until payments are received or are reasonably expected to be received. AHA also earns developer and other fees associated with the development project. Developer fees are recorded at the time of the financial closing for the public and private funds for a particular phase of the development. Any portion of these fees that are contingent on cash flow where the owner is not otherwise required to pay by a certain date is not recorded until such fee is received or is reasonably expected to be received.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –** Continued

*14. Valuation Allowance on Related Development Project Notes Receivable*

Related Project Notes Receivables are evaluated by management in accordance with FASB No. 118, *"Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures" (an amendment of FASB No. 114).* AHA adjusts the valuation allowance when appropriate. See further disclosure Notes D and S.

*15. Allowance for Doubtful Accounts*

AHA has established an allowance for doubtful accounts based on the greater of receivables from vacated tenants or tenant accounts receivable older than 60 days. A general allowance has also been established for other development related accounts receivable.

*16. Capital assets*

Capital assets include land, buildings, equipment and modernization in process for improvements to land and buildings. Capital assets are defined by AHA as assets with an initial cost of more than $2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or improved. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements, interest during the construction period, and other modernization activities, are recorded as "modernization in progress" until they are completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred to operations. Extraordinary maintenance and repairs are expensed as non-operating items. Demolition costs that are incurred are also expensed as non-operating items. Land preparation, soil remediation and other site improvements that do not add value are also expensed as reported as non-operating items.

Depreciation is calculated using the straight line method and the useful lives of buildings and equipment for purposes of computing depreciation are as follows:

| | |
|---|---|
| Buildings | 20-40 years |
| Building improvements | 10-30 years |
| Building equipment | 10-15 years |
| Land improvements | 15 years |
| Equipment | 5-10 years |

## NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Long-lived assets are reviewed annually for impairment under the provisions and in accordance with GASB No. 42, *"Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."*

AHA is the owner of several paintings of historical significance. These works of art were commissioned in the 1940s by AHA at minimal cost and management estimates a value of $550,000; however, the value of these works of art has not been recorded. These paintings are protected, cared for and preserved for future uses which include educational purposes and exhibition to the public.

*17. Compensated Absences*

Compensated absences are those absences for which employees will be paid, such as vacation. A liability for compensated absences that are attributable to services already rendered is accrued as employees earn the right to receive the benefits. The current portion recognized represents the amount estimated to be taken in the ensuing year.

*18. Self-insurance and Litigation Losses*

AHA recognizes estimated losses related to self-insured workers' compensation claims and litigation claims in the period in which the occasion giving rise to the loss occurred when the loss is probable and reasonably estimable.

*19. Revenues and Expenses*

AHA defines its operating revenues as income derived from a) tenant dwelling revenue, b) other revenue, and c) operating subsidies received from HUD. When Capital Funds are used for operations, AHA recognizes operating revenue at the time such costs are incurred. AHA's operating expenses are costs incurred in the operation and administration of its program activities. In connection with its Revitalization Program, AHA also earns income from development and other fees and participation in net cash flow from the various mixed-income rental communities.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –** Continued

The definition above is consistent with the treatment of individual transactions in the cash flow statements. In the cash flow statements, operating and non-operating transactions are separately reported. Non-operating transactions include all non-resident activities and are categorized on the cash flow statements as cash flows from capital and related financing activities or investing activities. Non-operating revenues include interest and investment income, reimbursements under multi-year grants used for capitalized expenditures, received from HUD for modernization, revitalization and other development activities; and gain from the sale of capital assets. Non-operating expenses include interest expense, the write-off of the net book value of assets approved by HUD for demolition, demolition expenses, bad debt expenses relating to the write-off of related development project on notes receivable, impairment allowances on related development project notes receivable, and other extraordinary expenses.

*20. Change in Presentation*

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. (See also Notes C and F).

**NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents consist principally of cash in checking accounts and money market accounts and other investments maturing within three months or less of the date acquired. They are stated at cost, which approximates market value. All uninsured funds on deposit are Federal Treasury accounts or are fully collateralized in accordance with guidance recommended by HUD for collateral held by third parties in AHA's name. HUD recommends housing authorities to invest excess HUD funds in obligations of the United States, certificates of deposit or any other federally insured investments.

At June 30, 2008 and 2007, cash and temporary cash investments consisted of deposits with financial institutions either fully collateralized by FDIC insurance and/or collateralized by securities held by a third party in AHA's name and in government securities. The FDIC coverage limits of $100,000 per institution were temporarily increased to $250,000 effective October 3, 2008 to December 31, 2009.

**NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS –** Continued

Cash and investments at June 30, 2008 consist of the following:

| | Fair value | Collateral held by third party | U.S. backed securities and treasury obligations |
|---|---|---|---|
| Demand deposits | $ 114,340,407 | $ 114,340,407 | $ - |
| U.S. treasury instruments | 26,692,358 | - | 26,692,358 |
| Total in banks | $ 141,032,765 | $ 114,340,407 | $ 26,692,358 |

Cash and investments at June 30, 2007 consist of the following:

| | Fair value | Collateral held by third party | U.S. backed securities and treasury obligations |
|---|---|---|---|
| Demand deposits | $ 83,446,899 | $ 83,446,899 | $ - |
| U.S. treasury instruments | 27,829,961 | - | 27,829,961 |
| Total in banks | $ 111,276,860 | $ 83,446,899 | $ 27,829,961 |

## NOTE C – RECEIVABLES

Receivables at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| U.S. Department of HUD | $ 14,222,913 | $ 6,879,487 |
| Predevelopment advances (Note S) | 773,000 | 3,816,319 |
| Dwelling rents (net of allowance of $86,790 for 2008 and $131,735 for 2007) | 111,591 | 210,566 |
| Public improvement receivables[1] | 3,432,548 | 20,441,049 |
| Other developer fees receivable | 480,089 | 368,166 |
| Other receivables | 3,097,299 | 790,499 |
| | $ 22,117,440 | $ 32,506,086 |

[1]Public improvement receivables related to the Perry Homes and Grady Homes Revitalizations were reclassified from current receivables to long-term receivables at June 30, 2008. (See Note F).

## NOTE D – RELATED DEVELOPMENT PROJECT NOTES RECEIVABLE

Related development project notes receivable at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| Related development project notes receivable (net of valuation allowance of $30,099,328 for 2008 and $11,362,938 for 2007) | $ 118,190,953 | $ 121,799,389 |
| Developer fees (net of allowance of $500,000 for 2008 and 2007) | 4,584,893 | 3,844,781 |
| Predevelopment advances (Note S) | 131,857 | - |
| Other notes receivable | 195,000 | - |
| | $ 123,102,703 | $ 125,644,170 |

**NOTE D – RELATED DEVELOPMENT PROJECT NOTES RECEIVABLE –** Continued

During the construction period, AHA makes subordinated loans to Owner-Entities of each rental phase of the mixed-income communities (i.e., loans to related development project partnerships). These subordinated loans are provided at the financial closing as AHA's share of the development budget for AHA assisted-units in each rental phase during the construction period as construction loans. Such loans are typically funded from Development, HOPE VI and/or Capital fund grants. Permanent subordinated financing (AHA's subordinated permanent loan) is then put in place to repay AHA's subordinated construction loan after certain conditions are met. The permanent loans are payable from net cash flow from the individual phase of mixed-income residential rental development and are amortized over periods up to 55 years at interest rates ranging from zero percent to 7.99 percent, as agreed to by AHA and individual Owner-Entities for each phase, and as approved by HUD.

At June 30, 2008, management evaluated the loan balances in accordance with FASB No. 118, *"Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures" (an amendment of FASB No. 114)* and determined that an increase of $18,122,110 was appropriate pertaining to the related development project notes receivable. This increase in the valuation allowance primarily relates to two entities that recognized asset impairment write-downs in their December 31, 2007 audited financial statements, and three entities that were issued going concern opinions in their December 31, 2007 audited financial statements. This allowance also reflects the contingent nature of the repayment of the related development project notes receivables which are payable from net cash flow, net project proceeds or condemnation proceeds, to the extent such proceeds are available as estimated. The respective notes and loan agreements provide that these loans will be repaid by the Owner-Entity to AHA from net cash flow, net project proceeds or condemnation proceeds for such phases, to the extent such amounts are available. See Note A, Item 13 "Related Development Project Notes Receivable" relating to the interest income recognition policy on these notes. See the Schedule of Related Party and Partnership Investment Transactions in Note S which presents the loan balances, initial investment, and impairment valuation allowance recorded.

Summerdale Commons I and II were foreclosed on and the entire principal balances totaling $3,986,000 were written off to bad debt expense in FY2008.

## NOTE E – CAPITAL ASSETS

Changes in capital assets consist of the following at June 30, 2008:

| | Balance at June 30, 2007 | Additions | Deletions | Balance at June 30, 2008 |
|---|---|---|---|---|
| Land | $ 31,955,670 | $ 4,853,561 | $ - | $ 36,809,231 |
| Land improvements | 16,957,849 | 747,048 | (1,588,086) | 16,116,811 |
| Buildings and improvements | 255,476,970 | 10,783,480 | (78,193,113) | 188,067,337 |
| Equipment | 16,046,583 | 3,177,376 | (3,802,115) | 15,421,844 |
| Modernization in process | 5,503,151 | 5,973,037 | (304,664) | 11,171,524 |
| | 325,940,223 | 25,534,502 | (83,887,978) | 267,586,747 |
| Less, accumulated depreciation | | | | |
| Land improvements | (5,241,799) | (1,065,383) | 261,455 | (6,045,727) |
| Buildings and improvements | (163,254,047) | (8,408,935) | 51,013,840 | (120,649,142) |
| Equipment | (12,686,074) | (2,111,413) | 4,240,474 | (10,557,013) |
| | (181,181,920) | (11,585,731) | 55,515,769 | (137,251,882) |
| Total Capital Assets, Net | $ 144,758,303 | $ 13,948,771 | $ (28,372,209) | $ 130,334,865 |

In 1994, AHA determined to cease concentrating low-income families in obsolete and distressed public housing projects thereby substantially improving the living environment of the households it serves. As a result of this determination, AHA’s capital assets have declined as the net book value of public housing developments are written off upon approval by HUD of the demolition applications related to such developments.

In FY2008, Capital assets, net of accumulated depreciation, decreased primarily due to the net book value write-off of the following properties: Antoine Graves, Graves Annex, John O. Chiles, and University Homes.

**NOTE E – CAPITAL ASSETS –** Continued

In addition, the net book value of six QLI properties (Leila Valley, Jonesboro North and South, U-Rescue Villa, Englewood Manor, and Bowen Homes) was written off as the demolition applications were approved by HUD. The net book value of the remaining six QLI properties (Bankhead Courts, Hollywood Courts, Herndon Homes, Thomasville Heights, Roosevelt House and Palmer House) is estimated at $23.7 million. All of the demolition applications were approved by HUD in FY2009 and will be written off in that fiscal year.

During FY2008, land increased as a result of the purchase of 28 acres of land to support the revitalization of Harris Homes, University Homes, and Perry Homes.

AHA will continue to focus on the quality of the product and curb appeal, health and safety, community security, and sustaining the viability of the remaining senior high-rises and two small family developments that are not undergoing revitalization. Capital expenditures spent on these properties in FY2008 are represented in "Modernization in process," in the preceding table.

Changes in capital assets consist of the following at June 30, 2007:

| | Balance at June 30, 2006 | Additions | Deletions | Reclasses/ Transfers | Balance at June 30, 2007 |
|---|---|---|---|---|---|
| Land | $ 29,975,963 | $ 4,371,264 | $ (2,393,005) | $ 1,448 | $ 31,955,670 |
| Land improvements | 16,650,691 | 915,619 | (877,201) | 268,740 | 16,957,849 |
| Buildings and improvements | 267,478,172 | 2,388,816 | (18,380,322) | 3,990,304 | 255,476,970 |
| Equipment | 14,861,009 | 1,296,107 | (259,366) | 148,833 | 16,046,583 |
| Modernization in process | 5,041,573 | 5,330,828 | - | (4,869,250) | 5,503,151 |
| | 334,007,408 | 14,302,634 | (21,909,894) | (459,925) | 325,940,223 |
| Less, accumulated depreciation | | | | | |
| Land improvements | (4,438,596) | (1,094,169) | 290,966 | - | (5,241,799) |
| Buildings and improvements | (158,747,011) | (9,430,507) | 4,923,471 | - | (163,254,047) |
| Equipment | (9,498,695) | (3,286,184) | 98,805 | - | (12,686,075) |
| | (172,684,302) | (13,810,860) | 5,313,242 | - | (181,181,921) |
| | 161,323,106 | 491,774 | (16,596,652) | (459,925) | 144,758,303 |
| Less, asset held for sale | (9,823,936) | - | 9,823,936 | - | - |
| | $ 151,499,170 | $ 491,774 | $ (6,772,716) | $ (459,925) | $ 144,758,303 |

## NOTE F – OTHER LONG-TERM ASSETS

Other long-term assets at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| Public Improvement receivables[1] | $ 14,183,031 | $ 1,371,169 |
| Homeownership down payment assistance notes (net of allowance of $1,215,878 for 2008 and $0 for 2007) | - | 765,421 |
| Loan costs, (net of accumulated loan amortization of $107,985 for 2008 and $82,701 for 2007) | 97,368 | 122,651 |
| | $ 14,280,399 | $ 2,259,241 |

[1]Public improvement receivables related to the Perry Homes and Grady Homes Revitalizations were reclassified from current receivables to long-term receivables at June 30, 2008. (See Note C).

## NOTE G – ACCOUNTS PAYABLE

Accounts payable at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| Accounts payable, trade | $ 9,039,845 | $ 5,950,320 |
| Contract retention | 2,531,817 | 1,240,795 |
| Other | 341,140 | 271,019 |
| | $ 11,912,802 | $ 7,462,134 |

## NOTE H – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| Accrued expenses | $ 9,857,198 | $ 4,020,427 |
| U.S. Department of HUD | 1,053,110 | 668,551 |
| Compensated absences | 698,140 | 682,592 |
| Wages | 686,267 | 574,466 |
| Contingencies and uncertainties (Notes M and N) | 444,346 | 508,491 |
| Worker's comp claims (Note M) | 350,000 | 350,000 |
| Interest | 396,996 | 72,331 |
| | $ 13,486,057 | $ 6,876,858 |

## NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| Public improvement funds from the City of Atlanta and related entities | $ 18,879,634 | $ 10,913,594 |
| Prepaid construction loan interest | 1,425,145 | 853,963 |
| Other | 1,405,356 | 1,483,163 |
| | $ 21,710,135 | $ 13,250,720 |

## NOTE J – LINE OF CREDIT

In FY2007, AHA established a $15 million secured revolving credit line and a $5 million unsecured revolving credit line to facilitate and expedite AHA's strategic Revitalization Program. AHA has provided advances to its development partners so that the construction of public improvement infrastructure may proceed on a timeline consistent with the development schedule. AHA's advances are paid when the City of Atlanta and/or related agencies provides the public improvement funding to AHA. The $15 million secured line is a revolving facility that has initially been used to reimburse the HUD grants used by AHA to advance funds to pay for infrastructure improvements relating to the revitalization of the Perry Homes community. AHA anticipates receiving funds from the Atlanta Development Authority's issuance of Perry Bolton Tax Allocation District (TAD) bonds. The secured line is collateralized by restricted investments. The outstanding balance on the secured line of credit at June 30, 2008 was $10,906,077. The $5 million unsecured line may be used to fund the acquisition of unencumbered land or to pay for infrastructure improvements to land. There was no outstanding balance on the unsecured line at June 30, 2008. Both lines bear interest at a fluctuating rate equal to the BBA LIBOR Daily Floating Rate plus ninety (90) basis points per annum, and mature November 27, 2011. The BBA LIBOR Daily Floating Rate shall mean a fluctuating rate of interest per annum equal to the British Bankers Association LIBOR Rate (BBA LIBOR).

The secured line of credit was repaid subsequent to June 30, 2008 and both lines of credit were terminated on November 7, 2008.

## NOTE K – LONG-TERM DEBT

Long-term debt at June 30, 2008 consists of the following:

| | Balance at July 1, 2007 | Additions | Reductions | Balance at June 30, 2008 | Long-term | Current |
|---|---|---|---|---|---|---|
| EPC capital lease | $ 1,315,435 | $ - | $ (423,360) | $ 892,075 | $ 453,737 | $ 438,338 |
| JW Dobbs note payable | 4,423,778 | - | (276,733) | 4,147,045 | 3,857,095 | 289,950 |
| | $ 5,739,213 | $ - | $ (700,093) | $ 5,039,120 | $ 4,310,832 | $ 728,288 |

**NOTE K – LONG-TERM DEBT –** Continued

Long-term debt at June 30, 2007 consists of the following:

| | Balance at July 1, 2006 | Additions | Reductions | Balance at June 30, 2007 | Long-term | Current |
|---|---|---|---|---|---|---|
| EPC capital lease | $ 1,724,520 | $ - | $ (409,085) | $ 1,315,435 | $ 892,075 | $ 423,360 |
| JW Dobbs note payable | 4,688,883 | - | (265,105) | 4,423,778 | 4,147,045 | 276,733 |
| Renaissance Gates notes payable | 9,800,000 | - | (9,800,000) | - | - | - |
| | $ 16,213,403 | $ - | $ (10,474,190) | $ 5,739,213 | $ 5,039,120 | $ 700,093 |

**EPC Capital Lease**

Energy Performance Contracting is a HUD-sponsored program designed to incent local housing authorities to undertake energy saving improvements at their properties. HUD allows such agencies to freeze their utility funding at an agreed pre-constructed level for 12 years so that the savings from such improvements can be used to finance the cost of the improvements. The Energy Performance Contract (EPC) capital lease consists of an Equipment Lease and Option Agreement which had an original balance of $4,623,000 between a bank and AHA to finance water and energy conservation improvements. Generally, improvements under an Energy Performance Contract result in lower energy consumption that generate in savings in utility expenses. To date, the savings have been sufficient to repay the debt under the capital lease. The note is collateralized by the building improvements and has a net book value of $2,073,669 and $2,685,490 at June 30, 2008 and 2007, respectively. See Note E also. Repayment commenced March 31, 2000. The EPC Capital Lease was refinanced September 19, 2003 with quarterly payments of approximately $115,910 consisting of principal and interest. Final payment is due on June 30, 2010.

**J.W. Dobbs Note Payable**

The J.W. Dobbs Capital Lease agreements and note payable were refinanced and combined effective September 1, 2004 in the total amount of $5,125,000 requiring monthly payments of $39,193. The payments include principal and interest and are based on a fixed rate of 4.43 percent; a final balloon payment is due September 1, 2014. The note is collateralized by the land and building located at 230 J.W. Dobbs Avenue, which has a net book value of $11,902,356 and $7,693,344 at June 30, 2008 and 2007, respectively.

**NOTE K – LONG-TERM DEBT –** Continued

Aggregate long-term debt annual note payments scheduled for the next five years and thereafter are as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2009 | $ 728,288 | $ 205,663 | $ 933,951 |
| 2010 | 756,981 | 176,970 | 933,951 |
| 2011 | 317,148 | 153,163 | 470,311 |
| 2012 | 331,315 | 138,997 | 470,312 |
| 2013 | 346,881 | 123,430 | 470,311 |
| 2014 through 2015 | 2,558,507 | 132,028 | 2,690,535 |
| | $ 5,039,120 | $ 930,251 | $ 5,969,371 |

**NOTE L – OTHER NONCURRENT LIABILITIES**

Other noncurrent liabilities at June 30, 2008 and 2007 consist of the following:

| | 2008 | 2007 |
|---|---|---|
| Resident security deposits | $ 789,354 | $ 1,094,526 |
| Deferred rooftop satellite lease revenue | 632,914 | 802,944 |
| Compensated absences | 539,393 | 463,151 |
| Other | 171,510 | 207,089 |
| | $ 2,133,171 | $ 2,567,710 |

## NOTE M – CLAIMS PAYABLE

AHA is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster.

### Self-Insurance Plan – Workers' Compensation

AHA is self-insured for workers' compensation claims and has an actuarial study completed every three years. The last study completed was as of June 30, 2007. Settled claims have not exceeded purchased commercial insurance coverage in any part of the past five years. There was no reduction in insurance limits in the current fiscal year. AHA purchases commercial insurance to finance other risks of loss and participates in a national medical insurance risk pool along with other housing authorities. The premium amounts are periodically adjusted as necessary to cover current claims and those incurred-but-not-reported. AHA is on a pay-as-you-go basis and shares this cost with their employees.

For its self-insurance plan for workers' compensation, excess insurance has been purchased which limits AHA's liability to $350,000 per occurrence. Benefit payments, under the plan, up to $350,000 are handled by AHA. As of June 30, 2008, the undiscounted aggregate liability under the plan (which includes both actual benefits payable and an estimate of claims that have been incurred-but-not-reported), for losses as of June 30, 2008 was between $371,468 and $454,016. Based upon the actuarial study's 2008 forecast, the estimated total outstanding liability is $412,742 and the corresponding discount reserve liability is $338,444. AHA has recorded $350,000 for the self-insured portion in the financial statements as of June 30, 2008 and 2007.

**NOTE M – CLAIMS PAYABLE –** Continued

The calculations below, supporting this reserve requirement, are taken from the July 2007 study updated as of June 30, 2008.

| Accident period | Ultimate losses | Paid losses | Claim reserves | Discount factor | Reserve at fiscal year end |
|---|---|---|---|---|---|
| 03/01/99 - 02/29/00 | $ 579,000 | $ 430,442 | $ 148,558 | 78.2% | $ 116,172 |
| 03/01/00 - 02/28/01 | 98,430 | 98,430 | - | 77.4% | - |
| 03/01/01 - 02/28/02 | 118,403 | 118,403 | - | 77.5% | - |
| 03/01/02 - 02/28/03 | 20,567 | 20,567 | - | 78.4% | - |
| 03/01/03 - 02/29/04 | 130,000 | 90,928 | 39,072 | 79.9% | 31,219 |
| 03/01/04 - 02/28/05 | 291,000 | 208,174 | 82,826 | 82.0% | 67,917 |
| 03/01/05 - 02/28/06 | 5,128 | 5,128 | - | 84.4% | - |
| 03/01/06 - 02/28/07 | 134,000 | 29,508 | 104,492 | 86.7% | 90,595 |
| 03/01/07 - 06/30/07 | 40,000 | 2,206 | 37,794 | 86.1% | 32,541 |
| 07/01/07 - 06/30/08 | 113,319 | 113,319 | - | N/A | - |
| | $ 1,529,847 | $ 1,117,105 | $ 412,742 | | $ 338,444 |

**Litigation and Claims**

AHA is party to several legal actions arising in the ordinary course of business. These actions are in various stages of the litigation process and their ultimate outcome cannot be determined currently. Accordingly, not all potential liabilities in excess of insurance coverage have been reflected in the accompanying financial statements. While it is the opinion of outside and in-house legal counsel that the ultimate outcome of such litigation would be impossible to predict, the financial statements include estimates of probable liabilities in the amounts of $444,346 and $508,491 as of June 30, 2008 and 2007, respectively.

## NOTE N – CONTINGENCIES AND UNCERTAINTIES

### Easements, Liens and Other Contractual Obligations

Generally, real property owned by AHA under the public housing program is subject to a HUD declaration of trust and most have various customary easements (e.g., utility, right-of-way, etc.). From time to time, mechanics or other such liens are recorded against AHA owned property. Notwithstanding any such liens, under Georgia law, all real property of AHA is exempt from levy and sale by virtue of execution, other judicial process, or judgment. Additionally, AHA real property that is ground leased to Owner-Entities in connection with mixed-income communities and real property owned by AHA component units are also subject to mortgage liens and other contractual obligations. See Note S.

### Valuation of Related Development Project Notes Receivable

The multi-family rental housing market is affected by a number of factors such as mortgage interest rates, supply and demand, changes in neighborhood demography and growth of the metropolitan Atlanta area. Because related development project notes receivable for loans to Owner-Entities of each phase of the mixed-income rental communities are payable from net cash flows from each such phase, local market conditions could impact the value of those receivables as reflected on AHA's books. AHA's strategy is to minimize the impact of periodic adjustments to these notes by monitoring local market conditions and requiring a valuation study be performed every two years by an expert third party financial consultant. The most recent valuation was performed as of June 30, 2008.

### Remediation Obligations

Environmental testing at the former Grady Homes identified metals and polycyclic aromatic hydrocarbons (PAHs) in soil and solvents in groundwater. Suspected sources include lead paint, fill material and a petroleum tank (soil) and an off-site dry cleaners (groundwater). At the former University Homes, soil testing identified lead from lead paint. As of June 30, 2008 approximately $4.1 million was accrued related to these environmental remediation contingent liabilities. This amount was based on contractor cost estimates which used conservative assumptions. There is no anticipated recovery. See Note H also.

## NOTE O – DEFINED BENEFIT PENSION PLAN

### Plan Description

The Housing Authority of the City of Atlanta, Georgia's Retirement Plan is a single-employer non-contributory defined benefit pension plan (the Plan) under a group annuity contract with Massachusetts Mutual Life Insurance Company, an insurance carrier, which maintains custody of Plan assets and administers the Plan in a co-mingled trust and invests all funds through a pooled trust. AHA does not provide a separate audited GAAP basis pension plan report.

Assets of the Plan represent less than one percent of the insurance carrier's total assets. None of the Plan's investments is the property of AHA. The Plan covers all regular full-time employees of AHA who have completed their required months of service and who were employed before January 1, 2008. The Plan provides retirement, disability and death benefits to those participants and their beneficiaries.

AHA made the strategic decision to freeze the Defined Benefit Plan in order to limit AHA's future liability for funding the plan. In lieu thereof, AHA created an enhanced Defined Contribution Plan that incorporates an employer match for all eligible employees (See Note P). AHA was subject to the certain risks arising from actuarial assumptions under the Defined Benefit Plan such as investment returns of the Plan assets and mortality assumptions for the Plan participants. AHA's contributions to the Plan are primarily based on actuarial valuations.

The AHA Board of Commissioners froze the Plan as of December 31, 2007. No employees hired or rehired on or after January 1, 2008, may be added to or accrue additional benefits under the Plan. The Board also froze benefit accruals under the Plan for all current participants, except certain vested employees whose age and service equals 60 and who elected to continue accruals under the Plan (the grandfathered employees).

In 2009, AHA will offer a lump sum cash payment to those plan participants that are no longer employed with AHA, but vested in a retirement benefit. AHA had the available funds to contribute $12 million to the Defined Benefit Plan in FY2008 in order to cover the estimated cost of offering the lump sum benefit. AHA will no longer be liable to fund future retirement benefits for those participants who elect to take their retirement benefit under the lump sum option, thereby further limiting AHA's exposure to the risks associated with actuarial assumptions.

## NOTE O – DEFINED BENEFIT PENSION PLAN – Continued

### Funding Policy

AHA's funding policy is to contribute an amount equal to or greater than the minimum required contribution. The *Actuarial Standard of Practice* recommends the use of best-estimate range for each assumption, based on past experience, future expectations and application of professional judgment. The recommended contributions were computed as part of the actuarial valuation performed as of January 1, 2008, 2007 and 2006. Beginning June 1996, AHA's contributions were determined under the projected unit credit cost method (pay-related benefit formula). Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligation (NPO). See multi-year pension trend information presented in the Schedule of Pension Funding Progress immediately following the notes to the financial statements.

### Annual Pension Costs and Annual Required Contribution

For the fiscal years ended June 30, 2008, 2007 and 2006, AHA funded pension payments of $12,000,000, $2,700,000, and $4,635,013, respectively, were greater than AHA's annual required contributions, calculated as of January 1, 2008, 2007 and 2006, of $0, $1,703,673, and $1,480,101, respectively using the projected unit credit cost method. The annual required contribution decreased substantially for 2008. This decrease was primarily due to the $12 million contribution made for the 2007 plan year to cover the cost of offering a lump sum payment option to former employees that had vested under the Plan. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at January 1, 2008 is 20 years.

| | 01/01/08 to 12/31/08 | 01/01/07 to 12/31/07 | 01/01/06 to 12/31/06 |
|---|---|---|---|
| Net assets available for benefits expressed as a percentage of actuarial accrued liability | 84.8% | 89.3% | 83.9% |
| Unfunded actuarial accrued liability expressed as a percentage of covered payroll | 0% | 34% | 53% |
| Actual employer contributions expressed as a percentage of required contribution | 100.0% | 100.0% | 100.0% |
| Net pension obligation | - | - | - |

**NOTE O – DEFINED BENEFIT PENSION PLAN** – Continued

**Supplementary Information – Historical Trend**

The items below are based on the January 1, 2008, 2007 and 2006 actuarial valuations:

| | 2008 | | 2007 | | 2006 | |
|---|---|---|---|---|---|---|
| Market value of assets | $ 38,728,718 | | $39,878,195 | | $36,301,044 | |
| Accumulated net pension obligations before assumption changes | 45,673,452 | * | 44,672,523 | * | 34,557,780 | ** |
| Effect of assumption changes | - | | - | | 8,714,695 | |
| Accumulated net pension obligations after assumption changes described above | 45,673,452 | * | 44,672,523 | * | 43,272,475 | * |
| Percentage funded | 84.8% | | 89.3% | | 83.9% | |
| Unfunded net pension obligation | 6,944,734 | | 4,794,328 | | 6,971,431 | |
| Annual required contribution | - | | 1,703,673 | | 1,480,101 | |
| Employer contributions | (12,000,000) | | (2,700,000) | | (4,635,013) | |
| Unfunded net pension obligations after employer contributions (funding excess) | (5,055,266) | | 2,094,328 | | 2,336,418 | |
| Annual covered payroll | 16,861,217 | | 14,231,021 | | 13,386,176 | |
| Unfunded obligation (funding excess) as percentage of covered payroll | -30.0% | | 15.0% | | 18.0% | |
| Annual required contribution as percentage of covered payroll | 0% | | 12% | | 11% | |
| Net pension obligation | - | | - | | - | |
| Accrued pension liability | - | | - | | 2,000,000 | |

* Based on six percent interest

** Based on eight percent interest

## NOTE P – DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS

AHA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan). The 457 Plan, which is available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. Effective February 1, 2008, all eligible employees, except the grandfathered employees, are automatically enrolled in the 457 Plan with a deferral rate of two percent. Employees may change their deferral rates at any time.

In conjunction with changes made to the Defined Benefit Plan, effective February 1, 2008 AHA's Board of Commissioners also approved the creation of the new Defined Contribution Plan under Internal Revenue Code Section 401(a) (the 401(a) Plan) for all eligible employees. The 401(a) Plan provides an employer matching contribution on amounts that employees defer into the 457 Plan, equal to 100% of the first 2% deferred by the participant. Additional matching contributions are made based on the participant's years of service with AHA and additional contributions can be made at the discretion of management. The employer contribution to the 401(a) Plan during FY2008 was $198,260. Amounts from these plans are not available to participants until termination, retirement, death, or unforeseeable emergency. As required by Federal regulations, the funds are held in trust for the exclusive benefit of participants and their beneficiaries. AHA has no ownership of or fiduciary relationship with the Plans. Accordingly, the Plans' assets are not reported in AHA's financial statements.

## NOTE Q – LEASES

AHA is party to numerous lease agreements as lessor whereby it receives revenues for tenant dwellings leased in AHA-owned public housing developments. These leases are considered, for accounting purposes, to be operating leases. A majority of the revenue is received from HUD and the remaining revenue is received from the tenant, based on the tenant's adjusted family income. These leases are for a one-year period which may or may not be renewed depending upon tenant eligibility and desire. See Note E for buildings and improvements cost, depreciation, and carrying value information.

AHA is the ground lessor to Owner-Entities of most of the mixed-income, multi-family rental communities, discussed further in Note S, Related Party and Partnership Investment Transactions.

AHA is also a party to several lease agreements, as lessor, whereby it receives revenues for leasing office and retail spaces to various businesses. These revenue leases are considered, for accounting purposes, to be operating leases. Revenues derived from these leases are not significant.

**NOTE Q – LEASES –** Continued

AHA is party to several operating lease agreements for office equipment used in the normal course of business. The yearly disbursements over the remaining life are estimated to be as follows:

| 2009 | 2010 | 2011 | Total |
|---|---|---|---|
| $ 301,676 | $ 138,506 | $ 99,384 | $ 539,566 |

**NOTE R – CONDUIT DEBT**

**Taxable Mortgage Revenue Refunding Bonds**

In order to provide quality low-income housing and to reduce the mortgage costs, six Taxable Mortgage Revenue Refunding bonds were issued on September 25, 1995. While AHA, in prior years, received a fee from the earned savings of the bonds, the bonds do not represent a debt or pledge of faith and credit of AHA and, accordingly, have not been reported in the accompanying financial statements.

| Site | 2008 Mortgage balances | 2007 Mortgage balances |
|---|---|---|
| Oakland City | $ 3,791,753 | $ 3,801,730 |
| Bedford Pines | 1,314,034 | 1,357,388 |
| Bedford Towers | 3,312,661 | 3,523,843 |
| Grant Park | 3,658,556 | 3,796,124 |
| Capital Towers | 1,292,029 | 1,295,067 |
| Capital Avenue | 1,576,368 | 802,319 |
| Total taxable mortgage revenue refunding bonds | $ 14,945,401 | $ 14,576,471 |

**Multi-Family Housing Revenue Bonds**

In order to provide a portion of the funds for the construction of three AHA-sponsored mixed-income communities, multi-family housing revenue bonds were issued by AHA, as the conduit issuer, on May 1, 1999, July 1, 1999, and December 7, 2006, respectively. These bonds do not represent the debt or pledge of the full faith and credit of AHA and, accordingly, have not been reported in the accompanying financial statements.

**NOTE R – CONDUIT DEBT –** Continued

AHA receives issuer fees from the following related partnerships as compensation for its role as issuer:

| | 2008 | 2007 |
|---|---|---|
| John Hope Community Partnership II, L.P. | $ 11,200,000 | $ 11,420,000 |
| Carver Redevelopment Partnership V, L.P. | 8,100,000 | 8,100,000 |
| East Lake Redevelopment II, L.P. | 12,040,000 | 12,440,000 |
| Total Multi-Family Housing Revenue Bonds | $ 31,340,000 | $ 31,960,000 |

**Taxable Revenue Bonds (Housing Opportunity Program)**

Atlanta Housing Opportunity, Inc. (AHOI) is a Georgia nonprofit corporation created by AHA for the sole purpose of facilitating the Housing Opportunity Program for the City of Atlanta. AHOI has no other programs or purpose.

The Urban Residential Finance Authority of the City of Atlanta, Georgia (URFA) is authorized to issue Housing Opportunity Bonds (conduit debt) and loan the proceeds to AHOI, up to a maximum principal amount not to exceed $75 million. URFA issued the first bond series of $35 million Series 2007 A bonds, and loaned the proceeds to AHOI in FY2007. The City of Atlanta has the absolute and unconditional obligation to make the debt payments. In addition to the debt payments, the City of Atlanta will pay the administrative and corporate governance costs of AHOI. URFA serves as the program administrator for the Housing Opportunity Program. The City of Atlanta's program oversight role includes establishing the program, directing the activities and establishing or revising the budget for the Housing Opportunity Program.

**NOTE S – RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS**

AAHFI, one of the component units of AHA, as described in Note A2, owns limited partner interests in either the related development project partnerships (Owner-Entities) or in the general partner of the related development project partnerships of each phase of the mixed-income rental properties. Each of the related development project partnerships for each phase has entered into subordinated mortgage loans, as borrower, with AHA, as lender. The interest and principal are payable primarily from cash flows, net project proceeds or condemnation proceeds generated from the property owned by the Owner-Entity. For most of these development projects, AHA owns the land and has a long-term ground lease for a nominal amount ($10 annually) with the related development partnerships. In some transactions, AHA receives a ground lease payment in an amount calculated to provide an economic return to AHA.

**NOTE S – RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS –** Continued

AHA receives a percentage of net cash flow from the properties to service the debt for the related development project loans, in connection with the related development partnerships transactions. During fiscal years 2008 and 2007, AHA recorded $1,212,644 and $2,710,398, respectively, in interest income from development loans made to Owner-Entities. Additionally, AHA receives developer fees and other fee-based income. AHA recorded $2,029,946 and $2,467,411, during the fiscal years 2008 and 2007, respectively, for developer and other fees.

The Owner-Entities operate under various regulatory and operating agreements with AHA, whereby a required number of units are set aside for public housing-assisted families. There is a commitment in each regulatory and operating agreement whereby AHA is obligated to fund operating costs related to the public housing-assisted apartments on an agreed basis. In response to higher than projected operating costs associated with AHA-assisted units in mixed-income communities, higher expectations and requirements for investment returns from financial investors in an ever-tightening economy, and in order to protect AHA's investments, AHA and a number of Owner-Entities of rental phases of mixed-income communities agreed to revise the budget and increase the amount of operating subsidy for the AHA-assisted units in each such phase, effective as of January 1, 2008. Operating subsidy in the amounts of $5,419,843 and $2,818,029 were expensed in FY2008 and FY2007, respectively.

Pursuant to authority under its MTW Agreement, AHA made subordinated loans for $2,000,000 and $1,200,000 as gap financing for the comprehensive rehabilitation and new construction of the following two properties owned by independent third parties: Campbell Stone Apartments and Columbia Senior Residences at Edgewood, respectively. In connection with these transactions, AHA earned developer and other fees related to the construction and rehabilitation activities. AHA also entered into a ten-year renewable Project Based Rental Assistance agreement with each of the owners of these properties.

In August 2005, AHA, through an affiliate sold a 2.36 acre parcel of land (CP East Property) to Centennial Park East, LLC (CPE) and took back a note for the sale. Westside Affordable Housing, Inc. (WAH) owns a 10% member interest in CPE where WAH participates in distributable cash and equity distributions pursuant to agreed terms with its development partners. In October 2007, AHA approved the refinancing of the CP East Property which resulted in a loan payoff of $2,481,400 to AHA. In FY2008, AHA, through its affiliate WAH, received $350,000 in distributable cash from the sale of the CP East Property to a third party and also received $3,000 which represented its share of the current equity distribution.

**NOTE S – RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS –** Continued

In 2006, AHA sold a parcel consisting of 22.93 acres (Carver Homeownership Property) to Carver Homeownership I, LLC, (CHI) to facilitate homeownership opportunities in the new Villages at Carver community. CHI is an affiliate of AHA with WAH having a 49% membership interest in CHI. The Carver Homeownership Property was simultaneously sold to Villages at Carver Development, LLC. In March 2008, the Carver homeownership land deal was restructured and the Carver Homeownership Property was conveyed by Villages at Carver Development, LLC to MAGCH Development, LLC. CHI entered into an operating agreement for MAGCH Development, LLC with CHI having a 50% membership interest. As part of the restructuring, CHI agreed to release its security deed on the Carver Homeownership Property and in turn received a credit for a $2,158,000 capital contribution in MAGCH Development, LLC. CHI will participate in the net proceeds from the sales of the homes to be developed on the Carver Homeownership Property based on negotiated terms.

The Summerdale Commons I and II loans totaling $3,986,000 were written off to bad debt expense following the bankruptcy of the Owner-Entities and foreclosure of the property (See Notes A13, A14, D, N and S to the financial statements).

Each of the Owner-Entity's financial statements are audited by other certified independent public accounting firms. A summary of certain key transactions between AHA and the Owner-Entities and related parties is as follows and other information is further explained in Notes A, D and N.

## NOTE S - RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS - Continued

The following is a schedule of related party transactions for June 30, 2008.

| Partnership name | Related development project notes receivable | Impaired valuation allowance | Developer fee receivables, net | Other fee receivables |
|---|---|---|---|---|
| **Pre-Development Loans** | | | | |
| Grady Redevelopment, LLC | $ - | $ - | $ - | $ - |
| Grady Multifamily I, L.P. | - | - | - | - |
| Grady Multifamily II, L.P. | - | - | - | - |
| Harris Redevelopment, LLC | - | - | - | - |
| **Construction financing loans** | | | | |
| Capitol Gateway Partnership I, L.P. | 10,012,409 | - | 462,830 | 3,000 |
| Carver Redevelopment Partnership V, L.P. | 1,436,822 | - | 297,437 | - |
| Columbia at Mechanicsville Apartments, L.P. | 4,966,625 | - | 402,264 | 2,000 |
| Columbia Senior Residences Apartments at Mechanicsville, L.P. | 4,364,883 | - | 304,979 | 2,000 |
| Columbia Grove, L.P. | 4,303,896 | - | 338,989 | 2,000 |
| Centennial Park East, LLC | - | - | - | - |
| Capitol Gateway Partnership II, L.P. | 3,683,257 | - | 260,692 | - |
| Gates Park Crossing HFOP Apartments, L.P. | 673,350 | - | - | - |
| Gates Park Crossing HFS Apartments, L.P. | 625,443 | - | - | - |
| Grady Redevelopment Partnership I, L.P. | 2,040,389 | - | 279,277 | 6,000 |
| Harris Redevelopment Partnership II, L.P. | - | - | - | 13,489 |
| Mechanicsville Apartments Phase 3, L.P. | 1,000 | - | 439,600 | 14,000 |
| Mechanicsville Apartments Phase 4, L.P. | 1,000 | - | 418,757 | 14,000 |
| Mercy Housing Georgia VI, L.P. | 4,253,965 | - | 269,001 | 10,000 |
| **Permanent financing loans** | | | | |
| Campbell Stone, L.P. | 2,000,000 | - | 244,178 | 3,000 |
| Carver Redevelopment Partnership I, L.P. | 9,074,250 | (1,246,250) | - | 39,384 |
| Carver Redevelopment Partnership II, L.P. | 740,000 | - | 97,300 | 16,983 |
| Carver Redevelopment Partnership III, L.P. | 8,430,000 | - | - | 59,112 |
| Carver Redevelopment, LLC | - | - | 268,018 | - |
| CCH John Eagan I Homes, L.P. | 5,896,000 | (5,896,000) | - | - |
| CCH John Eagan II Homes, L.P. | 4,536,000 | (4,536,000) | - | - |
| Columbia Commons, L.P. | 3,425,221 | (625,221) | - | - |
| Columbia Creste, L.P. | 5,246,290 | (346,290) | 386,733 | 14,333 |
| Columbia Estates, L.P. | 4,566,413 | (816,413) | - | 18,750 |
| Columbia Heritage Senior Residences, L.P. | - | - | 18,010 | - |
| Columbia Park Citi Residences, L.P. | 4,828,164 | (253,164) | - | - |
| Columbia Senior Residences @ Edgewood, L.P. | 1,200,000 | - | 303,748 | - |
| Columbia Village, L.P. | 2,250,000 | (2,250,000) | - | - |
| Centennial Park North, LLC | 108,000 | - | - | - |
| East Lake Redevelopment II, L.P. | 11,903,505 | (8,038,000) | - | 15,550 |
| East Lake Redevelopment, L.P. | 5,824,000 | (5,824,000) | - | - |
| Harris Redevelopment Partnership I, L.P. | 7,925,000 | - | 89,636 | 42,445 |
| John Hope Community Partnership I, L.P. | 4,620,000 | - | 77,060 | 97,703 |
| John Hope Community Partnership II, L.P. | 7,980,000 | - | - | 106,340 |
| Kimberly Associates I, L.P. | 2,605,000 | - | - | - |
| Kimberly Associates II, L.P. | 1,507,000 | - | 35,143 | - |
| Kimberly Associates III, L.P. | 1,305,000 | - | 91,241 | - |
| Legacy Partnership I, L.P. | 3,520,000 | - | - | - |
| Legacy Partnership II, L.P. | 3,445,000 | - | - | - |
| Legacy Partnership III, L.P. | 3,774,000 | - | - | - |
| Legacy Partnership IV, L.P. | 3,920,000 | - | - | - |
| West End Phase III Redevelopment Partnership, L.P. | 1,298,400 | (267,990) | - | - |
| Summerdale Partners II, L.P. | - | - | - | - |
| Summerdale Partners, L.P. | - | - | - | - |
| **Related development fees allowance** | - | - | (500,000) | - |
| | $ 148,290,281 | $ (30,099,328) | $ 4,584,893 | $ 480,089 |

| Predevelopment advances | Accrued interest (not paid) | Deferred interest income | Current interest income | Development related income | Housing assistance payments | Component Unit | Percent ownership |
|---|---|---|---|---|---|---|---|
| $ 15,580 | $ - | $ - | $ - | $ - | $ - | | |
| 403,367 | - | - | - | - | - | | |
| 44,370 | - | - | - | - | - | | |
| 441,540 | - | - | - | - | - | | |
| | | | | | | | |
| - | - | - | - | 3,950 | 231,212 | AAHFI | 0.005% |
| - | - | 40,972 | 6,450 | 4,188 | - | | |
| - | - | 68,317 | 196,652 | 309 | - | AAHFI | |
| - | - | 103,306 | 155,640 | 2,252 | - | AAHFI | |
| - | 149,951 | - | 49,573 | 4,076 | 74,700 | AAHFI | 0.01% |
| - | - | - | 278,798 | - | - | WAHI | 10.0000% |
| - | 15,117 | 155,051 | 78,002 | - | 78,835 | | |
| - | 25,511 | - | - | - | - | | |
| - | 23,696 | - | - | - | - | | |
| - | - | 180,670 | 33,246 | 372,225 | - | | |
| - | - | - | - | 6,870 | - | | |
| - | - | 339,338 | 26 | 514,254 | - | | |
| - | - | 338,802 | 25 | 488,697 | - | | |
| - | - | 198,689 | 41,649 | 534,544 | - | | |
| | | | | | | | |
| - | 219,377 | - | - | - | - | | |
| - | 240,267 | - | - | 13,128 | 353,300 | AAHFI | 0.0001% |
| - | 161,299 | - | - | 5,661 | 109,396 | AAHFI | 0.0025% |
| - | 189,675 | - | - | 19,704 | 334,883 | AAHFI | 0.0001% |
| - | - | - | - | - | - | | |
| - | 235,840 | - | - | - | 226,183 | AAHFI | 0.01% |
| - | 139,973 | - | - | - | 28,451 | AAHFI | 0.01% |
| - | 217,728 | - | - | - | 173,619 | AAHFI | 0.0030% |
| - | 248,068 | - | 346,290 | - | 157,398 | AAHFI | 0.01% |
| - | 290,270 | - | - | - | 198,403 | AAHFI | 0.0030% |
| - | - | - | - | - | - | AAHFI | |
| - | 448,743 | - | - | - | 122,333 | AAHFI | 0.0001% |
| - | 17,713 | - | - | 4,528 | - | | |
| - | 1,406,615 | - | - | - | 94,513 | AAHFI | 0.003% |
| - | - | - | - | - | - | | |
| - | - | - | - | 15,550 | 524,979 | AAHFI | 0.067% |
| - | - | - | - | - | 224,587 | AAHFI | 0.25% |
| - | 197,434 | - | - | 14,110 | - | AAHFI | 0.005% |
| - | 234,850 | - | - | - | 138,113 | AAHFI | 0.0025% |
| - | 485,450 | - | - | 25,900 | 274,344 | AAHFI | 0.0025% |
| - | 1,065,493 | - | - | - | 185,228 | AAHFI | 0.0001% |
| - | 505,059 | - | - | - | 293,870 | AAHFI | 0.0025% |
| - | 301,323 | - | - | - | 142,297 | AAHFI | 0.0025% |
| - | 2,807,750 | - | - | - | 338,657 | AAHFI | 0.067% |
| - | 2,697,786 | - | 17,390 | - | 220,208 | AAHFI | 0.099% |
| - | 1,968,667 | - | 8,903 | - | 218,229 | AAHFI | 0.099% |
| - | 1,485,343 | - | - | - | 265,220 | AAHFI | 0.099% |
| - | 406,135 | - | - | - | 295,409 | AAHFI | 0.0025% |
| - | - | - | - | - | 52,445 | AAHFI | 0.0015% |
| - | - | - | - | - | 63,032 | AAHFI | 0.1500% |
| | | | | | | | |
| - | - | - | - | - | - | | |
| $ 904,857 | $ 16,185,133 | $ 1,425,145 | $ 1,212,644 | $ 2,029,946 | $ 5,419,843 | | |

## NOTE S - RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS - Continued

The following is a schedule of related party transactions for June 30, 2007.

| Partnership name | Related development project notes receivable | Impaired valuation allowance | Developer fee receivables, net | Other fee receivables |
|---|---|---|---|---|
| **Pre-Development Loans** | | | | |
| Mechanicsville Apartments Phase IV, L.P. | $ - | $ - | $ - | $ - |
| Mechanicsville Apartments Phase V, L.P. | - | - | - | - |
| Grady Redevelopment Partnership, L.P. | - | - | - | - |
| Harris Redevelopment, LLC | - | - | 6,619 | - |
| Centennial Marketplace | - | - | - | - |
| **Construction financing loans** | | | | |
| Capitol Gateway Partnership I, L.P. | 8,904,167 | - | 552,181 | - |
| Carver Redevelopment Partnership V, L.P. | 1,026,595 | - | 342,888 | - |
| Columbia Creste, L.P. | 4,900,000 | - | 401,066 | - |
| Columbia at Mechanicsville Apartments, L.P. | 1,032,858 | - | 408,955 | - |
| Columbia Senior Residences Apartments at Mechanicsville, L.P. | 1,000 | - | 309,727 | - |
| Columbia Grove, L.P. | 4,303,896 | - | 336,913 | - |
| Centennial Park East, LLC | 7,444 | - | - | - |
| Campbell Stone, L.P. | 2,000,000 | - | 372,569 | - |
| Capitol Gateway Partnership II, L.P. | 2,009,975 | - | 295,354 | - |
| Columbia Edgewood | 1,180,000 | - | 299,220 | - |
| **Permanent financing loans** | | | | |
| Carnegie Library, L.P. | - | - | - | |
| Carver Redevelopment Partnership I, L.P. | 9,074,250 | (874,250) | 26,256 | - |
| Carver Redevelopment Partnership II, L.P. | 740,000 | - | 108,622 | - |
| Carver Redevelopment Partnership III, L.P. | 8,430,000 | - | 39,408 | - |
| Carver Redevelopment, LLC | - | - | 268,018 | - |
| CCH John Eagan I Homes, L.P. | 5,896,000 | - | - | - |
| CCH John Eagan II Homes, LP | 4,536,000 | - | - | - |
| Centennial Park East, LLC | | - | - | - |
| Columbia Commons, L.P. | 3,425,221 | (625,221) | - | - |
| Columbia Commons, L.P. | | - | | - |
| Columbia Estates, L.P. | 4,566,413 | (816,413) | 18,750 | - |
| Columbia Heritage Senior Residences, L.P. | - | - | 328,500 | - |
| Columbia Park Citi Residences, L.P. | 4,828,164 | (253,164) | - | - |
| Columbia Village, L.P. | 2,250,000 | - | - | - |
| Centennial Park North, LLC | 108,000 | - | - | - |
| East Lake Redevelopment II, L.P. | 11,903,505 | (5,200,000) | - | - |
| East Lake Redevelopment, L.P. | 5,824,000 | (3,593,890) | - | - |
| East Lake Redevelopment, L.P. | | | | - |
| Harris Redevelopment Partnership I, L.P. | 7,925,000 | - | 216,314 | - |
| John Hope Community Partnership I, L.P. | 4,620,000 | - | 174,763 | - |
| John Hope Community Partnership II, L.P. | 7,980,000 | - | - | 80,440 |
| Kimberly Associates I, L.P. | 2,605,000 | - | - | - |
| Kimberly Associates II, L.P. | 1,507,000 | - | 35,143 | - |
| Kimberly Associates III, L.P. | 1,305,000 | - | 91,241 | - |
| Legacy Partnership I, L.P. | 3,520,000 | - | - | - |
| Legacy Partnership II, L.P. | 3,445,000 | - | - | - |
| Legacy Partnership III, L.P. | 3,774,000 | - | - | - |
| Legacy Partnership IV, L.P. | 3,920,000 | - | - | - |
| Summerdale Partners II, L.P. | 1,778,000 | - | - | - |
| Summerdale Partners, L.P. | 2,208,000 | - | - | - |
| West End Phase III Redevelopment Partnership, L.P. | 1,298,400 | - | - | - |
| **Other loans** | | | | |
| Integral Properties LLC & 172 Vine Street LLC | 329,439 | - | - | - |
| **Related development fees allowance** | - | - | (500,000) | - |
| | $ 133,162,326 | $ (11,362,938) | $ 4,132,507 | $ 80,440 |

| Predevelopment advances | Accrued interest (not paid) | Deferred interest income | Current interest income | Development related income | Housing assistance payments | Component Unit |
|---|---|---|---|---|---|---|
| $ 1,160,887 | $ - | $ - | $ - | $ - | $ - | - |
| 1,145,910 | - | - | - | - | - | - |
| 990,229 | - | - | - | 11,000 | - | - |
| 369,293 | - | - | - | 26,620 | - | - |
| 150,000 | - | - | - | - | - | - |
| | | | | | | |
| - | 10,000 | - | 86,240 | 89,772 | - | AAHFI |
| - | - | 47,422 | 2,610 | 539,574 | - | |
| - | 319,053 | - | - | 8,333 | - | AAHFI |
| - | - | 264,969 | 26 | 564,505 | - | AAHFI |
| - | - | 258,945 | 26 | 434,627 | - | AAHFI |
| - | - | 49,573 | 180,187 | 90,579 | - | AAHFI |
| - | - | - | - | - | - | WAHI |
| - | 117,929 | - | - | - | - | |
| - | 68 | 233,054 | 20,864 | 404,053 | - | |
| - | - | - | - | - | - | AAHFI |
| | | | | | | |
| - | - | | - | - | - | AAHFI |
| - | 113,221 | - | 725,647 | 26,256 | 155,930 | AAHFI |
| - | 119,034 | - | - | 11,322 | 17,550 | AAHFI |
| - | 105,375 | - | - | 39,408 | 130,655 | AAHFI |
| - | - | - | - | 65 | - | |
| - | 176,880 | - | - | - | 208,581 | AAHFI |
| - | 94,613 | - | - | - | 176,202 | AAHFI |
| - | - | | - | - | - | |
| - | 42,666 | - | 625,221 | - | 61,206 | AAHFI |
| - | - | | - | - | - | |
| - | 57,194 | - | 816,413 | 35,632 | - | AAHFI |
| - | - | - | - | 104,170 | 98,901 | AAHFI |
| - | 187,431 | - | 253,164 | - | 2,818 | AAHFI |
| - | 1,183,312 | - | - | - | 45,246 | AAHFI |
| - | - | - | - | - | - | |
| - | - | - | - | - | 363,339 | AAHFI |
| - | - | - | - | - | 228,412 | AAHFI |
| - | | | | | | |
| - | 118,184 | - | - | 28,335 | 178,100 | AAHFI |
| - | 188,650 | - | - | - | 133,431 | AAHFI |
| - | 405,650 | - | - | 53,160 | 110,721 | AAHFI |
| - | 842,444 | - | - | - | 32,457 | AAHFI |
| - | 414,997 | - | - | - | 26,037 | AAHFI |
| - | 219,894 | - | - | - | 30,616 | AAHFI |
| - | 2,445,636 | - | - | - | 159,544 | AAHFI |
| - | 2,325,631 | - | - | - | 147,087 | AAHFI |
| - | 1,651,494 | - | - | - | 135,691 | AAHFI |
| - | 1,216,206 | - | - | - | 185,830 | AAHFI |
| - | 989,978 | - | - | - | 67,748 | AAHFI |
| - | 1,504,990 | - | - | - | 77,571 | AAHFI |
| - | 306,624 | - | - | - | 44,356 | AAHFI |
| | | | | | | |
| - | 1,908 | - | - | - | - | |
| - | - | - | - | - | - | |
| $ 3,816,319 | $ 15,157,152 | $ 853,963 | $ 2,710,398 | $ 2,467,411 | $ 2,818,029 | |

## NOTE T – MOVING TO WORK DEMONSTRATION AGREEMENT

As highlighted in Note A, MTW gives AHA the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance to low and very low-income families. Under the MTW Agreement, funds from Low Rent (Public Housing) Operating Subsidy (Low Rent), Housing Choice Voucher Program (HCVP) (Section 8) and Capital Fund Program (including Replacement Housing Factor Grants and Development Grants) may be consolidated into one single MTW fund (MTW Funds) to cover expenditures relating to eligible MTW programs and activities. The Agreement provides full fungibility with no differentiation in uses between the funding sources. The MTW program covered existing unobligated Capital Fund Program grant balances at the time of the signing of the MTW Agreement. Accordingly, these balances were also consolidated into the MTW Funds and may be expended on MTW eligible activities as provided in AHA's MTW Agreement and Business Plan where amended. MTW Funds are made available to achieve and maintain adequate operations, maintenance services, reserve funds, capital improvement funds and asset management fees for public housing-assisted units and contract administration fees and rental assistance units leased from private owners under the Housing Choice Voucher Program and other MTW eligible activities.

The financial impact of the MTW Agreement on AHA is in the areas of funding under the Housing Choice Voucher Program, authorizations related to statutory and regulatory relief and revised benchmarks for assessing performance. Under the MTW Agreement calculation, AHA receives full funding for all MTW HCVP vouchers and is not required to return any funds not used for housing assistance voucher payments or earned as related administrative fees.

HUD monitors AHA's work for consistency with its MTW Agreement and Business Plan through the submission of Annual MTW Plans and Reports and related Appendices, MTW Implementation Protocols, and through HUD or monitoring site visits.

In addition, to the traditional monitoring mentioned above, AHA contracted with an independent third-party evaluator to conduct a longitudinal study of the impact of AHA initiatives on families served under its programs.

## NOTE U – POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note O, AHA provides employees, who elected early retirement under prescribed open windows an opportunity to continue their medical benefits until age 65 at 50 percent of the premium cost. AHA records these expenditures on a pay-as-you-go basis. Annual cost was approximately $35,854 and $42,700 for the fiscal years ended June 30, 2008 and 2007, respectively. AHA in 1995 and 2004, respectively, offered early retirement programs in 1995 and 2004. As of June 30, 2008, 14 employees were receiving these benefits; nine from 1995; and five from 2004.

## NOTE V – NET ASSETS

The difference between assets and liabilities is net assets. Net assets are subdivided into three categories: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Restricted net assets can be restricted by time and or purpose, temporarily or permanently restricted. Each component of net assets is reported separately on the financial statements.

Invested in capital assets, net of related debt represents the net book value of capital assets, net of outstanding related debt used to acquire those assets.

Restricted net assets are subject to constraints externally imposed by funding agencies or legislation. The amount of restricted net assets is calculated by reducing the carrying value of restricted assets by their related liabilities. AHA's restricted net assets include its related development projects notes receivable from each of the various Owner-Entities of the mixed-income communities and the authority reserves in conjunction with mixed-income transactions. AHA's investment in related projects notes receivable is reported as restricted net assets and should not be considered available to satisfy the Authority's obligations due to long-term, contingent nature of the underlying notes. See Notes D and S.

The unrestricted component of net assets represents that portion remaining after the "invested in capital assets" and "restricted" amounts have been determined. The unrestricted net assets may be used to meet ongoing obligations.

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# REQUIRED SUPPLEMENTARY INFORMATION

The Housing Authority of the City of Atlanta, Georgia

## SCHEDULE OF PENSION FUNDING PROGRESS

June 30, 2008 and 2007

| Actuarial Valuation Date | Acturarial Value of Assets (a) | Acturarial Accrued Liability (b) | Underfunded (Overfunded) AAL (b)-(a) | Funded Ratio (a)/(b) | Covered Payroll (c) | AAL as a % of Covered Payroll [(b)-(a)/(c)] |
|---|---|---|---|---|---|---|
| January 1, 2001 | $ 34,742,104 | $ 32,681,685 | $ (2,060,419) | 106.30% | $ 15,425,579 | -13.36% |
| January 1, 2002 | 33,912,491 | 29,317,632 | (4,594,859) | 115.67% | 17,043,407 | -26.96% |
| January 1, 2003 | 32,258,280 | 29,594,674 | (2,663,606) | 109.00% | 14,592,516 | -18.25% |
| January 1, 2004 | 33,491,848 | 30,407,288 | (3,084,560) | 110.14% | 15,699,710 | -19.65% |
| January 1, 2005 | 34,586,113 | 34,195,565 | (390,548) | 101.14% | 14,243,999 | -2.74% |
| January 1, 2006 | 36,301,044 | 43,272,475 | 6,971,431 | 83.89% | 13,150,498 | 53.01% |
| January 1, 2007 | 39,878,195 | 44,672,523 | 4,794,328 | 89.30% | 14,231,021 | 33.69% |
| January 1, 2008 | 38,728,718 | 45,673,452 | 6,944,734 | 84.79% | 16,861,217 | 41.88% |

## SCHEDULE OF COMPENSATED ABSENCES

Compensated Absences at June 30, 2008 consist of the following:

| | Balance at July 1, 2007 | Additions | Reductions | Balance at June 30, 2008 | Long-term | Current |
|---|---|---|---|---|---|---|
| Compensated Absences | $ 1,145,743 | $ 774,382 | $ (682,592) | $ 1,237,533 | $ 539,393 | $ 698,140 |

# OTHER SUPPLEMENTARY INFORMATION

The Housing Authority of the City of Atlanta, Georgia

# FINANCIAL DATA SCHEDULE OF COMBINING BALANCE SHEET ACCOUNTS

June 30, 2008

| | Public housing | Housing choice | Revitalization of severely distressed public housing | AHA Corp. |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | | | | |
| Unrestricted | $ 1,558,508 | $ 53,306,155 | $ - | $ 1,096,738 |
| Restricted | - | 171,510 | 19,825,666 | 500,282 |
| | 1,558,508 | 53,477,665 | 19,825,666 | 1,597,020 |
| Receivables, net of allowances | 2,025,176 | 1,149,738 | 17,355,698 | 11,276 |
| Short-term investments | 1,820,000 | - | - | - |
| Prepaid expenses | 175,715 | 1,410,836 | - | 186,820 |
| Interprogram - due from | 5,947,588 | 373,881 | 2,385,727 | 2,047,519 |
| Total current assets | 11,526,987 | 56,412,120 | 39,567,091 | 3,842,635 |
| **NONCURRENT ASSETS** | | | | |
| Notes receivables, net of valuation | - | - | 131,857 | - |
| Capital assets, net of accumulated depreciation | 101,441,867 | 989,000 | 1,468,788 | 1,132,622 |
| Investments, restricted | - | - | - | - |
| Other non-current assets | - | - | 14,183,031 | - |
| Total noncurrent assets | 101,441,867 | 989,000 | 15,783,676 | 1,132,622 |
| **TOTAL ASSETS** | $ 112,968,854 | $ 57,401,120 | $ 55,350,767 | $ 4,975,257 |
| **LIABILITIES AND NET ASSETS** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Account payable | $ 4,440,706 | $ 718,336 | $ 3,679,617 | $ 2,495,346 |
| Accrued liabilities | 4,894,873 | 269,664 | 5,983,881 | 1,491,862 |
| Deferred revenue and other credits | 111,146 | - | 19,838,717 | - |
| Line of credit | - | - | - | - |
| Current portion of long-term debt | 438,338 | - | - | - |
| Interprogram - due to | 759,993 | 2,125,429 | 8,492,335 | 1,259,048 |
| Total current liabilities | 10,645,056 | 3,113,429 | 37,994,549 | 5,246,255 |
| **NONCURRENT LIABILITIES** | | | | |
| Long-term debt, net of current | 453,737 | - | - | - |
| Other noncurrent liabilities | 1,418,935 | 178,860 | - | 532,043 |
| Total noncurrent liabilities | 1,872,672 | 178,860 | - | 532,043 |
| Total liabilities | 12,517,728 | 3,292,289 | 37,994,549 | 5,778,298 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debts | 100,549,792 | 989,000 | 1,468,788 | 1,132,622 |
| Restricted for: | | | | |
| HUD Funded Programs | (98,667) | 53,119,830 | 15,887,431 | - |
| Related development project partnerships | - | - | - | - |
| Related development partnership operating reserves | - | - | - | - |
| Other | - | - | - | - |
| Unrestricted | | | | |
| Undesignated | - | - | - | (1,935,663) |
| Total net assets | 100,451,125 | 54,108,830 | 17,356,219 | (803,041) |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 112,968,854 | $ 57,401,120 | $ 55,350,767 | $ 4,975,257 |

| Mark to market | N/C S/R Section 8 programs | Business activities | State/Local programs | Component units | Totals | Eliminations | Total less eliminations |
|---|---|---|---|---|---|---|---|
| $ 35,710 | $ 727,143 | $ 15,626,193 | $ - | $ 3,189,954 | $ 75,540,401 | $ - | $ 75,540,401 |
| - | - | 17,961,741 | 340,807 | - | 38,800,006 | - | 38,800,006 |
| 35,710 | 727,143 | 33,587,934 | 340,807 | 3,189,954 | 114,340,407 | - | 114,340,407 |
| 32,188 | - | 1,466,548 | 6,667 | 70,149 | 22,117,440 | - | 22,117,440 |
| - | - | 11,203,046 | - | 1,000 | 13,024,046 | - | 13,024,046 |
| - | - | - | - | 4,242 | 1,777,613 | - | 1,777,613 |
| - | - | 1,508,827 | 16,250 | 2,066,541 | 14,346,332 | (14,346,332) | - |
| 67,898 | 727,143 | 47,766,355 | 363,724 | 5,331,886 | 165,605,838 | (14,346,332) | 151,259,506 |
| - | - | 124,160,346 | - | 108,000 | 124,400,203 | (1,297,500) | 123,102,703 |
| - | - | 3,700 | - | 26,356,868 | 131,392,845 | (1,057,980) | 130,334,865 |
| - | - | 13,668,312 | - | - | 13,668,312 | - | 13,668,312 |
| - | - | 72,738 | - | 24,630 | 14,280,399 | - | 14,280,399 |
| - | - | 137,905,096 | - | 26,489,498 | 283,741,759 | (2,355,480) | 281,386,279 |
| $ 67,898 | $ 727,143 | $ 185,671,451 | $ 363,724 | $ 31,821,384 | $ 449,347,597 | $ (16,701,812) | $ 432,645,785 |
| | | | | | | | |
| $ - | $ - | $ 11,648 | $ 2,500 | $ 564,649 | $ 11,912,802 | $ - | $ 11,912,802 |
| 36,446 | (82,053) | 107,213 | 5,681 | 778,491 | 13,486,057 | - | 13,486,057 |
| - | - | 1,425,146 | 217,013 | 118,113 | 21,710,135 | - | 21,710,135 |
| - | - | 10,906,077 | - | - | 10,906,077 | - | 10,906,077 |
| - | - | - | - | 289,950 | 728,288 | - | 728,288 |
| - | - | 1,567,225 | 121,447 | 20,856 | 14,346,332 | (14,346,332) | - |
| 36,446 | (82,053) | 14,017,309 | 346,641 | 1,772,059 | 73,089,690 | (14,346,332) | 58,743,359 |
| - | - | - | - | 5,154,595 | 5,608,332 | (1,297,500) | 4,310,832 |
| - | - | - | 3,333 | - | 2,133,171 | - | 2,133,171 |
| - | - | - | 3,333 | 5,154,595 | 7,741,503 | (1,297,500) | 6,444,003 |
| 36,446 | (82,053) | 14,017,309 | 349,974 | 6,926,654 | 80,831,193 | (15,643,832) | 65,187,362 |
| - | - | 3,700 | - | 20,912,323 | 125,056,225 | 239,520 | 125,295,746 |
| - | 809,196 | - | - | - | 69,717,790 | - | 69,717,789 |
| - | - | 125,266,675 | - | - | 125,266,675 | (1,297,500) | 123,969,175 |
| - | - | 8,794,948 | - | - | 8,794,948 | - | 8,794,948 |
| - | - | - | - | - | - | - | - |
| 31,452 | - | 37,588,819 | 13,750 | 3,982,407 | 39,680,765 | - | 39,680,765 |
| 31,452 | 809,196 | 171,654,142 | 13,750 | 24,894,730 | 368,516,403 | (1,057,980) | 367,458,423 |
| $ 67,898 | $ 727,143 | $ 185,671,451 | $ 363,724 | $ 31,821,384 | $ 449,347,597 | $ (16,701,812) | $ 432,645,785 |

The Housing Authority of the City of Atlanta, Georgia

# FINANCIAL DATA SCHEDULE OF COMBINING BALANCE SHEET ACCOUNTS

June 30, 2007

| | Public housing | Housing choice | Revitalization of severely distressed public housing | AHA Corp. |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | | | | |
| Unrestricted | $ 8,022,330 | $ 39,897,264 | $ 592,513 | $ 214,489 |
| Restricted | - | 203,890 | 11,380,574 | 485,744 |
| | 8,022,330 | 40,101,154 | 11,973,087 | 700,233 |
| Receivables, net of allowances | 2,031,753 | 227,501 | 25,356,693 | 12,651 |
| Short-term investments | - | - | - | - |
| Prepaid expenses | 195,894 | 1,456 | - | 131,335 |
| Interprogram - due from | 7,179,654 | 235,320 | 3,687,195 | 900,310 |
| Total current assets | 17,429,631 | 40,565,431 | 41,016,975 | 1,744,529 |
| **NONCURRENT ASSETS** | | | | |
| Notes receivables, net of valuation | - | - | - | - |
| Capital assets, net of accumulated depreciation | 125,098,827 | - | 499,413 | 1,308,737 |
| Investments, restricted | - | - | - | - |
| Other non-current assets | - | - | 1,371,168 | - |
| Total noncurrent assets | 125,098,827 | - | 1,870,581 | 1,308,737 |
| **TOTAL ASSETS** | $ 142,528,458 | $ 40,565,431 | $ 42,887,556 | $ 3,053,266 |
| **LIABILITIES AND NET ASSETS** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Account payable | $ 3,019,920 | $ 507,077 | $ 2,628,307 | $ 1,006,239 |
| Accrued liabilities | 2,988,798 | 99,240 | 2,348,975 | 1,342,983 |
| Deferred revenue and other credits | 174,219 | - | 11,964,669 | - |
| Line of credit | - | - | - | - |
| Current portion of long-term debt | 423,360 | - | - | - |
| Interprogram - due to | 5,661,199 | 1,954,478 | 3,677,425 | - |
| Total current liabilities | 12,267,496 | 2,560,795 | 20,619,376 | 2,349,222 |
| **NONCURRENT LIABILITIES** | | | | |
| Long-term debt, net of current | 892,075 | - | - | - |
| Other noncurrent liabilities | 1,897,470 | 204,962 | - | 462,079 |
| Total noncurrent liabilities | 2,789,545 | 204,962 | - | 462,079 |
| Total liabilities | 15,057,041 | 2,765,757 | 20,619,376 | 2,811,301 |
| **NET ASSETS** | | | | |
| Invested in capital assets, net of related debts | 123,783,392 | - | 499,413 | 1,308,737 |
| Restricted for: | | | | |
| HUD Funded Programs | 3,688,025 | 37,799,674 | 21,768,767 | - |
| Related development project partnerships | - | - | - | - |
| Related development partnership operating reserves | - | - | - | - |
| Other | - | - | - | - |
| Unrestricted | | | | |
| Undesignated | - | - | - | (1,066,772) |
| Total net assets | 127,471,417 | 37,799,674 | 22,268,180 | 241,965 |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 142,528,458 | $ 40,565,431 | $ 42,887,556 | $ 3,053,266 |

| Mark to market | N/C S/R Section 8 programs | Business activities | State/Local programs | Component units | Totals | Eliminations | Total less eliminations |
|---|---|---|---|---|---|---|---|
| $ 78,619 | $ 379,920 | $ 5,709,723 | $ - | $ 3,049,048 | $ 57,943,906 | $ - | $ 57,943,906 |
| - | - | 13,216,011 | 216,774 | - | 25,502,993 | - | 25,502,993 |
| 78,619 | 379,920 | 18,925,734 | 216,774 | 3,049,048 | 83,446,899 | - | 83,446,899 |
| (13,386) | - | 4,837,762 | 6,397 | 46,715 | 32,506,086 | - | 32,506,086 |
| - | - | 14,969,633 | - | - | 14,969,633 | - | 14,969,633 |
| - | - | - | - | 4,561 | 333,246 | - | 333,246 |
| - | - | 1,301,190 | 20,787 | 448,715 | 13,773,171 | (13,773,171) | - |
| 65,233 | 379,920 | 40,034,319 | 243,958 | 3,549,039 | 145,029,035 | (13,773,171) | 131,255,864 |
| - | - | 129,363,670 | - | 108,000 | 129,471,670 | (3,827,500) | 125,644,170 |
| - | - | 4,900 | - | 18,904,406 | 145,816,283 | (1,057,980) | 144,758,303 |
| - | - | 12,860,328 | - | - | 12,860,328 | - | 12,860,328 |
| - | - | 859,448 | - | 28,625 | 2,259,241 | - | 2,259,241 |
| - | - | 143,088,346 | - | 19,041,031 | 290,407,522 | (4,885,480) | 285,522,042 |
| $ 65,233 | $ 379,920 | $ 183,122,665 | $ 243,958 | $ 22,590,070 | $ 435,436,557 | $ (18,658,651) | $ 416,777,906 |
| $ 75,217 | $ - | $ 29,889 | $ - | $ 195,485 | $ 7,462,134 | $ - | $ 7,462,134 |
| (38,084) | 28,270 | 71,780 | - | 34,896 | 6,876,858 | - | 6,876,858 |
| - | - | 856,451 | 111,667 | 143,714 | 13,250,720 | - | 13,250,720 |
| - | - | 10,906,077 | - | - | 10,906,077 | - | 10,906,077 |
| - | - | - | - | 2,806,733 | 3,230,093 | (2,530,000) | 700,093 |
| 38,205 | - | 2,301,116 | 140,289 | 459 | 13,773,171 | (13,773,171) | - |
| 75,338 | 28,270 | 14,165,313 | 251,956 | 3,181,287 | 55,499,053 | (16,303,171) | 39,195,882 |
| - | - | - | - | 5,444,545 | 6,336,620 | (1,297,500) | 5,039,120 |
| - | - | - | 3,199 | - | 2,567,710 | - | 2,567,710 |
| - | - | - | 3,199 | 5,444,545 | 8,904,330 | (1,297,500) | 7,606,830 |
| 75,338 | 28,270 | 14,165,313 | 255,155 | 8,625,832 | 64,403,383 | (17,600,671) | 46,802,712 |
| - | - | 4,900 | - | 10,653,128 | 136,249,570 | 2,769,520 | 139,019,090 |
| - | 351,650 | - | - | - | 63,608,116 | - | 63,608,116 |
| - | - | 134,184,510 | - | - | 134,184,510 | (3,827,500) | 130,357,010 |
| - | - | 8,119,025 | - | - | 8,119,025 | - | 8,119,025 |
| - | - | - | - | - | - | - | - |
| (10,105) | - | 26,648,917 | (11,197) | 3,311,110 | 28,871,953 | - | 28,871,953 |
| (10,105) | 351,650 | 168,957,352 | (11,197) | 13,964,238 | 371,033,174 | (1,057,980) | 369,975,194 |
| $ 65,233 | $ 379,920 | $ 183,122,665 | $ 243,958 | $ 22,590,070 | $ 435,436,557 | $ (18,658,651) | $ 416,777,906 |

The Housing Authority of the City of Atlanta, Georgia

## FINANCIAL DATA SCHEDULE OF
## COMBINING PROGRAM REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS

Year ended June 30, 2008

| | Public housing | Housing choice | Revitalization of severely distressed public housing | AHA Corp. |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Operating subsidies | $ 38,570,611 | $ 176,529,576 | $ 10,945,779 | $ - |
| Tenant dwelling revenue | 14,472,567 | - | - | - |
| Other revenue | 905,280 | 219,540 | - | 38,085,388 |
| **TOTAL REVENUES** | 53,948,458 | 176,749,116 | 10,945,779 | 38,085,388 |
| **EXPENSES** | | | | |
| Operating expenses | | | | |
| Housing assistance payments | 5,419,841 | 82,366,103 | 84,565 | - |
| Administrative | 10,642,214 | 14,604,131 | 776,892 | 34,370,106 |
| Resident services | 6,052,057 | 29,023 | 3,270,915 | 2,808,156 |
| Utilities | 12,156,607 | - | - | 139,305 |
| Ordinary maintenance and operations | 13,068,328 | 148,910 | - | 188,317 |
| Protective services | 6,299,310 | - | - | 134,784 |
| General expenses | 1,816,921 | 33,470,833 | 160,103 | 14,863,051 |
| Total operating expenses before depreciation and amortization | 55,455,278 | 130,619,000 | 4,292,475 | 52,503,719 |
| Net operating income before depreciation and amortization | (1,506,820) | 46,130,116 | 6,653,304 | (14,418,331) |
| Depreciation and amortization expense | 10,406,679 | - | - | 467,423 |
| Net operating income | (11,913,499) | 46,130,116 | 6,653,304 | (14,885,754) |
| **NON-OPERATING INCOME/(EXPENSES)** | | | | |
| Interest and investment income | 205,738 | 1,739,726 | - | 297,378 |
| Gain on sale of capital assets | 58,905 | - | - | 394 |
| Capital asset write-down | (28,148,332) | - | - | - |
| Demolition expenses | (4,256,801) | - | (6,708,213) | - |
| Other revitalization expenditures | (600,000) | - | - | - |
| Extraordinary sitework and maintenance | (2,140,737) | - | (5,862,316) | - |
| Bad debt expense on notes receivable | - | - | - | - |
| Valuation allowance on related development project notes receivable | - | - | - | - |
| Interest expense | (40,279) | - | - | (50,747) |
| Net non-operating revenue/(expense) | (34,921,506) | 1,739,726 | (12,570,529) | 247,025 |
| Multi-year grants used for capitalized expenditures | 8,993,543 | - | 17,275,774 | - |
| Other financing sources (uses) | | | | |
| Transfers, net | 10,821,177 | (31,560,688) | (16,270,512) | 13,593,720 |
| Change in net assets | (27,020,293) | 16,309,156 | (4,911,962) | (1,045,006) |
| Beginning of year | 127,471,417 | 37,799,674 | 22,268,180 | 241,965 |
| End of year | $ 100,451,124 | $ 54,108,830 | $ 17,356,218 | $ (803,041) |

| Mark to market | N/C S/R Section 8 Programs | Business Activities | State/Local programs | Component Units | Totals | Eliminations | Total less eliminations |
|---|---|---|---|---|---|---|---|
| $ - | $ 2,730 | $ - | $ - | $ - | $ 226,048,696 | $ - | $ 226,048,696 |
| - | - | - | - | - | 14,472,567 | - | 14,472,567 |
| 59,528 | - | 3,996,444 | 49,864 | 9,372,585 | 52,688,630 | (47,382,355) | 5,306,275 |
| 59,528 | 2,730 | 3,996,444 | 49,864 | 9,372,585 | 293,209,893 | (47,382,355) | 245,827,538 |
| - | - | - | - | - | 87,870,509 | - | 87,870,509 |
| 20,000 | - | 843,338 | 8,667 | 746,277 | 62,011,626 | (15,982,355) | 46,029,271 |
| - | - | - | 16,250 | - | 12,176,401 | - | 12,176,401 |
| - | - | - | - | 227,894 | 12,523,805 | - | 12,523,805 |
| - | - | - | - | 873,273 | 14,278,827 | - | 14,278,827 |
| - | - | - | - | 216,057 | 6,650,152 | - | 6,650,152 |
| - | - | - | - | 20,052 | 50,330,959 | (31,400,000) | 18,930,959 |
| 20,000 | - | 843,338 | 24,917 | 2,083,552 | 245,842,279 | (47,382,355) | 198,459,924 |
| 39,528 | 2,730 | 3,153,106 | 24,947 | 7,289,033 | 47,367,614 | - | 47,367,614 |
| - | - | 22,489 | - | 715,325 | 11,611,915 | - | 11,611,915 |
| 39,528 | 2,730 | 3,130,617 | 24,947 | 6,573,708 | 35,755,699 | - | 35,755,699 |
| 2,029 | 19,826 | 2,471,021 | - | 723,006 | 5,458,724 | - | 5,458,724 |
| - | - | 2,473,956 | - | - | 2,533,256 | - | 2,533,256 |
| - | - | - | - | - | (28,148,332) | - | (28,148,332) |
| - | - | - | - | - | (10,965,014) | - | (10,965,014) |
| - | - | (1,215,878) | - | - | (1,815,878) | - | (1,815,878) |
| - | - | - | - | (12,264) | (8,015,317) | - | (8,015,317) |
| - | - | (3,986,000) | - | - | (3,986,000) | - | (3,986,000) |
| - | - | (18,736,390) | - | - | (18,736,390) | - | (18,736,390) |
| - | - | (583,253) | - | (192,557) | (866,836) | - | (866,836) |
| 2,029 | 19,826 | (19,576,544) | - | 518,185 | (64,541,787) | - | (64,541,787) |
| - | - | - | - | - | 26,269,317 | - | 26,269,317 |
| - | 434,989 | 19,142,716 | - | 3,838,597 | - | - | - |
| 41,557 | 457,546 | 2,696,790 | 24,947 | 10,930,492 | (2,516,771) | - | (2,516,771) |
| (10,105) | 351,650 | 168,957,352 | (11,197) | 13,964,238 | 371,033,174 | (1,057,980) | 369,975,194 |
| $ 31,452 | $ 809,196 | $ 171,654,142 | $ 13,750 | $ 24,894,730 | $ 368,516,403 | $ (1,057,980) | $ 367,458,423 |

The Housing Authority of the City of Atlanta, Georgia

# FINANCIAL DATA SCHEDULE OF
# COMBINING PROGRAM REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS

Year ended June 30, 2007

| | Public housing | Housing choice | Revitalization of severely distressed public housing | KDHAP program | AHA Corp. |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Operating subsidies | $ 34,399,008 | $ 126,332,711 | $ 8,802,118 | $ - | $ - |
| Tenant dwelling revenue | 17,281,713 | - | - | - | - |
| Other revenue | 750,477 | 1,054,374 | (3,459) | 21,701 | 25,616,791 |
| **TOTAL REVENUES** | 52,431,198 | 127,387,085 | 8,798,659 | 21,701 | 25,616,791 |
| **EXPENSES** | | | | | |
| Operating expenses | | | | | |
| Housing assistance payments | 2,818,029 | 77,046,255 | - | - | - |
| Administrative | 13,758,473 | 23,161,524 | 3,312,921 | 923 | 22,460,782 |
| Resident services | 2,136,737 | - | 3,683,980 | - | 1,598,090 |
| Utilities | 15,023,742 | - | - | - | 140,561 |
| Ordinary maintenance and operations | 13,800,447 | 124,432 | - | - | 123,055 |
| Protective services | 5,393,922 | - | - | - | 244,697 |
| General expenses | 1,899,430 | 1,957,980 | 87,253 | - | 5,125,312 |
| Total operating expenses before depreciation and amorization | 54,830,780 | 102,290,191 | 7,084,154 | 923 | 29,692,497 |
| Net operating income before depreciation and amortization | (2,399,582) | 25,096,894 | 1,714,505 | 20,778 | (4,075,706) |
| Depreciation and amortization expense | 12,362,415 | - | - | - | 858,633 |
| Net operating income | (14,761,997) | 25,096,894 | 1,714,505 | 20,778 | (4,934,339) |
| **NON-OPERATING INCOME/(EXPENSES)** | | | | | |
| Interest and investment income | 394,601 | 2,043,054 | - | 2,605 | (71,269) |
| Gain on sale of capital assets | 2,548,272 | - | 155,960 | - | - |
| Capital asset write-down | (5,721,395) | - | - | - | - |
| Demolition expenses | (318,247) | - | (1,804,812) | - | - |
| Other revitalization expenditures | - | - | (4,030,000) | - | - |
| Extraordinary sitework and maintenance | (2,348,168) | - | (275,331) | - | (4,500) |
| Valuation allowance on related development project notes receivable | - | - | - | - | - |
| Interest expense | (54,544) | - | - | - | - |
| Net non-operating revenue/(expense) | (5,499,481) | 2,043,054 | (5,954,183) | 2,605 | (75,769) |
| Multi-year grants used for capitalized expenditures | 6,181,334 | - | 24,683,406 | - | - |
| Other financing sources (uses) | | | | | |
| Transfers, net | 18,175,196 | (26,451,378) | (14,690,406) | (25,764) | 4,154,829 |
| Change in net assets | 4,095,052 | 688,570 | 5,753,322 | (2,381) | (855,279) |
| Beginning of year | 123,376,365 | 37,111,104 | 16,514,858 | 2,381 | 1,097,244 |
| End of year | $ 127,471,417 | $ 37,799,674 | $ 22,268,180 | $ - | $ 241,965 |

| Mark to market | N/C S/R Section 8 programs | Business activities | State/Local programs | Component units | Totals | Eliminations | Totals |
|---|---|---|---|---|---|---|---|
| $ - | $ 4,727,489 | $ - | $ - | $ - | $ 174,261,326 | $ - | $ 174,261,326 |
| - | - | - | - | 849 | 17,282,562 | - | 17,282,562 |
| 74,930 | 241,452 | 4,314,086 | 15,992 | 1,705,385 | 33,791,729 | (27,229,956) | 6,561,773 |
| 74,930 | 4,968,941 | 4,314,086 | 15,992 | 1,706,234 | 225,335,617 | (27,229,956) | 198,105,661 |
| - | 4,948,206 | - | - | - | 84,812,490 | - | 84,812,490 |
| 20,000 | 242,077 | 500,308 | 35,182 | 165,741 | 63,657,930 | (27,229,956) | 36,427,974 |
| - | - | 3,729 | - | 440 | 7,422,976 | - | 7,422,976 |
| - | - | - | - | 202,860 | 15,367,163 | - | 15,367,163 |
| - | - | 37,500 | - | 576,614 | 14,662,047 | - | 14,662,047 |
| - | - | - | - | 277,501 | 5,916,121 | - | 5,916,121 |
| - | - | - | - | 17,908 | 9,087,882 | - | 9,087,882 |
| 20,000 | 5,190,283 | 541,537 | 35,182 | 1,241,064 | 200,926,609 | (27,229,956) | 173,696,653 |
| 54,930 | (221,342) | 3,772,549 | (19,190) | 465,170 | 24,409,008 | - | 24,409,008 |
| - | - | 13,519 | - | 606,571 | 13,841,139 | - | 13,841,139 |
| 54,930 | (221,342) | 3,759,030 | (19,190) | (141,401) | 10,567,869 | - | 10,567,869 |
| 3,936 | 34,873 | 4,259,401 | (1,133,371) | 188,604 | 5,722,435 | - | 5,722,435 |
| - | - | (2,473,956) | - | 191,155 | 421,431 | - | 421,431 |
| - | - | - | - | - | (5,721,395) | - | (5,721,395) |
| - | - | - | - | - | (2,123,059) | - | (2,123,059) |
| - | - | - | - | - | (4,030,000) | - | (4,030,000) |
| - | - | - | - | (257,508) | (2,885,507) | - | (2,885,507) |
| - | - | (2,569,048) | - | - | (2,569,048) | - | (2,569,048) |
| - | - | (389,818) | - | (513,504) | (957,866) | - | (957,866) |
| 3,936 | 34,873 | (1,173,421) | (1,133,371) | (391,253) | (12,143,009) | - | (12,143,009) |
| - | - | - | - | - | 30,864,741 | - | 30,864,741 |
| - | (577,197) | 15,312,941 | (27,749) | 4,129,528 | - | - | - |
| 58,866 | (763,666) | 17,898,550 | (1,180,308) | 3,596,873 | 29,289,601 | - | 29,289,601 |
| (68,971) | 1,115,316 | 151,058,802 | 1,169,111 | 10,367,365 | 341,743,575 | (1,057,972) | 340,685,593 |
| $ (10,105) | $ 351,650 | $ 168,957,352 | $ (11,197) | $ 13,964,238 | $ 371,033,176 | $ (1,057,972) | $ 369,975,194 |

**NOTES TO FINANCIAL DATA SCHEDULES**

June 30, 2008

## NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Combining Program Revenues, Expenditures and Changes in Net Asset Accounts and Schedule of Combining Balance Sheet Accounts have been prepared using the basis of accounting required by HUD's Real Estate Assessment Center and in accordance with the provisions, policies and requirements as contained in the Moving to Work (MTW) Demonstration Agreement. Under MTW, the Low Rent and Public Housing, Housing Choice Voucher Program, Capital Fund and Development Program are funded as a single fund with funds fully fungible.

## NOTE B – COMBINING SCHEDULE OF COMPONENT UNITS

AHA's component units are *not-for-profit* entities owned and controlled by AHA and established to assist the Authority with development and other acquisition activities. Under GASB 14 and 34, these entities are presented with AHA's other funds and programs as reported within the Financial Data Schedule. These component units are also blended and reported within the Enterprise Fund. The component units for 2008 are as follows:

| | Year ended June 30, 2008 | | | | | | |
|---|---|---|---|---|---|---|---|
| | JWD | AAHFI | SHHI | RAH | SRDC | WAH | Total Component Units |
| **ASSETS** | | | | | | | |
| Current and other assets | $ 2,141,371 | $ 163,386 | $ - | $ 166,212 | $ - | $ 2,860,917 | $ 5,331,886 |
| Capital assets, net | 14,497,249 | - | - | - | - | 11,859,619 | 26,356,868 |
| Other non-current assets | 24,630 | - | - | - | - | 108,000 | 132,630 |
| Total assets | $ 16,663,250 | $ 163,386 | $ - | $ 166,212 | $ - | $ 14,828,536 | $ 31,821,384 |
| **LIABILITIES AND NET ASSETS** | | | | | | | |
| Current and other liabilities | $ 1,623,805 | $ 574 | $ - | $ 597 | $ - | $ 147,083 | $ 1,772,059 |
| Long-term debt outstanding | 3,857,095 | - | - | - | - | 1,297,500 | 5,154,595 |
| Total liabilities | 5,480,900 | 574 | - | 597 | - | 1,444,583 | 6,926,654 |
| Capital assets, net of related debt | 10,350,204 | - | - | - | - | 10,562,119 | 20,912,323 |
| Restricted | | | | - | | - | - |
| Unrestricted | 832,146 | 162,812 | - | 165,615 | - | 2,821,834 | 3,982,407 |
| Total net assets | 11,182,350 | 162,812 | - | 165,615 | - | 13,383,953 | 24,894,730 |
| Total liabilities and net assets | $ 16,663,250 | $ 163,386 | $ - | $ 166,212 | $ - | $ 14,828,536 | $ 31,821,384 |
| Revenues | | | | | | | |
| Operating revenue | $ 9,332,061 | $ - | $ - | $ 40,524 | $ - | $ - | $ 9,372,585 |
| Non-operating revenue | 35,036 | 4,174 | - | 4,301 | - | 679,495 | 723,006 |
| Total revenues | 9,367,097 | 4,174 | - | 44,825 | - | 679,495 | 10,095,591 |
| Expenses | | | | | | | |
| Operating and other expenses | (2,797,676) | - | 343 | (5,434) | - | (200,931) | (3,003,698) |
| Operating transfers in | (32,788) | - | (343) | - | - | 3,871,728 | 3,838,597 |
| Change in net assets | 6,536,635 | 4,174 | - | 39,391 | - | 4,350,292 | 10,930,492 |
| Net assets at beginning of year | 4,645,715 | 158,638 | - | 126,224 | - | 9,033,661 | 13,964,238 |
| Net assets at end of year | $ 11,182,350 | $ 162,812 | $ - | $ 165,615 | $ - | $ 13,383,953 | $ 24,894,730 |

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The Housing Authority of the City of Atlanta, Georgia

# RECONCILIATION OF ADVANCES, COSTS AND BUDGET
# HUD FUNDED PROGRAMS SPECIAL GRANTS AND CAPITAL PROJECTS FUND

Year ended June 30, 2008

| | | Grant Drawdowns | | | Expenditures | | |
|---|---|---|---|---|---|---|---|
| Fund | Program | Cumulative as of June 30, 2007 | Year ended June 30, 2008 | Cumulative as of June 30, 2008 | Cumulative as of June 30, 2007 | Year ended June 30, 2008 | Cumulative as of June 30, 2008 |
| **Capital Grants** | | | | | | | |
| 3124 | Capital Fund Program Year 6 | $ 13,083,156 | $ 34,751 | $ 13,117,907 | $ 13,117,907 | $ - | $ 13,117,907 |
| 3127 | Capital Fund Program Year 7 | 6,231,302 | 7,588,157 | 13,819,459 | 7,967,088 | 6,013,638 | 13,980,726 |
| 3130 | Capital Fund Program Year 8 | - | 6,397,976 | 6,397,976 | - | 7,719,558 | 7,719,558 |
| 3133 | Capital Fund Program Year 9 | - | - | - | - | - | - |
| Total Capital Grants | | 19,314,458 | 14,020,884 | 33,335,342 | 21,084,995 | 13,733,196 | 34,818,191 |
| **Demo Grants** | | | | | | | |
| 5105 | HOPE VI - Carver (D) | 8,938,953 | 663,671 | 9,602,624 | 8,923,907 | 796,613 | 9,720,520 |
| 5106 | HOPE VI - Harris Demo | 3,996,208 | 258,242 | 4,254,450 | 3,939,791 | 314,659 | 4,254,450 |
| 5167 | Grady Homes Demo Grant | 4,777,472 | - | 4,777,472 | 4,777,472 | - | 4,777,472 |
| Total Demo Grants | | 17,712,633 | 921,913 | 18,634,546 | 17,641,170 | 1,111,272 | 18,752,442 |
| **Development Grants** | | | | | | | |
| 5216 | DVP - Clark Howell | 1,424,163 | 384,003 | 1,808,166 | 1,493,688 | 6,540,362 | 8,034,050 |
| Total Development Grants | | 1,424,163 | 384,003 | 1,808,166 | 1,493,688 | 6,540,362 | 8,034,050 |
| **HOPE VI Grants** | | | | | | | |
| 5101 | HOPE VI - Carver Revitalization | 32,499,034 | 301,609 | 32,800,643 | 33,381,449 | 800,773 | 34,182,222 |
| 5102 | HOPE VI - Harris Revitalization | 16,168,463 | 3,988,038 | 20,156,501 | 18,020,764 | 4,509,772 | 22,530,536 |
| 5104 | HOPE VI - Perry Revitalization | 19,963,314 | - | 19,963,314 | 19,999,999 | - | 19,999,999 |
| 5108 | HOPE VI - Capitol Revitalization | 22,290,466 | 4,330,832 | 26,621,298 | 22,821,807 | 3,501,897 | 26,323,704 |
| 5166 | HOPE VI - McDaniel Glen | 6,410,987 | 8,093,849 | 14,504,836 | 7,223,650 | 7,993,495 | 15,217,145 |
| 5168 | HOPE VI - Grady Homes | - | 2,160,106 | 2,160,106 | 757,323 | 2,113,836 | 2,871,159 |
| Total HOPE VI Grants | | 97,332,264 | 18,874,434 | 116,206,698 | 102,204,992 | 18,919,773 | 121,124,765 |
| **Replacement Housing Factor Grants** | | | | | | | |
| 3112 | CFP Replacement Housing Factor 2001 | 5,115,824 | | 5,115,824 | 5,115,824 | - | 5,115,824 |
| 3116 | CFP Replacement Housing Factor 2002 | 6,450,529 | | 6,450,529 | 6,450,529 | - | 6,450,529 |
| 3117 | CFP Replacement Housing Factor 2003 | 3,141,856 | | 3,141,856 | 2,573,038 | (132,267) | 2,440,771 |
| 3120 | CFP Replacement Housing Factor 2004 | 266,000 | | 266,000 | 266,000 | (257,421) | 8,579 |
| 3122 | CFP Replacement Housing Factor 2004-1 | | 333,742 | 333,742 | | 333,742 | 333,742 |
| 3123 | CFP Replacement Housing Factor 2004-2 | | | - | | - | - |
| 3125 | CFP Replacement Housing Factor 2005-1 | | | - | | - | - |
| 3126 | CFP Replacement Housing Factor 2005-2 | | | - | | - | - |
| 3123 | CFP Replacement Housing Factor 2004-2 | | 169,266 | 169,266 | | 169,266 | 169,266 |
| 3125 | CFP Replacement Housing Factor 2005-1 | | 75,857 | 75,857 | | 75,857 | 75,857 |
| 3126 | CFP Replacement Housing Factor 2005-2 | | 808,490 | 808,490 | 5,390 | 1,708,310 | 1,713,700 |
| 3129 | CFP Replacement Housing Factor 2006-2 | | 28,121 | 28,121 | | 67,319 | 67,319 |
| Total Replacement Housing Factor Grants | | 14,974,209 | 1,415,476 | 16,389,685 | 14,410,781 | 1,964,806 | 16,375,587 |
| **Special Grants** | | | | | | | |
| 6118 | ROSS - 2002 | 250,000 | - | 250,000 | 250,000 | - | 250,000 |
| 6119 | ROSS - 2003 | 257,938 | - | 257,938 | 257,938 | - | 257,938 |
| 6120 | MTW Technical Assistance Grant | 175,000 | - | 175,000 | 175,000 | - | 175,000 |
| Total Special Grants | | 682,938 | - | 682,938 | 682,938 | - | 682,938 |
| **Grand Total** | | $ 151,440,665 | $ 35,616,710 | $ 187,057,375 | $ 157,518,564 | $ 42,269,409 | $ 199,787,973 |

| | Budget | | Reconciliation of HUD advances | | | |
|---|---|---|---|---|---|---|
| (Deficiency)/excess of advances as of June 30, 2008 | Budget | Budget over costs as of June 30, 2008 | HUD AR/AP June 30, 2007 | Cash receipts June 30, 2008 | Expenditures June 30, 2008 | HUD AR/AP June 30, 2008 |
| $ - | $ 13,117,907 | $ - | $ 34,752 | $ 34,751 | $ - | $ 1 |
| (161,267) | 14,113,642 | 294,183 | 1,735,786 | 7,588,157 | 6,013,638 | 161,267 |
| (1,321,582) | 12,846,548 | 6,448,572 | - | 6,397,976 | 7,719,558 | 1,321,582 |
| - | 14,063,331 | 14,063,331 | - | - | - | - |
| (1,482,849) | 54,141,428 | 20,806,086 | 1,770,538 | 14,020,884 | 13,733,196 | 1,482,850 |
| (117,896) | 9,720,520 | 117,896 | (15,046) | 663,671 | 796,613 | 117,896 |
| - | 4,254,450 | - | (56,417) | 258,242 | 314,659 | - |
| - | 4,777,472 | - | - | - | - | - |
| (117,896) | 18,752,442 | 117,896 | (71,463) | 921,913 | 1,111,272 | 117,896 |
| (6,225,884) | 8,104,743 | 6,296,578 | 69,526 | 384,003 | 6,540,362 | 6,225,885 |
| (6,225,884) | 8,104,743 | 6,296,578 | 69,526 | 384,003 | 6,540,362 | 6,225,885 |
| (1,381,579) | 34,669,400 | 1,868,757 | 882,416 | 301,609 | 800,773 | 1,381,580 |
| (2,374,035) | 35,000,000 | 14,843,499 | 1,852,301 | 3,988,038 | 4,509,772 | 2,374,035 |
| (36,685) | 20,000,000 | 36,686 | 36,685 | - | - | 36,685 |
| 297,594 | 35,000,000 | 8,378,702 | 531,341 | 4,330,832 | 3,501,897 | (184,393) |
| (712,309) | 20,000,000 | 5,495,164 | 812,664 | 8,093,849 | 7,993,495 | 712,310 |
| (711,053) | 20,000,000 | 17,839,894 | 757,323 | 2,160,106 | 2,113,836 | 876,627 |
| (4,918,067) | 164,669,400 | 48,462,702 | 4,872,730 | 18,874,434 | 18,919,773 | 5,196,844 |
| - | 5,115,824 | - | - | - | - | - |
| - | 6,450,529 | - | - | - | - | - |
| 701,085 | 3,432,489 | 290,633 | (568,818) | - | (132,267) | (701,085) |
| 257,421 | 2,435,481 | 2,169,481 | - | - | (257,421) | (257,421) |
| - | 4,540,123 | 4,206,381 | - | 333,742 | 333,742 | - |
| - | | - | - | - | - | - |
| - | | - | - | - | - | - |
| - | | - | - | - | - | - |
| - | 3,398,919 | 3,229,653 | - | 169,266 | 169,266 | - |
| - | 2,712,327 | 2,636,470 | - | 75,857 | 75,857 | - |
| (905,210) | 5,292,808 | 4,484,318 | 5,390 | 808,490 | 1,708,310 | 905,210 |
| (39,198) | 5,477,673 | 5,449,552 | - | 28,121 | 67,319 | 39,198 |
| 14,098 | 38,856,173 | 22,466,488 | (563,428) | 1,415,476 | 1,964,806 | (14,098) |
| - | 250,000 | - | - | - | - | - |
| - | 400,000 | 142,062 | - | - | - | - |
| - | 175,000 | - | - | - | - | - |
| - | 825,000 | 142,062 | - | - | - | - |
| $ (12,730,598) | $ 285,349,186 | $ 98,291,812 | $ 6,077,903 | $ 35,616,710 | $ 42,269,409 | $ 13,009,377 |

The Housing Authority of the City of Atlanta, Georgia

**SCHEDULE OF HOPE VI PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION**

Contract completed during the year ended June 30, 2008

| | |
|---|---|
| GRANT NAME | Harris Homes Demolition Grant |
| PROJECT NAME | Harris Homes |
| GRANT NUMBER | GA06URD006D100 |
| GRANT AWARD EFFECTIVE DATE* | February 12, 2001 |
| CONTRACT COMPLETION DATE | June 30, 2008 |
| BUDGET | $ 4,254,450 |
| ADVANCES | 4,254,450 |
| COSTS | 4,254,450 |
| EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD | $ - |
| | - |
| AMOUNT TO BE RECAPTURED BY HUD | $ - |

* Represents the LOCCS effective date.

The actual Policy Research and Development Program Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undercharged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

## SCHEDULE OF HOPE VI PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2008

| | |
|---|---|
| GRANT NAME | Carver Homes Demolition Grant |
| PROJECT NAME | Carver Homes |
| GRANT NUMBER | GA06URD0061296 |
| GRANT AWARD EFFECTIVE DATE* | February 27, 1998 |
| CONTRACT COMPLETION DATE | June 30, 2008 |
| BUDGET | $ 9,720,520 |
| ADVANCES | 9,720,520 |
| COSTS | 9,720,520 |
| EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD | $ - |
| | - |
| AMOUNT TO BE RECAPTURED BY HUD | $ - |

*Represents the LOCCS effective date.

The actual Policy Research and Development Program Cost Certificate is in agreement with AHA records.

All amounts due have been received from HUD as of June 30, 2008 except for $117,896 which was received July 2, 2008 and all liabilities have been paid and there are no undercharged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

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**STATISTICAL SECTION**
(unaudited)

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# FINANCIAL TRENDS AND COMPOSITION OF HOUSING RESOURCES

## The Housing Authority of the City of Atlanta, Georgia

# COMBINED STATEMENTS OF NET ASSETS - unaudited

## As of June 30,

| | FISCAL YEAR | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| **Assets** | | | | | | | | | | |
| **Current Assets** | | | | | | | | | | |
| Cash and Cash Equivalents | $ 114,340,407 | $ 83,446,899 | $ 90,422,944 | $ 73,628,517 | $ 34,415,971 | $ 47,675,997 | $ 37,717,711 | $ 14,504,657 | $ 45,892,618 | $ 22,494,048 |
| Receivables, net of allowance | 22,117,440 | 32,506,086 | 21,957,997 | 11,541,838 | 34,979,655 | 16,022,578 | 17,865,767 | 20,548,566 | 16,392,182 | 22,205,543 |
| Other Current Assets | 14,801,659 | 15,302,879 | 14,151,035 | 382,948 | 464,657 | 165,679 | 5,375,519 | 25,341,871 | 4,601,178 | 35,576,265 |
| **Total Current Assets** | 151,259,506 | 131,255,864 | 126,531,976 | 85,553,303 | 69,860,283 | 63,864,254 | 60,958,997 | 60,395,094 | 66,885,978 | 80,275,857 |
| **Noncurrent Assets** | | | | | | | | | | |
| Related development project notes receivable, net of valuation allowance | 123,102,703 | 125,644,170 | 111,739,378 | 98,586,157 | 81,524,051 | 78,986,158 | 72,523,475 | 75,593,138 | 62,220,942 | 37,386,012 |
| Capital Assets, net of accumulated depreciation | 130,334,865 | 144,758,303 | 151,499,170 | 164,713,591 | 188,410,049 | 196,666,662 | 183,798,946 | 178,749,272 | 235,289,845 | 481,051,131 |
| Investments, restricted | 13,668,312 | 12,860,328 | 7,626,315 | 11,140,359 | 10,100,501 | 9,604,853 | 5,701,719 | 4,791,113 | - | - |
| Other Assets, net of accumulated amortization and allowances | 14,280,399 | 2,259,241 | 324,119 | 6,912,542 | 653,004 | - | - | 1,500,000 | - | 63,487,480 |
| **Total noncurrent assets** | 281,386,279 | 285,522,042 | 271,188,982 | 281,352,649 | 280,687,605 | 285,257,673 | 262,024,140 | 260,633,523 | 297,510,787 | 581,924,623 |
| **Total Assets** | $ 432,645,785 | $ 416,777,906 | $ 397,720,958 | $ 366,905,952 | $ 350,547,888 | $ 349,121,927 | $ 322,983,137 | $ 321,028,617 | $ 364,396,765 | $ 662,200,480 |
| **Liabilities and Net Assets** | | | | | | | | | | |
| **Current Liabilities** | | | | | | | | | | |
| Accounts payable | $ 11,912,802 | $ 7,462,134 | $ 8,206,977 | $ 6,942,035 | $ 7,979,039 | $ 18,340,134 | $ 6,038,274 | $ 7,319,363 | $ 9,006,424 | $ 11,680,552 |
| Accrued liabilities | 13,486,057 | 6,876,858 | 14,118,003 | 12,348,108 | 3,563,098 | 1,930,873 | 2,005,048 | 4,767,206 | 10,637,390 | 6,159,163 |
| Other current liabilities | 21,710,135 | 13,250,720 | 15,097,902 | 10,813,878 | 11,164,675 | 9,346,400 | 16,339,375 | 12,575,654 | 7,404,694 | 1,299,233 |
| Line of Credit | 10,906,077 | 10,906,077 | - | | | | | | | |
| Current portion of long-term debt | 728,288 | 700,093 | 10,474,190 | 648,695 | 635,572 | 785,660 | 742,561 | 793,738 | 2,733,847 | 33,614,866 |
| **Total Current Liabilities** | 58,743,359 | 39,195,882 | 47,897,072 | 30,752,716 | 23,342,384 | 30,403,067 | 25,125,258 | 25,455,961 | 29,782,355 | 52,753,815 |
| **Long Term Debt, net of current portion** | 4,310,832 | 5,039,120 | 5,739,213 | 16,213,414 | 16,681,345 | 17,335,501 | 8,462,920 | 9,118,913 | 6,945,507 | 55,825,631 |
| **Other Noncurrent Liabilities** | 2,133,171 | 2,567,710 | 3,399,080 | 3,695,873 | 3,955,293 | 3,062,885 | 2,938,571 | 2,216,660 | 3,256,334 | 2,126,204 |
| **Total Liabilities** | 65,187,362 | 46,802,712 | 57,035,365 | 50,662,003 | 43,979,022 | 50,801,453 | 36,526,749 | 36,791,534 | 39,984,196 | 110,705,649 |
| **Net Assets** | | | | | | | | | | |
| Invested in capital assets, net of related debt | 125,295,746 | 139,019,090 | 145,109,703 | 147,851,482 | 171,093,132 | 178,545,501 | 174,593,465 | 168,836,621 | 282,974,608 | 481,051,131 |
| Restricted | 202,481,912 | 202,084,151 | 165,869,954 | 148,468,556 | 92,852,175 | 88,666,046 | 78,288,851 | 79,061,927 | 19,988,303 | 33,979,712 |
| Unrestricted | 39,680,765 | 28,871,953 | 29,705,936 | 19,923,911 | 42,623,559 | 31,108,927 | 33,574,072 | 36,338,535 | 21,449,658 | 36,463,987 |
| **Total Net Assets** | 367,458,423 | 369,975,194 | 340,685,593 | 316,243,949 | 306,568,866 | 298,320,474 | 286,456,388 | 284,237,083 | 324,412,569 | 551,494,830 |
| **Total Liabilities and Net Assets** | $ 432,645,785 | $ 416,777,906 | $ 397,720,958 | $ 366,905,952 | $ 350,547,888 | $ 349,121,927 | $ 322,983,137 | $ 321,028,617 | $ 364,396,765 | $ 662,200,480 |

*Note: 1999 Financial Statements were presented prior to GASB 34*

## The Housing Authority of the City of Atlanta, Georgia

## OPERATING AND NON-OPERATING REVENUES AND EXPENSES - unaudited

## For the fiscal years ended June 30,

| | FISCAL YEAR | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| **Operating revenues** | | | | | | | | | | |
| Operating subsidies | $ 226,048,696 | $ 174,261,326 | $ 175,078,599 | $ 185,380,097 | $ 175,552,213 | $ 153,332,589 | $ 138,152,226 | $ 125,541,781 | $ 120,902,033 | $ 94,803,518 |
| Tenant dwelling revenue | 14,472,567 | 17,282,562 | 18,405,002 | 17,608,530 | 17,054,377 | 15,848,502 | 16,247,613 | 16,870,489 | 17,847,758 | 17,361,925 |
| Other revenue | 5,306,275 | 6,561,773 | 6,437,735 | 6,187,147 | 3,319,634 | 4,244,383 | 4,055,653 | 4,018,108 | 14,907,374 | 7,366,765 |
| | 245,827,538 | 198,105,661 | 199,921,336 | 209,175,774 | 195,926,224 | 173,425,474 | 158,455,492 | 146,430,378 | 153,657,165 | 119,532,208 |
| **Operating expenses** | | | | | | | | | | |
| Housing assistance payments | 87,870,509 | 84,812,490 | 96,382,051 | 104,855,563 | 104,999,798 | 97,623,892 | 83,284,541 | 66,714,342 | 54,955,585 | 48,284,745 |
| Administrative | 46,029,271 | 36,427,974 | 34,113,054 | 36,436,848 | 34,507,988 | 32,762,674 | 34,009,792 | 28,394,106 | 32,332,198 | 21,779,838 |
| Resident services, including relocation | 12,176,401 | 7,422,976 | 5,445,229 | 6,732,464 | 6,035,585 | 5,489,328 | 3,634,498 | 4,974,991 | 7,139,489 | 2,855,064 |
| Utilities | 12,523,805 | 15,367,163 | 15,675,579 | 16,572,186 | 15,529,271 | 13,046,759 | 14,321,388 | 15,270,969 | 15,398,113 | 14,480,025 |
| Ordinary maintenance and operation | 14,278,827 | 14,662,047 | 14,947,511 | 14,271,361 | 12,755,308 | 11,263,215 | 13,481,964 | 20,098,430 | 20,027,936 | 11,632,549 |
| Protective Services | 6,650,152 | 5,916,121 | 5,589,844 | 6,823,744 | 6,567,239 | 6,231,832 | 6,877,988 | 6,480,438 | 6,469,868 | 1,365,173 |
| General Expenses | 18,930,959 | 9,087,882 | 11,013,021 | 9,715,232 | 4,795,527 | 2,695,283 | 3,085,337 | 3,265,176 | 3,014,763 | 5,481,136 |
| | 198,459,924 | 173,696,653 | 183,166,289 | 195,407,398 | 185,190,716 | 169,112,983 | 158,695,508 | 145,198,452 | 139,337,952 | 105,878,530 |
| Depreciation and amortization | 11,611,915 | 13,841,139 | 13,906,235 | 15,750,949 | 13,314,185 | 12,828,224 | 13,371,347 | 10,496,880 | 9,600,859 | - |
| **Net operating income/(loss)** | 35,755,699 | 10,567,869 | 2,848,811 | (1,982,573) | (2,578,677) | (8,515,733) | (13,611,363) | (9,264,954) | 4,718,354 | 13,653,678 |
| **Non-operating revenue/(expense)** | | | | | | | | | | |
| Interest & investment income | 5,458,724 | 5,722,435 | 6,197,582 | 2,089,429 | 1,528,676 | 1,620,330 | 1,559,366 | 3,548,507 | 4,003,834 | 1,649,016 |
| Gain on sale of capital assets | 2,533,256 | 421,431 | 1,179,361 | 2,441,081 | - | - | - | - | - | 209,806 |
| Capital asset write-down | (28,148,332) | (5,721,395) | (632,200) | (11,880,879) | (3,095,441) | - | - | - | (270,115) | - |
| Other revitalization expenditures | (1,815,878) | (4,030,000) | - | - | - | - | - | - | - | - |
| Extraordinary sitework and maintenance | (18,980,331) | (5,008,566) | (5,937,887) | (1,794,960) | (5,799,792) | (6,231,432) | (1,863,600) | (2,963,072) | (4,866,672) | (108,608) |
| Bad debt expense on related development project notes receivable | (3,986,000) | - | - | - | - | - | - | - | - | - |
| Valuation allowance on related development project notes receivable | (18,736,390) | (2,569,048) | - | - | (6,742,351) | - | (12,554,995) | - | - | - |
| Interest expense | (866,836) | (957,866) | (900,851) | (741,761) | (723,768) | (510,302) | (461,022) | (694,932) | - | (2,923,376) |
| **Net non-operating revenue/(expense) before multi-year grants used for capitalized expenditures** | (64,541,787) | (12,143,009) | (93,995) | (9,887,090) | (14,832,676) | (5,121,404) | (13,320,251) | (109,497) | (1,132,953) | (1,173,163) |
| **Multiyear grants used for capitalized expenditures** | 26,269,317 | 30,864,741 | 21,686,827 | 21,544,746 | 25,659,745 | 25,501,223 | 29,150,919 | 38,718,064 | 44,538,975 | 55,018,259 |
| **Change in Net Assets** | $ (2,516,771) | $ 29,289,601 | $ 24,441,643 | $ 9,675,083 | $ 8,248,392 | $ 11,864,086 | $ 2,219,305 | $ 29,343,613 | $ 48,124,376 | $ 67,498,774 |

*Note: 1999 Financial Statements were presented prior to GASB 34*

The Housing Authority of the City of Atlanta, Georgia

**COMPOSITION OF HOUSING RESOURCES**
**PUBLIC HOUSING** - unaudited

As of June 30,

| Fiscal Year | AHA - Owned Public Housing Units | AHA - Assisted Units in Mixed Income Communities [1] |
|---|---|---|
| 1999 | 9,181 | 572 |
| 2000 | 9,080 | 779 |
| 2001 | 8,487 | 1,036 |
| 2002 | 8,086 | 1,206 |
| 2003 | 7,765 | 1,247 |
| 2004 | 7,258 | 1,486 |
| 2005 | 7,258 | 1,515 |
| 2006 | 6,433 | 1,653 |
| 2007 | 6,049 | 1,715 |
| 2008 | 4,183 | 2,103 |

[1] *Owned by Public/Private Entities.*

The Housing Authority of the City of Atlanta, Georgia

## COMPOSITION OF HOUSING CHOICE VOUCHERS UNDER CONTRACT - unaudited

As of June 30,

| Fiscal Year | Housing Choice Tenant Based Vouchers[1] | Housing Choice Project Based Vouchers |
|---|---|---|
| 1999 | 9,466 | - |
| 2000 | 9,566 | - |
| 2001 | 10,432 | - |
| 2002 | 10,939 | - |
| 2003 | 11,849 | - |
| 2004 | 10,802 | 234 |
| 2005 | 10,879 | 473 |
| 2006 | 10,139 | 963 |
| 2007 | 9,232 | 923 |
| 2008 | 9,268 | 2,008 |

[1] *Includes both certificates and vouchers under contract. Certificates were converted to vouchers during AHA's FY2000.*

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# OPERATING REVENUE CAPACITY

The Housing Authority of the City of Atlanta, Georgia

**OPERATING REVENUES** - unaudited

For the fiscal years ended June 30,

| Year | Operating Subsidies | | Tenant Dwelling Revenues | | Other Revenues | | Total Operating Revenues | | Number of AHA Employees |
|---|---|---|---|---|---|---|---|---|---|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total | |
| 1999 | $ 94,803,518 | 79.3% | $ 17,361,925 | 14.5% | $ 7,366,765 | 6.2% | $ 119,532,208 | 100.0% | 595 |
| 2000 | 120,902,033 | 78.7% | 17,847,758 | 11.6% | 14,907,374 | 9.7% | 153,657,165 | 100.0% | 579 |
| 2001 | 125,541,781 | 85.7% | 16,870,489 | 11.5% | 4,018,108 | 2.7% | 146,430,378 | 100.0% | 530 |
| 2002 | 138,152,226 | 87.2% | 16,247,613 | 10.3% | 4,055,653 | 2.6% | 158,455,492 | 100.0% | 313 |
| 2003 | 153,332,589 | 88.4% | 15,848,502 | 9.1% | 4,244,383 | 2.4% | 173,425,474 | 100.0% | 337 |
| 2004 | 175,552,213 | 89.6% | 17,054,377 | 8.7% | 3,319,634 | 1.7% | 195,926,224 | 100.0% | 311 |
| 2005 | 185,380,097 | 88.6% | 17,608,530 | 8.4% | 6,187,147 | 3.0% | 209,175,774 | 100.0% | 224 |
| 2006 | 174,000,129 | 87.0% | 18,405,002 | 9.2% | 7,516,205 | 3.8% | 199,921,336 | 100.0% | 207 |
| 2007 | 174,261,326 | 88.0% | 17,282,562 | 8.7% | 6,561,773 | 3.3% | 198,105,661 | 100.0% | 233 |
| 2008 | 226,048,696 | 92.0% | 14,472,567 | 5.9% | 5,306,275 | 2.2% | 245,827,538 | 100.0% | 287 |

*Note: Revenues in 1999 were presented prior to GASB 34*

# DEBT CAPACITY

The Housing Authority of the City of Atlanta, Georgia

## **LONG-TERM DEBT** - unaudited

As of June 30,

| Year | Mortgage notes | Capital leases | Bonds | Total long-term debt | Capital assets, net | Ratio of total long-term debt to capital assets, net |
|---|---|---|---|---|---|---|
| 1999 | $ 3,195,739 | $ 4,623,000 | $ 48,006,892 | $ 55,825,631 | $ 481,051,131 | 11.6% |
| 2000 | 3,287,234 | 3,658,273 | - | 6,945,507 | 235,289,845 | 3.0% |
| 2001 | 720,779 | 8,398,134 | - | 9,118,913 | 178,749,272 | 5.1% |
| 2002 | 616,302 | 7,846,618 | - | 8,462,920 | 183,798,946 | 4.6% |
| 2003 | 14,330,143 | 3,005,358 | - | 17,335,501 | 196,666,662 | 8.8% |
| 2004 | 14,561,602 | 2,119,743 | - | 16,681,345 | 188,410,049 | 8.9% |
| 2005 | 14,488,883 | 1,724,531 | - | 16,213,414 | 164,713,591 | 9.8% |
| 2006 | 4,423,778 | 1,315,435 | - | 5,739,213 | 151,499,170 | 3.8% |
| 2007 | 4,147,045 | 892,075 | - | 5,039,120 | 144,758,303 | 3.5% |
| 2008 | 3,857,095 | 453,737 | - | 4,310,832 | 130,334,865 | 3.3% |

# DEMOGRAPHIC AND ECONOMIC INFORMATION

Metro Atlanta Chamber of Commerce

# ATLANTA, GA MSA
## SUMMARY OF ECONOMIC GROWTH 1997-2007

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Population Estimates[1] | 3,873,968 | 4,006,434 | 4,142,588 | 4,282,441 | 4,434,840 | 4,559,952 | 4,679,943 | 4,811,078 | 4,957,459 | 5,127,841 | 5,278,904 |
| Annual Net Population Gain | 122,240 | 132,466 | 136,154 | 139,853 | 152,399 | 125,112 | 119,991 | 131,135 | 146,381 | 170,382 | 151,063 |
| Annual Growth Rate | 3.3% | 3.4% | 3.4% | 3.4% | 3.6% | 2.8% | 2.6% | 2.8% | 3.0% | 3.4% | 2.9% |
| Labor Force[2] | 2,132,489 | 2,218,642 | 2,283,336 | 2,377,183 | 2,422,668 | 2,449,804 | 2,452,018 | 2,498,285 | 2,591,683 | 2,664,375 | 2,729,964 |
| Employment[2] | 2,054,573 | 2,145,565 | 2,215,775 | 2,304,515 | 2,335,175 | 2,330,487 | 2,334,092 | 2,380,507 | 2,457,529 | 2,544,372 | 2,613,535 |
| Unemployment Rate[2] | 3.7% | 3.3% | 3.0% | 3.1% | 3.6% | 4.9% | 4.8% | 4.7% | 5.2% | 4.5% | 4.3% |
| Nonagricultural Employment[2] | 2,036,900 | 2,128,300 | 2,228,500 | 2,289,700 | 2,301,400 | 2,258,700 | 2,236,200 | 2,266,500 | 2,336,200 | 2,403,200 | 2,457,800 |
| Annual Net Job Creation | 66,700 | 91,400 | 100,200 | 61,200 | 11,700 | -42,700 | -22,500 | 30,300 | 69,700 | 67,000 | 54,600 |
| Annual Growth Rate | 3.4% | 4.5% | 4.7% | 2.7% | 0.5% | -1.9% | -1.0% | 1.4% | 3.1% | 2.9% | 2.3% |
| Total Establishments[3] | n/a | 108,111 | 111,021 | 113,383 | 115,170 | 117,439 | 122,029 | 125,986 | 130,133 | 134,164 | not released |
| Gross Domestic Product (billions)[4] | n/a | n/a | n/a | n/a | $202.7 | $207.9 | $214.4 | $228.6 | $243.7 | $257.0 | not released |
| Total Personal Income (billions)[4] | $107.3 | $118.7 | $128.3 | $141.8 | $148.0 | $149.8 | $152.9 | $161.9 | $174.8 | $184.9 | $196.8 |
| Per Capita Personal Income[4] | $27,710 | $29,618 | $30,973 | $33,116 | $33,382 | $32,858 | $32,671 | $33,662 | $35,262 | $36,060 | $37,294 |
| Bank Deposits (billions)[5] | $46.2 | $48.5 | $50.5 | $55.9 | $58.7 | $63.6 | $75.7 | $80.6 | $94.5 | $109.3 | $113.3 |
| Total Housing Units Authorized by Building Permits[6] | 49,774 | 57,803 | 61,046 | 64,216 | 65,268 | 66,551 | 66,377 | 74,007 | 72,861 | 68,266 | 44,770 |
| Single Family | 38,482 | 45,786 | 48,275 | 46,747 | 48,423 | 50,151 | 55,033 | 57,316 | 61,558 | 53,927 | 31,089 |
| Multi-Family & Apartments | 11,292 | 12,017 | 12,771 | 17,469 | 16,845 | 16,400 | 11,344 | 16,691 | 11,303 | 14,339 | 13,681 |
| Commercial Real Estate Net Absorption (million SF)[7] | | | | | | | | | | | |
| Office | 6.7 | 9.9 | 8.5 | 8.5 | 0.7 | 0.7 | 1.6 | 4.6 | 5.3 | 4.5 | 4.0 |
| Industrial | 19.3 | 20.5 | 15.6 | 17.5 | 4.3 | -0.6 | 1.4 | 14.1 | 14.2 | 15.2 | 10.1 |
| Retail | 1.8 | 3.2 | 5.1 | 4.7 | 2.5 | 8.0 | 4.6 | 3.8 | 5.7 | 6.5 | 3.7 |
| Hartsfield-Jackson Atlanta International Airport[8] | | | | | | | | | | | |
| Total Operations (takeoffs & landings) | 794,621 | 846,881 | 909,911 | 915,454 | 890,494 | 889,966 | 911,723 | 965,204 | 980,386 | 976,447 | 994,346 |
| Total Passengers | 68,205,769 | 73,474,298 | 78,092,940 | 80,162,407 | 75,858,500 | 76,876,128 | 79,086,792 | 83,605,218 | 85,907,423 | 84,846,639 | 89,379,287 |
| International Passengers | 3,478,870 | 4,262,858 | 5,055,715 | 5,808,897 | 5,606,617 | 5,715,038 | 5,501,361 | 6,204,940 | 6,734,452 | 8,073,855 | 8,897,291 |
| Total Freight (metric tons) | 628,230 | 677,468 | 653,596 | 650,796 | 593,847 | 640,697 | 683,416 | 768,739 | 725,446 | 738,180 | 715,359 |

Sources:
1. 1997-1999 Bureau of Economic Analysis; 2000-2007 U.S. Census Bureau, July estimates (note: the Census 2000 figure was 4,247,981)
2. Bureau of Labor Statistics, not seasonally adjusted
3. A single physical location where business is conducted or where services or industrial operations are performed. U.S. Census Bureau, MSA Business Patterns
4. Bureau of Economic Analysis
5. Federal Deposit Insurance Corporation (FDIC)
6. U.S. Census Bureau, Manufacturing & Construction Division
7. Office & Industrial: CoStar Group; Retail: Dorey Publishing 1997-2001, Costar Group 2002-2007
8. Hartsfield-Jackson Atlanta International Airport

updated by MACOC's Research Department 11/14/2008

235 Andrew Young International Blvd., NW | Atlanta, GA 30303 | 404.880.9000 | www.MetroAtlantaChamber.com

**CERTIFICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") REGARDING THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA'S FY 2009 MOVING TO WORK ANNUAL REPORT**

On behalf of The Housing Authority of the City of Atlanta, Georgia ("AHA"), and in accordance with AHA's Amended and Restated Moving to Work Agreement, effective as of November 13, 2008, as further amended by that certain Second Amendment to the Moving to Work Agreement, effective as of January 16, 2009 (the "MTW Agreement"), I hereby certify the following:

1. At least 75 percent of the households assisted by AHA are very low-income families, as defined in Section 3(b)(2) of the U.S. Housing Act of 1937, as amended;

2. As set forth in AHA's HUD Funding Availability Protocol, dated November 9, 2007, AHA assisted substantially the same total number of eligible low income families as would have been served had the HUD funds which comprise the MTW Funds (as defined in the MTW Agreement) not been combined into a single fund;

3. As set forth in AHA's HUD Funding Availability Protocol, dated November 9, 2007, AHA maintained a comparable mix of families (by family size) as would have been served or assisted had the MTW Funds made available to AHA not been used under the MTW demonstration; and

4. AHA's FY 2009 Moving to Work Annual Report meets the substantive information reporting requirements of the Paperwork Reduction Act for the MTW Demonstration Program and HUD Form 50900 (OMB Control Number 2577-0216).

All capitalized terms used but not defined herein shall have their respective meaning as set forth in the MTW Agreement.

**THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA**

**BY:** ______________________
**Name:** **Renée Lewis Glover**
**Title:** **President and CEO**
**Date:** **September __, 2009**

2676010v1

## SECRETARY'S CERTIFICATE

**I, RENÉE LEWIS GLOVER, DO HEREBY CERTIFY** that:

1. I am the presently appointed and qualified Secretary of the Board of Commissioners of The Housing Authority of the City of Atlanta, Georgia ("AHA"). In such capacity, I am custodian of its records and I am familiar with its organization, membership and activities.

2. Attached hereto as Exhibit 1 is a true and correct copy of the resolution authorizing AHA to submit its Fiscal Year 2009 Moving To Work (MTW) Annual Report to the United States Department of Housing and Urban Development in accordance with AHA's Amended and Restated MTW Agreement, and other related matters.

3. This resolution was presented to the AHA Board of Commissioners (the "Board") at its Regular Meeting on September 29, 2009 (the "Meeting").

4. The following Board members were present for the Meeting:

   Cecil Phillips, Chair
   Elder James Brown, Vice Chair
   Justine Boyd
   Margarette Paulyne Morgan White

5. At the Meeting, the Board unanimously adopted and approved the resolution attached hereto as Exhibit 1.

**IN WITNESS WHEREOF**, I have hereunto set my hand and the duly adopted official seal of The Housing Authority of the City of Atlanta, Georgia this 29th day of September, 2009.

**RENÉE LEWIS GLOVER,**
**Secretary**

**SEAL**

CORPORATE SEAL 1938

EXHIBIT 1
RESOLUTION ADOPTED AT THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS HELD ON
TUESDAY, SEPTEMBER 29, 2009

---

**RESOLUTION**

**WHEREAS,** The Housing Authority of the City of Atlanta, Georgia (AHA) executed its Amended and Restated Moving To Work Agreement, effective as of November 13, 2008, as further amended by that certain Second Amendment to the Moving To Work Agreement, effective as of January 16, 2009 (Amended and Restated MTW Agreement) with the United States Department of Housing and Urban Development (HUD);

**WHEREAS,** the Amended and Restated MTW Agreement is effective through June 30, 2018, unless further extended;

**WHEREAS,** the Amended and Restated MTW Agreement may be extended for additional ten year terms, with HUD's consent, provided AHA is in compliance thereunder;

**WHEREAS,** under the Amended and Restated MTW Agreement, AHA is required to submit an MTW Annual Report to HUD which, except for certain reports identified in the Amended and Restated MTW Agreement, will replace all other conventional HUD performance measures, including the Public Housing Assessment System (PHAS) and Section 8 Management Assessment Program (SEMAP);

**WHEREAS,** the Fiscal Year (FY) 2009 MTW Annual Report must be submitted to HUD by September 30, 2009;

**WHEREAS,** AHA's Amended and Restated MTW Agreement identifies specific types of information that are required to be included in the MTW Annual Report;

**WHEREAS,** this information includes: households served, occupancy policies, changes in housing stock, sources and amounts of funding, uses of funds, capital planning, management information for the Housing Choice Program and management information for public housing-assisted units, including occupancy rates, rent collections, work order management, inspections, security and resident programs;

**WHEREAS,** additionally, AHA's Amended and Restated MTW Agreement includes performance benchmarks designed to evaluate AHA's performance during the term of the Amended and Restated MTW Agreement;

**WHEREAS,** AHA's performance against the benchmarks is summarized in Exhibit EO-1-A;

**WHEREAS,** AHA's Amended and Restated MTW Agreement also requires AHA to conduct an annual reevaluation of the impact of its rent policy changes; and

**WHEREAS,** AHA's FY 2009 rent impact analysis is attached hereto as Exhibit EO-1-B.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA (AHA)** that AHA's Fiscal Year (FY) 2009 Moving To Work (MTW) Annual Report is hereby approved. Further, the President and Chief Executive Officer is authorized to submit AHA's FY 2009 MTW Annual Report and such other required documents, certifications or forms to the United States Department of Housing and Urban Development (HUD) with such changes, additions or corrections as she shall deem necessary or appropriate or as may be required by HUD without further vote or approval of this Board. Further, the Chair of the Board of Commissioners and the President and Chief Executive Officer are hereby authorized to execute any required documents, certifications or HUD forms related to the approval and filing of AHA's FY 2009 MTW Annual Report without further vote or approval of this Board. Further, the President and Chief Executive Officer is hereby authorized to make such changes to AHA's FY 2009 MTW Annual Report as may be necessary or appropriate without further vote or approval of this Board.

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

| Clarified Performance Measure Definition | Baseline | FY09 Target | FY09 Outcome |
|---|---|---|---|
| **Public Housing Program (See Note A Below.)** | | | |
| **% Rents Uncollected**<br>Gross tenant rents receivable for the Fiscal Year (FY) divided by the amount of tenant rents billed during the FY shall be less than or equal to the target benchmark. | 2% | ≤2% | **2%** |
| **Occupancy Rate**<br>The ratio of occupied public housing units to available units as of the last day of the FY will be greater than or equal to the target benchmark. (**See Note B below.**). | 98% | ≥98% | **98%** |
| **Emergency Work Orders Completed or Abated in <24 Hours**<br>The percentage of emergency work orders that are completed or abated within 24 hours of issuance of the work order shall be greater than or equal to the target benchmark. (Abated is defined as "emergency resolved through temporary measure, and a work order for long term resolution has been issued.") | 99% | ≥99% | **100%** |
| **Routine Work Orders Completed in ≤ 7 Days**<br>The average number of days that all non-emergency work orders will be active during the FY shall be less than or equal to 7 days. | 5 Days | 100% (≤7 Days) | **100% (avg = 1.15 Days)** |

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

| Clarified Performance Measure Definition | Baseline | FY09 Target | FY09 Outcome |
|---|---|---|---|
| **Public Housing Program (See Note A Below.)** - *continued* | | | |
| **% Planned Inspections Completed**<br>The percentage of all occupied units and common areas that are inspected during the FY shall be greater than or equal to the target benchmark. **(See Note C below.)** | 100% | 100% | **100%** |
| **Housing Choice Program (Section 8)** | | | |
| **Budget Utilization Rate**<br>The expenditure of FY Housing Choice Annual Budget allocation for MTW vouchers utilized for MTW eligible activities will be greater than or equal to the target benchmark of 98%. **(See Note D below.)** | 98% | ≥98% | **100%** |
| **% Planned Annual Inspections Completed**<br>The percentage of all occupied units under contract that are inspected directly by AHA or any other agency responsible for monitoring the property during the FY shall be greater than or equal to the target benchmark by the last day of the FY. | 98% | ≥98% | **100%**[1] |

[1] This percentage reflects inspections completed on tenant-based Section 8 units under AHA's Housing Choice Program and Project Based Rental Assisted-units. The PBRA-assisted units are inspected at least annually in accordance with the PBRA Agreement between AHA and the private owners of the properties.

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

| Clarified Performance Measure Definition | Baseline | FY09 Target | FY09 Outcome |
|---|---|---|---|
| **Housing Choice Program (Section 8)** *- continued* | | | |
| **Quality Control Inspections** The percentage of all previously inspected units having a quality control inspection during the FY shall be greater than or equal to the target benchmark. | ≥1.4% | ≥1.4% | **7%** |
| **Community and Supportive Services** | | | |
| **Resident Homeownership** The number of Public Housing residents or Housing Choice Voucher participants, and other income eligible families who close on purchasing a home during the FY, regardless of participation in a homeownership counseling program, shall be greater than or equal to the target benchmark. | 6 | 110 | **71**[2] |
| **Household Work / Program Compliance** The annual percentage of Public Housing and Housing Choice assisted households that are Work/Program compliant (excluding elderly and disabled members of the households) through the last day of the FY shall be greater than or equal to the target benchmark. **(See Note E below.)** | N / A | 74% | **62%**[3] |

[2] See Explanation beginning on page B-5.
[3] See Explanation beginning on page B-7.

## EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

| Clarified Performance Measure Definition | Baseline | FY09 Target | FY09 Outcome |
|---|---|---|---|
| **Finance** | | | |
| **Project Based Financing Closings**<br>The annual number of projects to which AHA will commit project-based rental assistance[4] and/or make an investment of MTW funds **(See Note F below.)** | N/A | 6 | **13** |
| **Investment Deals Involving MTW Funds**<br>The annual number of mixed-income communities owned by private entities where AHA committed project based rental assistance[5] to promote or support the development or rehabilitation of housing units, a percentage of which are affordable to low-income families **(See Note G below.)** | 0 | 1 | **0**[6] |

[4] Formerly referred to as Project Based Vouchers

[5] Also formerly referred to as Project Based Vouchers

[6] The economic downturn impacted private sector investment in development/rehabilitation activities during FY 2009.

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

**Resident Homeownership Benchmark Explanation:**

During FY 2009, AHA experienced the effects of the downturn in housing sales consistent with national trends (see Figure 1 below). Tightened financial markets which impacted the availability of credit for mortgage loans (see Figure 2 below) and spikes in the unemployment rate (see Figure 3 below) which reduced the pool of eligible buyers, impacted AHA's ability in achieving its homeownership program benchmark target during FY 2009. Additionally, during FY 2009, AHA's Housing Choice Homeownership program was suspended in order to restructure program policies, procedures and participant requirements, resulting in a limited processing period and reduced participation. Despite this, of the targeted homeownership goal, 71 AHA-assisted households were still able to close on home purchases through various programs. This represents a 65 percent success rate, which in these economic times is a substantial achievement. AHA will continue connecting interested and qualified participants to homebuyer readiness training and programs, in collaboration with experienced housing counseling agencies, for families interested in achieving the goal of homeownership.

**Figure 1:** Shows the trend of new, one-family houses sold in the U.S. from January 2000 through March 2009.

**Source:** *U.S. Census Bureau*

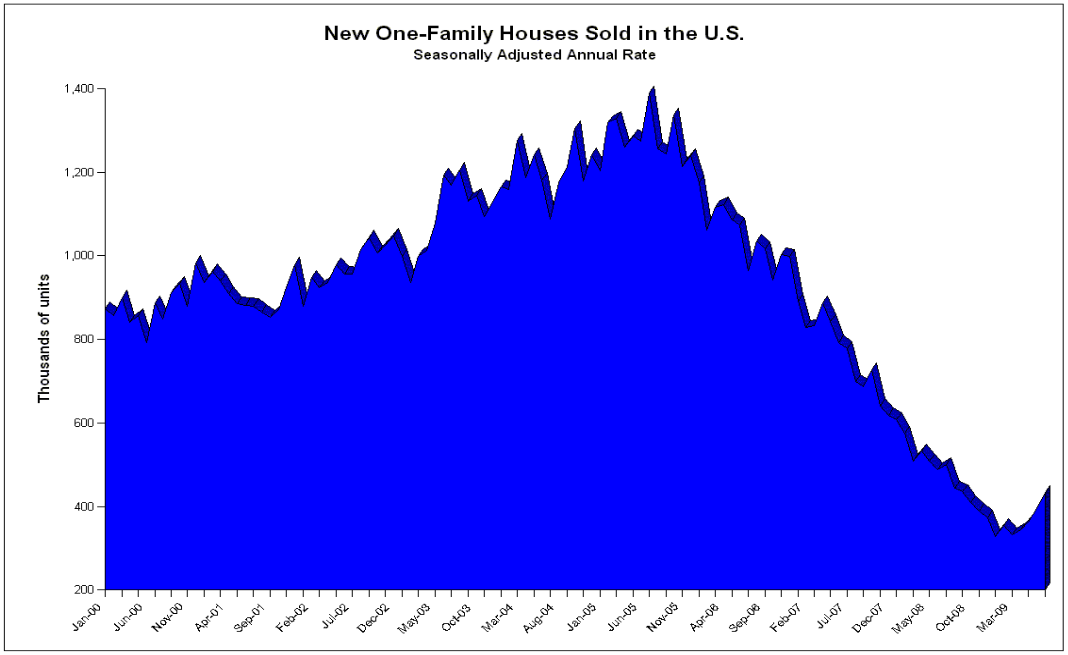
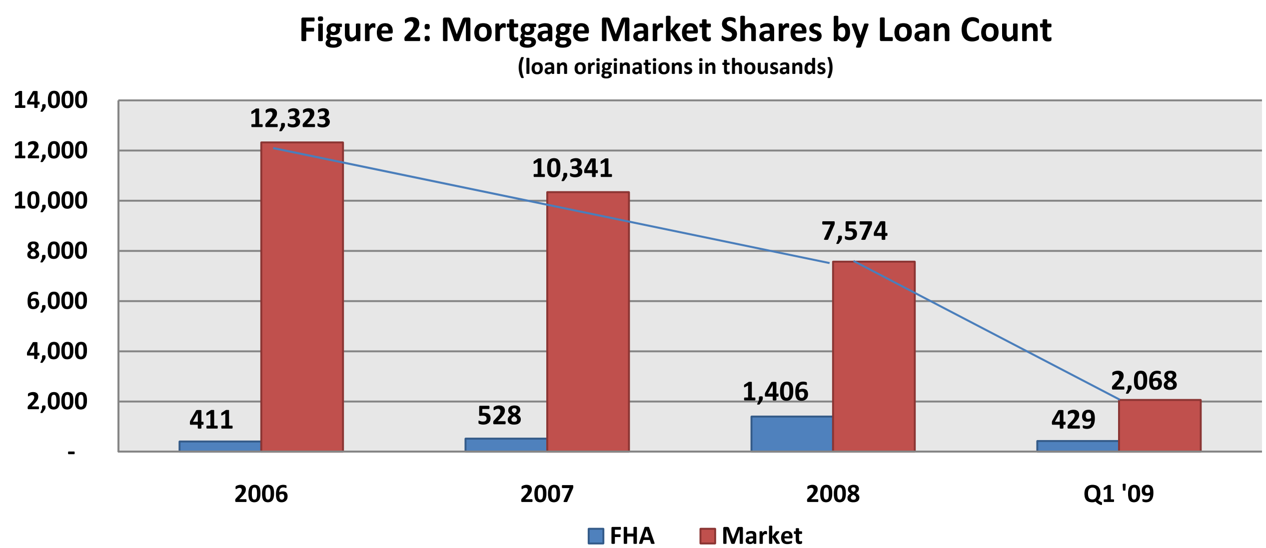


**EXHIBIT EO-1-A**

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

**Resident Homeownership Benchmark Explanation -** *continued***:**

**Figure 2** shows the loan counts for the mortgage market and FHA between 2006 and the first quarter of 2009; it shows that there has been a steady decline in the number of mortgage loans each year. Since the start of the Economic Recession (January 2008), the financial markets have tightened and banks have limited consumers' access to credit and mortgage loans.



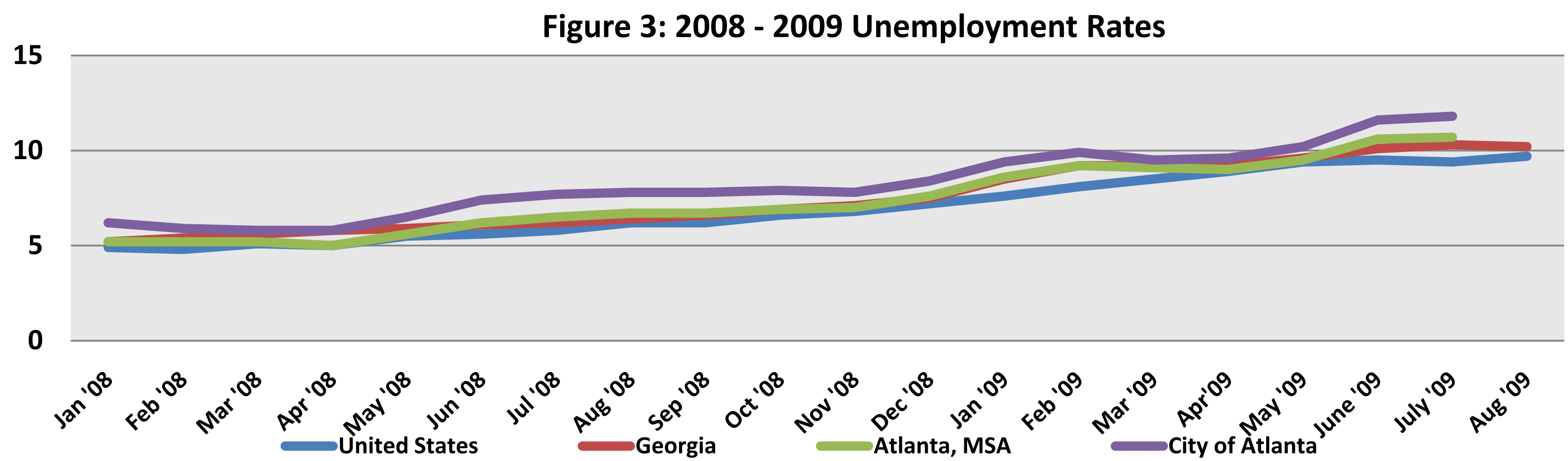

**Sources:** *Federal Housing Administration, Department of Housing and Urban Development; Mortgage Bankers Association; First American Loan Performance; Department of Veterans Affairs*

**EXHIBIT EO-1-A**

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

**Work / Program Compliance Benchmark Explanation:**

**Figure 3** illustrates rising unemployment trends from January 2008 to August 2009 for Georgia, the Atlanta Metro region, and the City of Atlanta, which have been consistently higher than the national unemployment rates. By the end of FY 2009, the US unemployment rate peaked at 9.5, while Georgia's unemployment rates exceeded the national rate, peaking in the double digits: the City of Atlanta - 11.8; Atlanta Metro region - 10.7 and Georgia - 10.3.




***Source:*** *Bureau of Labor Statistics*

The steady rise in unemployment has contributed to the decline in AHA's family work/program compliance benchmark, which dropped from 71 percent in FY 2008 to 62 percent in FY 2009. For the remaining households that did not meet the work/program compliance requirement (38 percent), the personal circumstances of each household are reviewed and, when appropriate, the household's work compliance standing is placed in a deferment status provided the household is cooperating with AHA and participating in a training and/or education program. This status means that termination of assistance is "deferred" for a specified period of time and allows AHA and its human service providers an opportunity to examine families' personal circumstances and provide more intensive assistance in connecting them to needed resources.

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

**Work / Program Compliance Benchmark Explanation:** *continued*

Examples of prevailing circumstances by which a deferment is offered:

1. At least one target household member is working full-time at 30 or more hours per week, but the remaining target household members are not compliant. (See Note E for compliance definition.)
2. All target household members are working, but not at the full-time equivalent of 30 or more hours.
3. All target household members are attending training or school full-time and there is no target household member working full-time.
4. A target household member is self-employed and working full-time, but not earning a gross income amount equivalent to the income earned working full-time at the federally mandated minimum wage rate.
5. A target household member was working full-time and recently became unemployed through no fault of their own.
6. A target household member is temporarily disabled or experiencing a verified short-term disability.
7. A target household member, who is not disabled, is not able to maintain a job due to physical or mental health issues.
8. A target household member not employed because he or she is a caregiver for a household member who has a disability.
9. A target household is impacted by AHA Quality of Life-related relocation.

All of the non-compliant households relocating under AHA's Quality of Life Initiative (QLI) were placed in deferment status for a year to allow time for these households to transition and get settled in their new living environments. Additionally, because of the effects of the downturn in the economy and high unemployment rates, AHA is sensitive to this and is proactively working with families, through its human development service providers to make sure the housing subsidy is not terminated when families experience circumstances beyond their control.

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

**Notes:**

A. **Public Housing Program - General.** Information for the Public Housing Program includes information for both AHA-owned public housing communities and the public housing assisted units at AHA-sponsored mixed-income communities ("Signature Properties").

B. **Public Housing Program – Occupancy Rates.** Available Units: Units that are defined as dwelling units (occupied or vacant) under AHA's Annual Contributions Contract), that are available for occupancy, after adjusting for four categories of exclusions:

   1. Units Approved For Non-Dwelling Use: These are units that are HUD approved for non-dwelling status for the use in the provision of social services, charitable purposes, public safety activities, and resident services, or used in the support of economic self-sufficiency and anti-drug activities.
   2. Employee Occupied Units: These are units that are occupied by employees, who are needed at the site, rather than the occupancy being subject to the normal resident selection process.
   3. Vacant Units Approved For Deprogramming: These are units that are HUD approved for demolition/disposition.
   4. Temporarily Off-Line Units: These are units undergoing modernization and/or major rehabilitation.

C. **Public Housing Program** - % **Planned Inspections Completed.** Units exempted from the calculation for this purpose include the following:

1. Occupied units for which AHA has documented two attempts to inspect the unit and where AHA has initiated eviction proceedings with respect to that unit;
2. Vacant units that are undergoing capital improvements;
3. Vacant units that are uninhabitable for reasons beyond AHA's control due to:
   a) Unsafe levels of hazardous/toxic materials;
   b) An order or directive by a local, state or federal government agency;
   c) Natural disasters; or
   d) Units kept vacant because they are structurally unsound and AHA has taken action to rehabilitate or demolish those units.
4. Vacant units covered in an approved demolition or disposition application.

## EXHIBIT EO-1-A

### FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

**D. Housing Choice Budget Utilization.** AHA's MTW Housing Choice Budget Utilization benchmark requires that the expenditure of fiscal year Housing Choice Annual Budget allocation for MTW vouchers utilized for MTW eligible activities be greater than or equal to the target benchmark of 98%. In its FY 2007 MTW Implementation Plan, AHA added clarifying language for this benchmark. As part of the FY 2008 MTW Implementation Plan, AHA has included further clarifying language that the 98% expenditure rate only applies to vouchers that are fully funded during AHA's entire fiscal year, and that any new vouchers received intermittently during the fiscal year are excluded from the 98% requirement until the following fiscal year until such time that a 12-month period has elapsed. AHA is making this clarification in light of changes that HUD has made in funding vouchers based on a calendar year rather than on an agency's fiscal year.

**E. Community and Supportive Services – Household Work/Program Compliance.** This benchmark is further clarified to align the previous Resident Workforce Participation benchmark with measuring resident and participant compliance with AHA's Work/Program Compliance policy. Since the execution of AHA's MTW Agreement, the agency has implemented a Work/Program Compliance policy requiring one adult (age 18-61, excluding elderly and disabled persons) in the household to work full-time at least 30 hours per week and all other adults in the household to be either work or program compliant (see table for compliance meanings).

**CATALYST Compliance Meanings**

| | |
|---|---|
| Full-time Worker | • Employed for 30 or more hours per week |
| Participation in an approved program | • attending an accredited school as a "full-time" student<br>• participating in an approved "full-time" training program<br>• attending an accredited school as a "part-time" student, AND successfully participating in an approved "part-time" training program |
| Part-time Job and Part-time Program Participant | • Employed as a part-time employee (at least 16 hours) AND successfully participating in an approved training program<br>• Employed as a part-time employee (at least 16 hours) AND successfully participating in an accredited school as a "part-time" student |

# EXHIBIT EO-1-A

## FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

The following timelines apply to households subject to AHA's Work/Program Compliance requirements:

*By 12/31/05:* At least 1 target adult in the household is required to be work/program compliant

*By 6/30/06 and thereafter:* At least 1 target adult in the household is required to be working full-time and all other adults in the household to be either work or program compliant

**F. Project-based Financing Closings - Finance.** This benchmark is further clarified with measuring AHA's progress in facilitating the creation of healthy mixed-income communities owned by private entities by committing project-based rental assistance and/or investing MTW funds to promote or support the development or rehabilitation of housing units that are affordable to low-income families.

**G. Investment Deals Involving MTW Funds – Finance.** This benchmark is further clarified to align to measure AHA's progress in facilitating the creation of mixed-income communities owned by private entities by committing project-based rental assistance and/or investing MTW funds to promote or support the development or rehabilitation of housing units that are affordable to low-income families.

# EXHIBIT EO-1-B

## MINIMUM RENT POLICY IMPACT ANALYSIS

**PART I**

**SECTION 9 MINIMUM RENT POLICY:**

Part III, Article One, Paragraphs 9 -10 of the *Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments - Rev.4* outlines this policy:

1. Residents paying an Income Adjusted Rent must pay a minimum rent of $125, or such lesser or greater amount as Atlanta Housing Authority may set from time to time.
2. The minimum rent requirement does not apply to resident households, in which all household members are either elderly and/or disabled, and whose sole source of income is Social Security, SSI, or other fixed annuity pension or retirement plans. Such resident households will still be required to pay the Income Adjusted Rent or Affordable Fixed Rent, as applicable.

**IMPACT ANALYSIS:**

**Chart 1** compares the FY 2008 and the FY 2009 rents paid by the households residing in AHA-owned Public Housing Communities. The analysis excludes Elderly and Disabled households exempted under the Minimum Rent Policy.

In FY 2008, 88% or **1,164** of the resident households paid rents greater than the Minimum Rent. Another 12% or **158** were paying rents at the $125 Minimum Rent level. Additionally, 0.0% or **0** households of all resident households were paying less than the Minimum Rent under approved hardship exemptions.

In FY 2009, 90.1% or **195** of the resident households paid rents greater than the Minimum Rent. Another 9.3% or **20** were paying rent at the $125 Minimum Rent level. Additionally, 0.5% or **1** household of all resident households were paying less than the Minimum Rent under approved hardship exemptions. (Due to the relocation of households under the Quality of Life Initiative, the number of households residing in AHA-owned Public Housing Communities was reduced by 83.6% between FY 2008 and FY 2009.)

The chart also shows that a substantial number of the households residing in AHA-owned Public Housing Communities are paying rents greater than Minimum Rent. In fact, the chart reflects increases from FY 2008 to FY 2009 in the percentage of households paying rent amounts in the range of $200 - $400.

**PART II**

**HOUSING CHOICE PROGRAM MINIMUM RENT POLICY:**

Part IV, Article Four, of the *Statement of Policies Governing the Housing Choice Tenant Based Program – Rev. 7* outlines this policy:

1. Participants must pay a minimum rent of $125, or such other amount approved by Atlanta Housing Authority.
2. The minimum rent requirement does not apply to Participant households in which all household members are either elderly and/or disabled.

**IMPACT ANALYSIS:**

**Chart 2** compares the FY 2008 and the FY 2009 tenant rents paid by Housing Choice Program households. The analysis excludes Elderly and Disabled households exempted under the Minimum Rent Policy.

In FY 2008, 81.7% or **5,612** of Housing Choice households paid rents greater than the Minimum Rent. Another 18.1% or **1,249** were paying rents at the $125 Minimum Rent level. Additionally, 0.3% or **21** households of all households were paying less than the Minimum Rent under approved hardship exemptions.

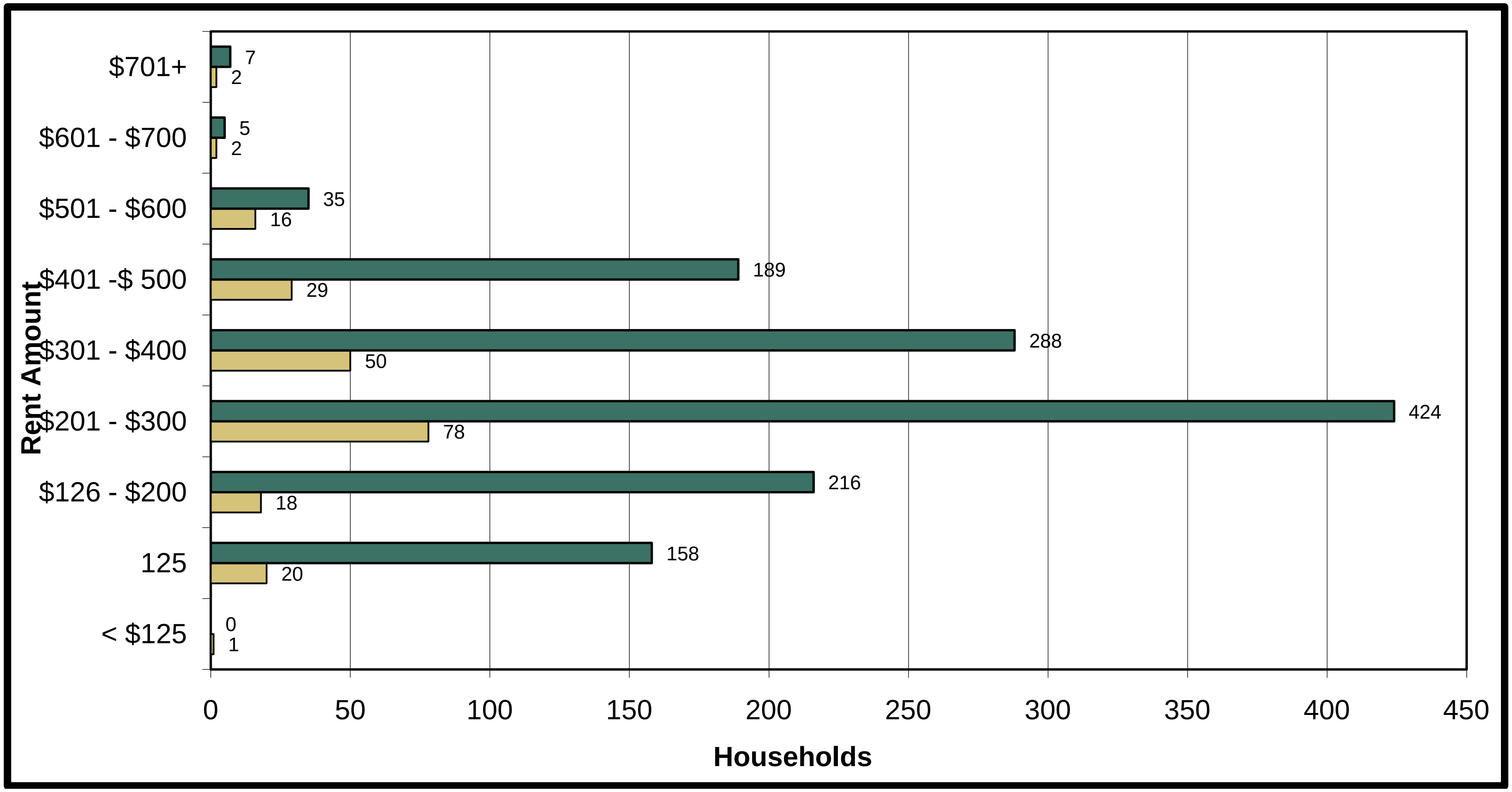
In FY 2009, 80.6% or **5,862** of Housing Choice households paid rents greater than the Minimum Rent. Another 19.4% or **1,410** were paying rent at the $125 Minimum Rent level. Additionally, 0.2% or **11** households of all households were paying less than the Minimum Rent under approved hardship exemptions.

These comparisons also illustrate that a substantial number of households paid rents greater than Minimum Rent.

**IMPACT ANALYSIS CONCLUSION**

The Minimum Rent Policy does not have a negative impact on assisted families.

# EXHIBIT EO-1-B Chart 1 - Minimum Rent Policy Impact Analysis
# Public Housing



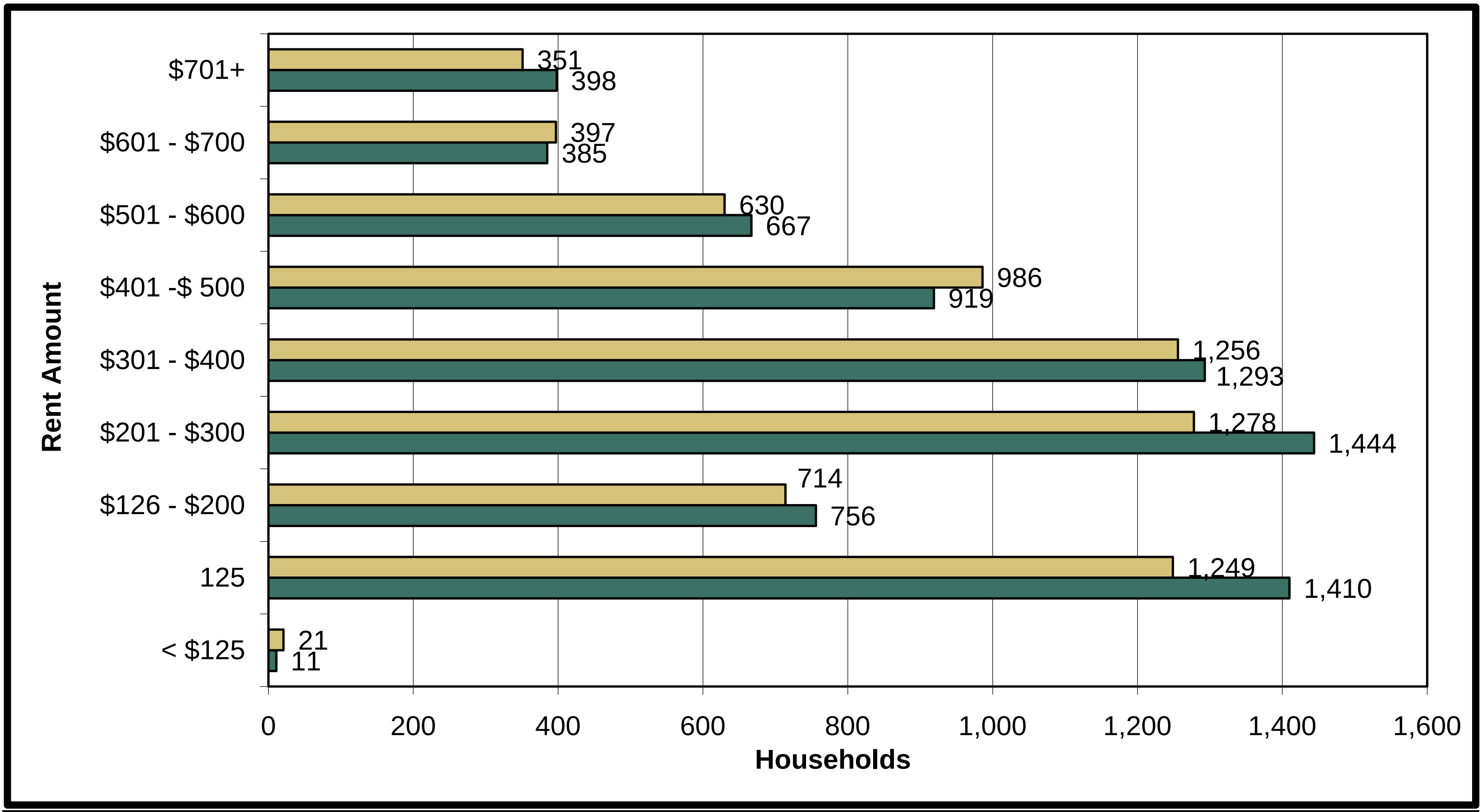

**FY 09**

| Rent Amount | < $125 | 125 | $126 - $200 | $201 - $300 | $301 - $400 | $401 -$ 500 | $501 - $600 | $601 - $700 | $701+ | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Households | 1 | 20 | 18 | 78 | 50 | 29 | 16 | 2 | 2 | 216 |
| % | 0.5% | 9.3% | 8.3% | 36.1% | 23.1% | 13.4% | 7.4% | 0.9% | 0.9% | 100.0% |

**FY 08**

| Rent Amount | < $125 | 125 | $126 - $200 | $201 - $300 | $301 - $400 | $401 -$ 500 | $501 - $600 | $601 - $700 | $701+ | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Households | 0 | 158 | 216 | 424 | 288 | 189 | 35 | 5 | 7 | 1322 |
| % | 0.0% | 12.0% | 16.3% | 32.1% | 21.8% | 14.3% | 2.6% | 0.4% | 0.5% | 100.0% |

# EXHIBIT EO-1-B Chart 2 - Minimum Rent Policy Impact Analysis
## Housing Choice




**FY 09**

| Rent Amount | < $125 | 125 | $126 - $200 | $201 - $300 | $301 - $400 | $401 -$ 500 | $501 - $600 | $601 - $700 | $701+ | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Households** | 11 | 1,410 | 756 | 1,444 | 1,293 | 919 | 667 | 385 | 398 | 7,283 |
| **%** | 0.2% | 19.4% | 10.4% | 19.8% | 17.8% | 12.6% | 9.2% | 5.3% | 5.5% | 100% |

**FY 08**

| Rent Amount | < $125 | 125 | $126 - $200 | $201 - $300 | $301 - $400 | $401 -$ 500 | $501 - $600 | $601 - $700 | $701+ | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Households** | 21 | 1,249 | 714 | 1,278 | 1,256 | 986 | 630 | 397 | 351 | 6,882 |
| **%** | 0.3% | 18.1% | 10.4% | 18.6% | 18.3% | 14.3% | 9.2% | 5.8% | 5.1% | 100.0% |

**EXHIBIT EO-1-B**

# ELDERLY INCOME DISREGARD POLICY IMPACT ANALYSIS

**PART I**

**SECTION 9 ELDERLY INCOME DISREGARD POLICY:**

Part III, Article One, Paragraph 11 of the *Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments – Rev. 4* outlines this policy:

> Under the Elderly Income Disregard policy, if an Elderly Resident, whose sole source of income is Social Security, SSI, and/or other fixed annuity pension and retirement plan income (Annual Fixed Income), becomes employed on a temporary, part-time, or other limited basis which does not result in the discontinuance of the Elderly Resident's Annual Fixed Income, the Elderly Resident's employment income will not be utilized in calculating annual income, and will be permanently disregarded thereafter.

**IMPACT ANALYSIS:** The Elderly Income Disregard Policy does not have a negative impact on Elderly households assisted in AHA-owned Public Housing Communities or AHA-sponsored mixed-income Signature Communities that receive public housing operating subsidy. As illustrated in the chart below of all Elderly households residing in AHA-owned Public Housing Communities only 3% (4 households) are subject to the policy. Similarly, for public housing assisted Elderly households in AHA-sponsored mixed income communities, there were no reported households subject to the policy. AHA concludes there is no negative impact because a substantial majority of the Elderly households receiving a fixed income or employment income only, which are households not subject to the policy.

**PART II**

**HOUSING CHOICE ELDERLY INCOME DISREGARD POLICY:**

Part IV, Article Five of the *Statement of Policies Governing the Housing Choice Tenant-Based Program* outlines this policy:

> Atlanta Housing Authority has created an Elderly Income Disregard program. If an Elderly participant, whose sole source of income is Social Security, SSI, or other fixed annuity pension and retirement plan income (Annual Fixed Income), becomes employed on a temporary, part-time, or other limited basis which does not result in the discontinuance of the Elderly participant's Annual Fixed Income, the Elderly participant's employment income will not be utilized in calculating annual income, and will be permanently disregarded thereafter. Such Elderly participants will still be expected to pay the Income Adjusted Rent based on the Annual Fixed Income and any adjustments to the Annual Fixed Income.

Part XV of the *Statement of Policies Governing the Housing Choice Tenant-Based Program* provides the policy direction for Project Based Rental Assistance (PBRA). Under PBRA, all program activities are administered at the property level by the owner entity's professional management agent. Although PBRA is administered independent of and separate from the Housing Choice Tenant-Based Program, the Elderly Income Disregard policy as stated above is applicable to PBRA Elderly households.

**IMPACT ANALYSIS:** The Elderly Income Disregard Policy does not have a negative impact on Elderly households assisted in AHA's Housing Choice tenant-based or PBRA programs. As illustrated in the chart below, only 4% or 41 households in the Housing Choice tenant based program were subject to the policy while there are no reported households subject to the policy under the PBRA program. AHA concludes there is no negative impact because a substantial majority of the Elderly households being on fixed income or employment income only, which are households not subject to the policy.

**ELDERLY INCOME DISREGARD POLICY IMPACT ANALYSIS**

| Elderly Income Status | Fixed Income Only | | Employment Income Only | | Fixed and Employment (Receives Elderly Income Disregard) | | Fixed and Employment (Does not receive Elderly Income Disregard) | | Total Elderly Households |
|---|---|---|---|---|---|---|---|---|---|
| | Number | % | Number | % | Number | % | Number | % | |
| Public Housing Elderly | 1,242 | 96.7% | 20 | 1.6% | 4 | 0.3% | 18 | 1.4% | 1,284 |
| Average Rent | $221 | | $365 | | $164 | | $441 | | |
| Housing Choice (Tenant Based) Elderly | 977 | 92% | 21 | 2% | 41 | 4% | 20 | 2% | 1,059 |
| Average TTP | $241 | | $421 | | $470 | | $639 | | |
| PBRA Elderly | 1,964 | 77.1% | 583 | 22.8% | | | | | 2,547 |
| Signature Elderly | 635 | 32.9% | 1,294 | 67% | | | | | 1,929 |

**In FY 2009 (December 2008), AHA received Board Approval of the rent impact analysis supporting implementation of Standard Income Deductions. Schedule for the Rent Simplification Policy. The following is the Board-Approved Resolution for this Rent Impact Analysis.**

**EXECUTIVE SUMMARY TO ITEM NO. OPR-1**

This resolution, if approved, would authorize The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of policies for setting rents and subsidy levels as required pursuant to AHA's Amended and Restated Moving to Work Agreement, and other related matters.

**PREPARED FOR THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS TO BE HELD
WEDNESDAY, DECEMBER 17, 2008**

**ITEM NO. OPR-1:**

To consider and act upon a resolution authorizing The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of policies for setting rents and subsidy levels as required pursuant to AHA's Amended and Restated Moving to Work Agreement, and other related matters.

**EXPLANATION**

This resolution will authorize The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of standard deductions in determining adjusted annual income of assisted households (Standard Income Deductions) pursuant to policies set forth in the Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments - Rev.4 (Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on April 30, 2008, and the Statement of Policies Governing the Housing Choice Tenant-Based Program – Rev. 7 (Housing Choice Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on September 3, 2008. The policies for Standard Income Deductions were presented in a public hearing conducted on April 19, 2007 and initially approved by the AHA Board of Commissioners on April 25, 2007 and included in AHA's FY 2008 and FY 2009 Annual Plan submissions.

AHA's Amended and Restated Moving to Work Agreement, effective as of November 13, 2008 between AHA and the United States Department of Housing and Urban Development (HUD) (Amended and Restated MTW Agreement), provides in Attachment D, Article I, § O that, notwithstanding the U.S. Housing Act of 1937, as amended, AHA may adopt and implement any reasonable policies for setting rents for Section 9 assisted units, or rents or subsidy levels for Section 8 housing assistance, including both tenant-based assistance and project-based rental assistance, provided that among other steps, AHA conducts an annual analysis of the impact such rent and subsidy level policies would have on assisted families, provides a reasonable transition period for rent increases, if any, for existing assisted families and addresses hardship cases in accordance with policies adopted by AHA. AHA's initial MTW Agreement, effective July 3, 2003, contained the same provisions in Article I, § I. Pursuant to the Amended and Restated MTW Agreement, the Standard Income Deductions will be effective upon submission to HUD of this resolution approved by the AHA Board of Commissioners adopting the impact analysis detailed in Exhibit OPR-1-A supporting rent and subsidy level policies related to the Standard Income Deductions.

Senior Management recommends the adoption of the supporting impact analysis detailed in Exhibit OPR-1-A and the implementation of the FY 2009 Standard Income Deductions as previously approved by the AHA Board of Commissioners.

**RESOLUTION**

**WHEREAS**, this resolution will authorize The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of standard deductions in determining adjusted annual income of assisted households (Standard Income Deductions) pursuant to policies set forth in the Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments - Rev.4 (Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on April 30, 2008, and the Statement of Policies Governing the Housing Choice Tenant-Based Program – Rev. 7 (Housing Choice Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on September 3, 2008;

**WHEREAS**, the policies for Standard Income Deductions were presented in a public hearing conducted on April 19, 2007 and initially approved by the AHA Board of Commissioners on April 25, 2007 and included in AHA's FY 2008 and FY 2009 Annual Plan submissions;

**WHEREAS**, AHA's Amended and Restated Moving to Work Agreement, effective as of November 13, 2008 between AHA and the United States Department of Housing and Urban Development (HUD) (Amended and Restated MTW Agreement), provides in Attachment D, Article I, § O that, notwithstanding the U.S. Housing Act of 1937, as amended, AHA may adopt and implement any reasonable policies for setting rents for Section 9 assisted units, or rents or subsidy levels for Section 8 housing assistance, including both tenant-based assistance and project-based rental assistance, provided that among other steps, AHA conducts an annual analysis of the impact such rent and subsidy level policies would have on assisted families, provides a reasonable transition period for rent increases, if any, for existing assisted families and addresses hardship cases in accordance with policies adopted by AHA;

**WHEREAS**, AHA's initial MTW Agreement, effective July 3, 2003, contained the same provisions in Article I, § I;

**WHEREAS**, pursuant to the Amended and Restated MTW Agreement, the Standard Income Deductions will be effective upon submission to HUD of this resolution approved by the AHA Board of Commissioners adopting the impact analysis detailed in <u>Exhibit OPR-1-A</u> supporting rent and subsidy level policies related to the Standard Income Deductions; and

**WHEREAS**, Senior Management recommends the adoption of the supporting impact analysis detailed in <u>Exhibit OPR-1-A</u> and the implementation of the FY 2009 Standard Income Deductions as previously approved by the AHA Board of Commissioners.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA,** that the impact analysis detailed in <u>Exhibit OPR-1-A</u> supporting the implementation of the policies for setting rents and subsidy levels relating to Standard Income Deductions to be used in determining the adjusted annual income of assisted families is hereby approved and the President and Chief Executive Officer and her designees are authorized and directed to (i) submit such impact analysis to HUD, (ii) implement the policies for setting rents and subsidy levels relating to Standard Income Deductions, and (iii) make such non-material changes, additions, corrections, or amendments thereto as she or they shall deem necessary or appropriate, all without further vote or approval of this Board.

# Appendix I: Housing Innovations Charts

***Appendix I*** is a new addition to AHA's Annual Report, as it includes several action items required by HUD's Attachment B. For reference, the definition of terms used in ***Appendix I*** is located on page I -9.

## A. Housing Stock Information:

### A1. Public Housing (PH) Units[1] - at Fiscal Year-End 2009

| Community Type | Family | Senior | Special Needs | Total PH units by Community Type |
|---|---|---|---|---|
| Affordable | 3,093 | 2,832 | - | **5,925** |
| Mixed-Income | 1,907 | 168 | 26 | **2,101** |
| **Total PH units** | **5,000** | **3,000** | **26** | |

***Public Housing Units Grand Total: 8,026***

*[1]Total Units include units that are still in PIC for the vacant properties Bowen Homes, M.L. King Tower, and Bankhead Courts- see table below for PIC unit breakdown.*

**A1. Continued -Total Affordable Units in PIC by Property Name and Status**

| Property Name | Units in PIC | Units Removal from PIC Requested | Units in Active Relocation or Demolition |
|---|---|---|---|
| Cosby Spear Highrise | 282 | - | - |
| Georgia Avenue Highrise | 81 | - | - |
| East Lake Highrise | 150 | - | - |
| Juniper and Tenth Highrise | 150 | - | - |
| Westminster | 32 | - | - |
| Peachtree Road Highrise | 197 | - | - |
| Cheshire Bridge Road Highrise | 162 | - | - |
| Piedmont Road Highrise | 209 | - | - |
| Marian Road Highrise | 240 | - | - |
| Hightower Manor Highrise | 130 | - | - |
| Barge Road Highrise | 130 | - | - |
| Martin Street Plaza | 60 | - | - |
| Marietta Road Highrise | 130 | - | - |
| U-Rescue | 70 | 70 | - |
| Jonesboro South | 150 | 150 | - |
| Jonesboro North | 100 | 100 | - |
| Antoine Graves | 210 | - | 210 |
| Graves Annex | 100 | - | 100 |
| University Homes | 500 | - | 500 |
| Bowen Homes | 650 | - | 650 |
| Palmer House Highrise | 250 | - | 250 |
| MLK | 154 | - | 154 |
| Thomasville Heights | 350 | - | 350 |
| Hollywood Courts | 202 | - | 202 |
| Englewood Manor | 320 | - | 320 |
| Roosevelt House Highrise | 257 | - | 257 |
| Bankhead Courts | 386 | - | 386 |
| Herndon Homes | 273 | - | 273 |
| ***Total*** | ***5925*** | ***320*** | ***3652*** |
| ***Total Remaining Once HUD Removes From PIC*** | | ***5605*** | ***-*** |
| ***Total Once Demolition is Complete*** | ***-*** | ***-*** | ***1953*** |

# Appendix I: Housing Innovations Charts

## A. Housing Stock Information: *continued*

### A2. AHA's Significant FY 2009 Capital Expenditures[1] by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year).

During FY2009, AHA expended $6.6 million on projects at AHA-owned Affordable properties which met AHA's capitalization threshold. Of that amount, $2.1 million (32%) was spent at Cosby Spears Highrise on the following projects:

- Phase II UFAS Design and upgrades
- Common area ceramic tile replacement and painting
- Shower valve replacements
- Emergency chiller replacement

### A3. Number of any new public housing units added during the year by development.

During FY2009, 243 public housing units in four mixed income, mixed financed developments were added to AHA's inventory in HUD's PIH Information Center (PIC) system. The details for these units are provided below.

| Property | 1 Bedroom | 2 Bedrooms | 3 Bedrooms | Total Bedrooms |
|---|---|---|---|---|
| The Villages at Carver V | 15 | 56 | 7 | 78 |
| Capitol Gateway II | 29 | 15 | 5 | 49 |
| Mechanicsville II | 8 | 34 | 20 | 62 |
| Mechanicsville III | 54 | 0 | 0 | 54 |
| ***Total Added*** | ***106*** | ***105*** | ***32*** | ***243*** |

### A4. Number of Public Housing units removed from the inventory during the year by development specifying the reason for the removal.

During FY2009, 808 public housing units were removed from AHA's inventory in HUD's PIH Information Center (PIC) system. The details for these units are provided below.

**FY 2009 Public Housing (PH) Units Removed from Inventory (out of PIC) by Development**

| Property | PH Units Removed | Justification |
|---|---|---|
| John O. Chiles Highrise | 250 | Demolished as part of the Harris Homes HOPE VI Revitalization |
| McDaniel Glenn | 434 | Demolished as part of the McDaniel Glenn HOPE VI Revitalization |
| Leila Valley | 124 | Demolished as part of AHA's Quality of Life Initiative |

***Total Units Removed: 808***

[1] Capital Expenditures are measured according to AHA's accounting treatment for capitalization which includes the purchase, acquisition, or funds outlay for an asset with a life of more than one year, or one that extends the useful life of an asset by more than one year.

# Appendix I: Housing Innovations Charts

## A. Housing Stock Information: *continued*

### A4. Number of Public Housing units removed from the inventory during the year by development specifying the reason for the removal – *further explanation*

In addition to the 808 units removed from PIC, AHA requested that HUD remove 70 units at U-Rescue, 150 units at Jonesboro South and 100 units at Jonesboro North during FY2009 related to AHA's Quality of Life Initiative. As of June 30, 2009, these units had not been removed from PIC.

### A5. Number of MTW HCV authorized at the end of the Plan Year.

As of June 30, 22009, AHA had 16,341 MTW vouchers.

**MTW HC Vouchers:** AHA began FY2009 with 16,328 authorized (awarded) MTW vouchers on July 1, 2008 and ended FY2009 on June 30, 2009 with 16,341 authorized MTW vouchers. This reflected the conversion of 13 Tenant Protection Vouchers to MTW vouchers on January 1, 2009.

### A6. Number of Non-MTW HCV authorized at the end of the Plan Year.

As of June 30, 2009, AHA had 2,268 non-MTW vouchers. This represents an increase of 1,730 new tenant protection vouchers primarily issued by HUD in support of AHA's Quality of Life Initiative. Subsequent to June 30, 2009, HUD awarded an additional 20 tenant protection vouchers related to the Opt out of Heritage Square and these vouchers were retroactive to 2009.

**Non-MTW Vouchers.**

***Permanent Non-MTW Vouchers:*** AHA has 525 non-MTW vouchers that will not be converted to MTW vouchers. This includes 300 Family Unification vouchers, 175 1-Year Mainstream vouchers, and 50 5-year Mainstream Vouchers.

***Temporary Non-MTW Vouchers:*** AHA began FY2009 with 13 authorized Tenant Protection vouchers on July 1, 2008 and ended FY2009 on June 30, 2009 with 1,743 authorized Tenant Protection vouchers. These Tenant Protection vouchers were received in 10 increments throughout FY2009 as relocation vouchers supporting AHA's Quality of Life Program. These vouchers will be converted to MTW vouchers on the expiration of each increment per agreement with HUD's Financial Management Center.

***Heritage Square****:* In addition to the above**,** on August 5, 2009, AHA received notification that it had been approved 20 units related to the op-out of Heritage Square. This action was retroactive and HUD issued one increment of 20 units which had an effective date of 1/1/2009 and an expiration date of 12/31/2009.

**Change in Housing Stock - Housing Choice Vouchers**

| | 7/1/2009 | 6/30/2009 | Change | % Change |
|---|---|---|---|---|
| **MTW Vouchers** | 16,328 | 16,341 | 13 | 0% |
| **Non MTW Vouchers** | | | | |
| Permanent Non MTW Vouchers | 525 | 525 | 0 | NA |
| Tenant Protection Vouchers | 13 | 1,743 | 1,730 | 13,308% |
| **Total Non-MTW Vouchers before Heritage Square** | 538 | 2,268 | 1,730 | 322% |
| Heritage Square Tenant Protection Vouchers | 0 | 20 | 20 | NA |
| **Total Non-MTW Vouchers including Heritage Square** | 538 | 2,288 | 1,750 | 325% |

# Appendix I: Housing Innovations Charts

## A. Housing Stock Information: *continued*

### A7. Housing Choice Voucher (HCV) Units Project Based during FY 2009

#### Project Based Rental Assistance (PBRA) Communities

| Existing Developments | Total Units |
|---|---|
| ***Family*** | |
| Auburn Glenn | 108 |
| Avalon Park Family | 53 |
| Capital Gateway II | 16 |
| Columbia at Sylvan Hills | 37 |
| Columbia Commons | 15 |
| Columbia Mechanicsville Apartments | 35 |
| Constitution Ave Apartments | 67 |
| Crogman Schools Apartments | 42 |
| Gateway at Northside Village | 36 |
| G E Towers | 80 |
| Hampton Oaks | 50 |
| Heritage Green | 44 |
| Heritage Station I | 88 |
| Highbury Terraces | 17 |
| The Park at Scotts Crossing | 86 |
| The Peaks at MLK | 73 |
| **Family Total** | **847** |

| Existing Developments | Total Units |
|---|---|
| ***Senior / Highrise*** | |
| Atrium at CollegeTown | 76 |
| Avalon Park Senior | 81 |
| Campbell Stone | 201 |
| Columbia Colony Senior | 37 |
| Columbia Heritage Senior | 124 |
| Columbia High Point Senior | 94 |
| Columbia Senior Residences at MLK | 122 |
| Columbia Senior Residences at Mechanicsville | 59 |
| Columbia Senior Residences at Blackshear | 78 |
| Columbia Senior Residences at Edgewood | 135 |
| Heritage Station II | 150 |
| Renaissance at Park Place South | 80 |
| Veranda at Auburn Pointe | 86 |
| Veranda at Carver Senior | 56 |
| Veranda at CollegeTown | 85 |
| **Senior / Highrise Total** | **1,464** |

# Appendix I: Housing Innovations Charts

## A. Housing Stock Information: *continued*

### A7. Housing Choice Voucher (HCV) Units Project Based during FY 2009

**Project Based Rental Assistance (PBRA) Communities – *continued***

| Existing Developments | Total Units |
|---|---|
| ***Older Persons 55+*** | |
| Park Commons HFOP | 130 |
| Park Commons HFS | 110 |
| **Older Persons 55+ Total** | **240** |
| ***Homeless Demonstration*** | |
| Columbia at Sylvan Hills | 39 |
| Columbia Tower at MLK Village | 39 |
| First Step | 40 |
| Park Commons HFOP | 22 |
| Park Commons HFS | 19 |
| Seven Courts | 30 |
| **Homeless Demonstration Total** | **189** |
| ***Special Needs*** | |
| Columbia Tower at MLK Village | 56 |
| **Special Needs Total** | **56** |

***Combined Existing Developments***
***Grand Total: 2,796***

**Note:** *The grand total reflects the combined number of units classified as Family; Senior; Older Persons 55; Homeless Demonstration; and Special Needs.*

| Developments (Under Construction) | Total Units |
|---|---|
| ***Family*** | |
| Avalon Ridge Family | 89 |
| Arcadia at Parkway Village | 116 |
| Columbia Mechanicsville Station | 30 |
| Columbia Mechanicsville Crossing | 35 |
| **Family Total** | **270** |
| ***Senior*** | |
| Woodbridge at Parkway Village | 100 |
| **Senior Total** | **100** |
| ***Older Persons 55+*** | |
| Ashton at Browns Mill | 79 |
| Legacy at Walton Lakes | 24 |
| ***Older Persons 55+ Total*** | ***103*** |
| ***Mental Health Demo*** | |
| Welcome House | 41 |
| **Mental Health Demo Total** | **41** |

***Developments Under Construction***
***Grand Total: 514***

**A8.** Refer to the ***Revitalization, Project – Based Rental Assistance as a Development Tool, and Asset Management sections*** of the Report for the overview of other housing managed by the Agency, e.g., tax credit, state-funded, market rate.

# Appendix I: Housing Innovations Charts

## B. Leasing Information – Actual

### B1. Total Number of MTW PH Units Leased* in FY 2009

| Community Type | Family | Senior | Special Needs | Total MTW PH units by Community Type |
|---|---|---|---|---|
| Affordable | **250** | **2,134** | - | **2,384** |
| Mixed-Income | **1,907** | **168** | - | **2,075** |
| **MTW PH Units Total** | **2,157** | **2,302** | - | |

***MTW PH Units Grand Total: 4,459***

***NOTE:** *Total Number of units occupied as of June 30, 2009.*

**B2. AHA does not have non-MTW PH units in its inventory.**

### B3. Total Number of MTW HCV Units Leased* in FY 2009

| Type | Units Total |
|---|---|
| MTW HCV units | **7,480** |
| Ports | **2,890** |

***MTW HCV Leased Units Grand Total: 10,370***

***NOTE:** *Total Number of units occupied as of June 30, 2009.*

### B4. Total Number of Non-MTW HCV Units Leased* in FY 2009

| Type | Units Total |
|---|---|
| Family Unification Program (FUP) | **300** |
| Mainstream Vouchers | **225** |
| Tenant Protection | **2,032** |

***Non-MTW HCV Leased Units Grand Total: 2,557***

***NOTE:** *Total Number of units occupied as of June 30, 2009.*

**B5. Description of any issues related to leasing of PH or HCVs**

No issues to report.

**B6. Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year).**

The total number of PBRA units Under Agreement and Under Commitment is 4,915 and there are a total of 58 PBRA Communities *Under Agreement* and *Under Commitment*.

# Appendix I: Housing Innovations Charts

## C. Waiting List Information:

### C1. Characteristics of Public Housing (PH) Households' on Waiting List at Fiscal Year-End 2009

**FY 2009 Waiting List Characteristics-By AMI**

| Program /Community Type | < 30% of AMI | 30 - 50% of AMI | 51 - 80% of AMI | > 80% of AMI | Total by Community Type |
|---|---|---|---|---|---|
| **Site Based Administration Waiting List** | | | | | |
| Family | 450 | 70 | 3 | 0 | ***523*** |
| Highrise | 1,029 | 77 | 4 | 1 | ***1,111*** |
| Mixed-Income | 5,373 | 2,910 | 1,061 | 83 | ***9,427*** |
| PBRA | 1,406 | 696 | 318 | 17 | ***2,437*** |
| **Housing Choice Voucher Waiting List** | | | | | |
| Housing Choice | 4,125 | 1,168 | 4 | 2 | ***5,299*** |
| ***Total by AMI Category*** | ***12,383*** | ***4,921*** | ***1,390*** | ***103*** | |

***Total Families on Waiting List Categorized by AMI: 18,797***

**FY 2009 Waiting List Characteristics - Number of Bedroom Size Requested**

| Program / Community Type | Studio | 1 Bedroom | 2 Bedrooms | 3 Bedrooms | 4+ Bedrooms | Total by Community Type |
|---|---|---|---|---|---|---|
| **Site Based Administration Waiting List** | | | | | | |
| Family | 0 | 30 | 328 | 156 | 9 | ***523*** |
| Highrise | 69 | 1,041 | 1 | 0 | 0 | ***1,111*** |
| Mixed-Income | 0 | 2,834 | 5,074 | 3,653 | 485 | ***12,046*** |
| PBRA | 0 | 408 | 1,662 | 1,044 | 0 | ***3,114*** |
| **Housing Choice Voucher Waiting List** | | | | | | |
| Housing Choice | N / A | N / A | N / A | N / A | N / A | ***N / A*** |
| ***Total Bedroom Size Requests*** | ***69*** | ***4,313*** | ***7,065*** | ***4,853*** | ***494*** | |

***Total Number of Bedroom Size Requests: 16,794***

# Appendix I: Housing Innovations Charts

## C. Waiting List Information: *continued*

### C1. Characteristics of Public Housing (PH) Households' on Waiting List at Fiscal Year-End 2009

**FY 2009 Waiting List Characteristics-By Family Size**

| Program / Community Type | 1 Member | 2 Members | 3 Members | 4 Members | 5 + Members | Total by Community Type |
|---|---|---|---|---|---|---|
| **Site Based Administration Waiting List** | | | | | | |
| Family | 39 | 223 | 146 | 92 | 23 | ***523*** |
| Highrise | 1,084 | 26 | 0 | 0 | 1 | ***1,111*** |
| Mixed-Income | N / A | N / A | N / A | N / A | N / A | **N / A** |
| PBRA | N / A | N / A | N / A | N / A | N / A | **N / A** |
| **Housing Choice Voucher Waiting List** | | | | | | |
| Housing Choice | 821 | 1,259 | 1,377 | 982 | 860 | ***5,299*** |
| ***Total by Family Size*** | ***1,944*** | ***1,508*** | ***1,523*** | ***1,074*** | ***884*** | |

***Total Number of Family Size Groups: 6,933***

**C2. Description of waiting lists (site-based, communitywide, HCV, merged) and any changes that were made in the past fiscal year.** No changes were made to the policy or procedures for maintaining waiting lists. Waiting Lists are opened and closed at various sites on an "as needed" basis in the normal course of business.

# Appendix I: Housing Innovations Charts

## Definition of Terms Used in Appendix I

| Terms | Definition |
|---|---|
| **Capital Expenditures** | Capital expenditures are measured according to AHA's accounting treatment for capitalization which includes the purchase, acquisition, or funds outlay for an asset with a life of more than one year, or one that extends the useful life of an asset by more than one year. |
| **Number of Public Housing Units at End of Plan Year** | Number of units listed as active in PIC as of 6/30/2009 |
| **New Public Housing Units** | Number of units added to PIC during FY2009 |
| **Public Housing Units Removed** | Number of units that were removed from PIC during FY2009 |
| **MTW HCV Authorized at the End of FY2009** | Number of MTW vouchers with active funding increments as of 6/30/2009 and that are not specifically excluded from MTW, such as special purpose vouchers |
| **Non-MTW HCV Authorized at the End of FY2009** | Number of Non-MTW vouchers with active funding increments as of 6/30/2009 (includes FUPs, Mainstream, and Tenant Protection Vouchers in their initial year) |
| **Number of HCV Units Project-Based During the Plan Year** | Number of project based units under a Project Based Rental Assistance Agreement and being subsidized by AHA as of 6/30/2009 |
| **Total Number of MTW PH Units Leased in the Plan Year** | Total number of public housing units at AHA-owned and MIMF that are under lease as of 6/30/2009 |
| **Total Number of non-MTW PH Units Leased in the Plan Year** | N / A |
| **Total Number of MTW HC Units Leased in the Plan Year** | Number of MTW units reported as utilized in the June 2009 VMS report |
| **Total Number of non-MTW HC Units Leased in the Plan Year** | Number of non-MTW units reported as utilized in the June 2009 VMS report to include FUPs, Mainstream, and Tenant Protection Vouchers issued to relocating families that remain on the program at year end. |

## Appendix J – American Recovery and Reinvestment Act (ARRA) Submissions

On August 27, 2009, AHA received HUD's approval for the Amendment to the ARRA formula Capital Funds grant included in the FY 2010 Annual Moving to Work (MTW) Plan. Located in ***Appendix J*** of this Report are the ARRA Capital Planning and Annual Statement / Performance and Evaluation Report from the second Amendment.

## Capital Planning *(FY 2010 MTW Annual Plan Appendix M- NOTE: Revised August 12, 2009)*

### Major Capital Needs and Projects, Estimated Costs and Proposed Timetables

This section represents AHA's revised Capital Planning projects using American Recovery and Reinvestment Act (ARRA) funds and MTW Funds. As discussed in the revised ARRA narrative section of AHA's FY 2010 MTW Annual Plan (CATALYST Implementation Plan Supplement dated August 12, 2009), during FY 2009, AHA received approximately $26.5 million in ARRA funding. AHA dedicated approximately $19.3 million to capital projects and related construction management and design fees, and approximately $7.2 million for demolition and related construction management and design fees. To the extent the $7.2 million does not fund all of the demolition costs for the four properties listed below, the balance of such demolition costs will be funded with MTW Funds. The $7.2 million portion of ARRA funding dedicated to demolition is focused on four of the seven QLI Phase II properties: Herndon Homes, Hollywood Courts, Roosevelt House and Palmer House (partially funded with ARRA funds).

AHA has established three priorities for the $19.3 million in ARRA funds dedicated to capital projects:

(1) the health and safety of our residents,

(2) sustainability, energy efficiency and the viability of AHA-owned properties,

(3) quality of life enhancements.

The following chart outlines the major work items planned as of June 30, 2009 to be completed using the ARRA funds. Detail on these work items is included in the original budget column of the amended Annual Statement Part I and II/Performance and Evaluation Reports (dated August 12, 2009) which amends Appendix U in the FY 2010 MTW Annual Plan submitted to HUD in April 2009. It should be noted that although this Appendix M and Appendix U provides intended uses and dollar amounts for the ARRA funds, to the extent that bids come in different than AHA's cost estimates, AHA will adjust the ARRA budget and Annual Statements/P&Es to add, delete or amend work items as necessary to the properties identified in this Appendix M. In such instances, AHA will submit the required revised forms (i.e. forms included in Appendix U) to HUD without further amendments to the 2010 MTW Plan or this Appendix M.

### Planned Expenditures for ARRA Grant

| Capital Projects | Account No. | Grant Budget | Property |
|---|---|---|---|
| Dwelling Structures/Major systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements. | 1460 | $13,038,335 | Barge Rd.<br>Cheshire Bridge<br>Cosby Spears<br>East Lake<br>Georgia Ave.<br>Hightower<br>Juniper & 10th<br>Marian Rd.<br>Marietta Road<br>Martin St. Plaza<br>Peachtree Rd.<br>Piedmont Rd.<br>Westminster |

| Capital Projects | Account No. | Grant Budget | Property |
|---|---|---|---|
| Site Improvements - Parking lot, sidewalk and street repairs as well as erosion control, landscaping and exterior recreation space enhancements. | 1450 | $1,264,545 | Barge Road<br>Cheshire Bridge<br>Cosby Spears<br>East Lake<br>Georgia Ave.<br>Hightower<br>Juniper & 10th<br>Marian Rd.<br>Marietta Rd.<br>Martin St. Plaza<br>Peachtree Rd.<br>Piedmont Rd.<br>Westminster |
| Common Areas - Lobby, common area and specialty function room renovations. | 1470 | $1,828,182 | Barge Rd.<br>Cheshire Bridge<br>Cosby Spears<br>East Lake<br>Georgia Ave.<br>Hightower<br>Juniper & 10th<br>Marian Rd.<br>Marietta Rd.<br>Martin St. Plaza<br>Peachtree Rd.<br>Piedmont Rd.<br>Westminster |
| Non- Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | $503,636 | Barge Road<br>Cheshire Bridge<br>Cosby Spear<br>East Lake<br>Georgia Ave.<br>Hightower<br>Juniper & 10th<br>Marian Rd.<br>Marietta Rd.<br>Martin St. Plaza<br>Peachtree Rd.<br>Piedmont Rd.<br>Westminster |
| Fees and Costs - design and construction management fees for capital projects and demolition. | 1430 | $2,671,743 | Barge Road<br>Cheshire Bridge<br>Cosby Spear<br>East Lake<br>Georgia Avenue<br>Herndon*<br>Hightower<br>Hollywood<br>Juniper & 10th<br>Marian Rd.<br>Marietta Rd.<br>Martin St. Plaza<br>Palmer House<br>Peachtree Rd.<br>Piedmont Rd.<br>Roosevelt House<br>Westminster |
| Demolition | 1485 | $7,272,727 | Herndon Homes<br>Hollywood Courts<br>Palmer House<br>Roosevelt House |
| Total: | | $26,579,168 | |

The following two charts outlines the use of AHA's MTW funds to support demolition and gap financing needs during FY 2010:

| Capital Projects Using MTW Funds | | | |
|---|---|---|---|
| Property | Capital Project | Budget | Property Total |
| Bankhead Courts | Demolition Design[2] | $69,201.00 | |
| | Demolition Design CM Fees[2] | $5,309.00 | |
| | Demolition | $3,081,060.00 | |
| | Demolition CM Fees | $308,105.00 | |
| Bankhead total | | | $3,463,675.00 |
| | | | |
| Bowen Homes | Demolition Design[2] | $25,327.00 | |
| | Demolition Design CM Fees[2] | $2,533.00 | |
| | Demolition[3] | $2,793,994.00 | |
| | Demolition CM Fees[3] | $202,604.00 | |
| | Demolition Change Order | $909,091.00 | |
| | Demolition Change Order CM Fees | $90,909.00 | |
| Bowen total | | | $4,024,458.00 |
| | | | |
| Thomasville Heights | Demolition Design[2] | $55,424.00 | |
| | Demolition Design CM Fees[2] | $5,542.00 | |
| | Demolition[3] | $1,602,770.00 | |
| | Demolition CM Fees[3] | $160,277.00 | |
| Thomasville total | | | $1,824,013.00 |
| | | | |
| Palmer House[1] | Demolition (non ARRA portion) | $1,3271,011.80 | |
| | CM Fees | $132,701.20 | |
| Palmer total | | | $1,459,713.00 |
| | | | |
| Herndon Homes | Demolition Design[2] | $38,202.00 | |
| | CM Fees[2] | $7,973.00 | |
| Herndon total | | | $46,175.00 |
| | | | |
| Hollywood Courts | Demolition Design[2] | $36,535.00 | |
| | CM Fees[2] | $7,345.00 | |
| Hollywood total | | | $43,880.00 |
| | | | |
| GRAND TOTAL: | | | $10,861,914.00 |

[1]Palmer demolition is funded partially with FY2010 MTW and ARRA funds. AHA plans to spend the ARRA funds first. The MTW funds are not projected to be expended until FY2011.

[2]Demolition Design and associated CM Fees were awarded in FY09 and funded with MTW funds. The remaining demolition design fees are for contract administration and associated CM Fees which are scheduled to be complete in FY2010.

[3]Demolition and associated CM Fees were awarded in FY09 and funded with MTW funds. The remaining demolition and associated CM Fees are scheduled to be complete in FY2010.

| Development Financing | Grant Budget | Property |
|---|---|---|
| Gap Financing for Development | $5,500,000 | Various Developments |

## ARRA Competitive Capital Funds

In response to HUD's release of Notice of Funding Availability (NOFA) for the $1 billion in ARRA competitive Capital Funds, AHA may make application for a portion of these funds. Based on the eligible uses, AHA may apply to support development activities to further the revitalization of Perry, Carver, Capitol, Grady, Harris, McDaniel Glenn, Techwood-Clark Howell; acquisitions that support revitalization; redevelopment of AHA-owned buildings or land; or, additional rehabilitation of AHA's longer-term hold properties.

## Demolition and Disposition Activities

AHA's FY2010 demolition and disposition activities are described in the Revitalization, QLI and Asset Management sections of the FY2010 CATALYST Implementation Plan.

**Part I: Summary**

**PHA Name:** The Housing Authority of the City of Atlanta, Georgia

**Grant Type and Number**
Capital Fund Program Grant No: GA06S006501-09 Replacement Housing Factor Grant No: N/A
Date of CFFP: N/A

**FFY of Grant:** 2009
**FFY of Grant Approval:** 2009

**Type of Grant**
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☒ **Revised Annual Statement (revision no: 2 )**
☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

| Line | Summary by Development Account | Total Estimated Cost | | Total Actual Cost [1] | |
|---|---|---|---|---|---|
| | | Original | Revised [2] | Obligated | Expended |
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations (may not exceed 20% of line 21) [3] | | | | |
| 3 | 1408 Management Improvements | | | | |
| 4 | 1410 Administration (may not exceed 10% of line 21) | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | $2,671,743 | $3,994,857 | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | $1,264,545 | $1,264,546 | | |
| 10 | 1460 Dwelling Structures | $13.038,335 | $11,765,669 | | |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | $1,828,182 | $1,777,731 | | |
| 13 | 1475 Non-dwelling Equipment | $503,636 | $503,638 | | |
| 14 | 1485 Demolition | $7,272,727 | $7,272,727 | | |
| 15 | 1492 Moving to Work Demonstration | | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities [4] | | | | |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | |
| 18ba | 9000 Collateralization or Debt Service paid Via System of Direct Payment | | | | |
| 19 | 1502 Contingency (may not exceed 8% of line 20) | | | | |
| 20 | Amount of Annual Grant: (sum of lines 2 – 19) | $26,579,168 | $26,579,168 | | |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Activities | | | | |
| 23 | Amount of line 20 Related to Security – Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security – Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
**Expires 4/30/2011**

| **Part I: Summary** | | | | | |
|---|---|---|---|---|---|
| **PHA Name:** The Housing Authority of the City of Atlanta, Georgia | **Grant Type and Number** Capital Fund Program Grant No: GA06S006501-09 Replacement Housing Factor Grant No: N/A Date of CFFP: N/A | | | **FFY of Grant:** 2009 **FFY of Grant Approval:** 2009 | |
| **Type of Grant** ☐Original Annual Statement ☐Reserve for Disasters/Emergencies ☑Revised Annual Statement (revision no:2 ) ☐Performance and Evaluation Report for Period Ending: ☐Final Performance and Evaluation Report | | | | | |
| **Line** | **Summary by Development Account** | **Total Estimated Cost** | | **Total Actual Cost [1]** | |
| | | **Original** | **Revised [2]** | **Obligated** | **Expended** |
| **Signature of Executive Director** | | **Date** 8/12/09 | **Signature of Public Housing Director** | | **Date** |

**Part II: Supporting Pages**

| PHA Name: The Housing Authority of the City of Atlanta, Georgia | Grant Type and Nunber<br>Capital Fund Program Grant No: GA06S006501-09 CFFP:(Yes/ NO<br>Replacement Housing Factor Grant No: | Federal FFY of Grant: 2009 |
|---|---|---|

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | Status of Work |
|---|---|---|---|---|---|---|---|---|
| | | | | Original | Revised (1) | Funds Obligated (2) | Funds Expended (2) | |
| **GA006000140 Palmer House Highrise** | | | | | | | | |
| | Construction Mgt Fees | 1430 | | 0 | 306,816 | 0.00 | 0 | |
| | Demolition | 1485 | | 0 | 3,068,159 | 0.00 | 0 | |
| **GA006000170 Thomasville Heights** | | | | | | | | |
| | Construction Mgt Fees | 1430 | | 180,172 | 0 | 0.00 | 0 | |
| | Demolition | 1485 | | 1,801,718 | 0 | 0.00 | 0 | |
| **GA006000200 Hollywood Courts** | | | | | | | | |
| | Construction Mgt Fees | 1430 | | 172,727 | 99,650 | 0.00 | 0 | |
| | Demolition | 1485 | | 1,727,273 | 996,500 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Original | Revised (1) | Funds Obligated (2) | Funds Expended (2) | Status of Work |
| **GA006000241** **Cosby Spear Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 306,272 | 497,411 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 55,455 | 55,455 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,593,636 | 1,402,497 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 515,455 | 515,455 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 68,182 | 68,182 | 0.00 | 0 | |
| **GA006000250** **Georgia Avenue Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 49,000 | 104,837 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 95,455 | 95,455 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 280,000 | 224,163 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 74,545 | 74,545 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 40,000 | 40,000 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | **Original** | **Revised (1)** | **Funds Obligated (2)** | **Funds Expended (2)** | **Status of Work** |
| **GA006000270** **Roosevelt House Highrise** | | | | | | | | |
| | Construction Mgt Fees | 1430 | | 0 | 242,357 | 0.00 | 0 | |
| | Demolition | 1485 | | 0 | 2,423,568 | 0.00 | 0 | |
| **GA006000280** **Bankhead Courts** | | | | | | | | |
| | Construction Mgt Fees | 1430 | | 250,000 | 0 | 0.00 | 0 | |
| | Demolition | 1485 | | 2,500,000 | 0 | 0.00 | 0 | |
| **GA006000300** **East Lake Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 222,364 | 434,213 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 291,818 | 291,818 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,499,091 | 1,287,242 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 172,727 | 172,727 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 40,000 | 40,000 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | **Original** | **Revised (1)** | **Funds Obligated (2)** | **Funds Expended (2)** | **Status of Work** |
| **GA006000430** **Juniper and Tenth Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 118,000 | 168,449 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 220,909 | 220,909 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 421,818 | 371,369 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 37,273 | 37,273 | 0.00 | 0 | |
| **GA006000440** **Westminster** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 53,817 | 127,344 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 457,273 | 383,746 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 35,455 | 35,455 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 45,455 | 45,455 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Original | Revised (1) | Funds Obligated (2) | Funds Expended (2) | Status of Work |
| **GA006000450** **Peachtree Road Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 217,728 | 350,005 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 261,818 | 261,818 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,690,000 | 1,557,723 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 33,636 | 33,636 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 41,818 | 41,818 | 0.00 | 0 | |
| **GA006000470** **Cheshire Bridge Road Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 262,092 | 215,545 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 82,727 | 82,727 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,603,636 | 1,650,183 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 393,636 | 393,636 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 40,909 | 40,909 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Original | Revised (1) | Funds Obligated (2) | Funds Expended (2) | Status of Work |
| **GA006000480 Piedmont Road Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 143,091 | 278,904 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 85,455 | 85,455 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,051,818 | 916,005 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 84,545 | 84,545 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 39,091 | 39,091 | 0.00 | 0 | |
| **GA006000520 Marian Road Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 145,818 | 292,579 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 191,818 | 191,818 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,209,091 | 1,062,330 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 17,273 | 17,273 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 40,000 | 40,000 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | **Original** | **Revised (1)** | **Funds Obligated (2)** | **Funds Expended (2)** | **Status of Work** |
| **GA006000530 Hightower Manor Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 121,000 | 238,847 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,139,091 | 1,021,244 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 32,727 | 32,727 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 38,182 | 38,182 | 0.00 | 0 | |
| **GA006000540 Barge Road Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 102,197 | 229,644 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 952,880 | 825,433 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 33,636 | 33,636 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 35,455 | 35,455 | 0.00 | 0 | |
| **GA006000560 Martin Street Plaza** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 84,636 | 95,973 | 0.00 | 0 | |
| | Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements | 1450 | | 200,000 | 200,000 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 206,364 | 195,027 | 0.00 | 0 | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Total Actual Cost | | |
|---|---|---|---|---|---|---|---|---|
| | | | | **Original** | **Revised (1)** | **Funds Obligated (2)** | **Funds Expended (2)** | **Status of Work** |
| **GA006000580 Marietta Road Highrise** | | | | | | | | |
| | Fees and Costs - Design fees and construction management fees | 1430 | | 118,455 | 233,833 | 0.00 | 0 | |
| | Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements | 1460 | | 1,134,545 | 1,019,167 | 0.00 | 0 | |
| | Common Areas - Lobby, common area and specialty function room renovations | 1470 | | 12,727 | 12,727 | 0.00 | 0 | |
| | Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers | 1475 | | 37,273 | 37,273 | 0.00 | 0 | |
| **GA006000592 Herndon Homes** | | | | | | | | |
| | Construction Mgt Fees | 1430 | | 124,374 | 78,450 | 0.00 | 0 | |
| | Demolition | 1485 | | 1,243,736 | 784,500 | 0.00 | 0 | |
| | | | | 26,579,168 | 26,579,168 | | | |

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: GA06R006501-03 | 2003 |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $3,432,489.00 | $3,432,489.00 | $3,432,489.00 | $3,358,880.91 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$3,432,489.00** | **$3,432,489.00** | **$3,432,489.00** | **$3,358,880.91** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No:<br>Replacement Housing Factor Grant No: GA06R006502-03 | 2003 |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☐ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☒ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Total Estimated Cost Revised | Total Actual Cost Obligated | Total Actual Cost Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $2,435,481.00 | $2,435,481.00 | $2,435,481.00 | $2,435,481.00 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$2,435,481.00** | **$2,435,481.00** | **$2,435,481.00** | **$2,435,481.00** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateratization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2004 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No:<br>Replacement Housing Factor Grant No: GA06R006501-04 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $4,540,123.00 | $4,540,123.00 | $4,540,123.00 | $2,452,799.58 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$4,540,123.00** | **$4,540,123.00** | **$4,540,123.00** | **$2,452,799.58** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2004 |
|---|---|---|
| **The Housing Authority of the City of Atlanta, Georgia** | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: **GA06R006502-04** | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $3,398,919.00 | $3,398,919.00 | $3,398,919.00 | $1,700,078.58 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$3,398,919.00** | **$3,398,919.00** | **$3,398,919.00** | **$1,700,078.58** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateratization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2005 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No:<br>Replacement Housing Factor Grant No: GA06R006501-05 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $2,712,327.00 | $2,712,327.00 | $2,424,210.36 | $2,245,256.25 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$2,712,327.00** | **$2,712,327.00** | **$2,424,210.36** | **$2,245,256.25** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateratization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2005 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: GA06R006502-05 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $5,292,808.00 | $5,292,808.00 | $4,412,956.75 | $3,604,793.52 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$5,292,808.00** | **$5,292,808.00** | **$4,412,956.75** | **$3,604,793.52** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

## Annual Statement / Performance and Evaluation Report
## Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

| PHA Name | Grant Type and Number | Federal FY of Grant: 2006 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: GA06R006501-06<br>Replacement Housing Factor Grant No: | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☐ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☒ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $14,113,642.00 | $14,113,642.00 | $14,113,642.00 | $14,113,642.00 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$14,113,642.00** | **$14,113,642.00** | **$14,113,642.00** | **$14,113,642.00** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2006 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: GA06R006501-06 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Total Estimated Cost Revised | Total Actual Cost Obligated | Total Actual Cost Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $1,567,427.00 | $1,567,427.00 | $0.00 | $0.00 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$1,567,427.00** | **$1,567,427.00** | **$0.00** | **$0.00** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateratization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2006 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: GA06R006502-06 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Total Estimated Cost Revised | Total Actual Cost Obligated | Total Actual Cost Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $5,941,122.00 | $5,941,122.00 | $2,145,361.36 | $1,300,648.41 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$5,941,122.00** | **$5,941,122.00** | **$2,145,361.36** | **$1,300,648.41** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**

**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2007 |
|---|---|---|
| **The Housing Authority of the City of Atlanta, Georgia** | Capital Fund Program Grant No: **GA06P006501-07**<br>Replacement Housing Factor Grant No: | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)

☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | | Total Estimated Cost Original | Total Estimated Cost Revised | Total Actual Cost Obligated | Total Actual Cost Expended |
|---|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | | |
| 2 | 1406 | Operations | | | | |
| 3 | 1408 | Management Improvements Soft Costs | | | | |
| | | Management Improvements Hard Costs | | | | |
| 4 | 1410 | Administration | | | | |
| 5 | 1411 | Audit | | | | |
| 6 | 1415 | Liquidated Damages | | | | |
| 7 | 1430 | Fees and Costs | | | | |
| 8 | 1440 | Site Acquisition | | | | |
| 9 | 1450 | Site Improvement | | | | |
| 10 | 1460 | Dwelling Structures | | | | |
| 11 | 1465.1 | Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 | Nondwelling Structure | | | | |
| 13 | 1475 | Nondwelling Equipment | | | | |
| 14 | 1485 | Demolition | | | | |
| 15 | 1490 | Replacement Reserve | | | | |
| 16 | 1492 | Moving to Work Demonstration | $12,846,548.00 | $12,846,548.00 | $12,846,548.00 | $12,803,783.05 |
| 17 | 1495.1 | Relocation Costs | | | | |
| 18 | 1499 | Development Activities | | | | |
| 19 | 1502 | Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | | **$12,846,548.00** | **$12,846,548.00** | **$12,846,548.00** | **$12,803,783.05** |
| 21 | Amount of line 20 Related to LBP Activities | | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | | |

**Annual Statement / Performance and Evaluation Report**

**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2007 |
|---|---|---|
| **The Housing Authority of the City of Atlanta, Georgia** | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: **GA06R006501-07** | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)

☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | | |
| 2 | 1406 | Operations | | | | |
| 3 | 1408 | Management Improvements Soft Costs | | | | |
| | | Management Improvements Hard Costs | | | | |
| 4 | 1410 | Administration | | | | |
| 5 | 1411 | Audit | | | | |
| 6 | 1415 | Liquidated Damages | | | | |
| 7 | 1430 | Fees and Costs | | | | |
| 8 | 1440 | Site Acquisition | | | | |
| 9 | 1450 | Site Improvement | | | | |
| 10 | 1460 | Dwelling Structures | | | | |
| 11 | 1465.1 | Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 | Nondwelling Structure | | | | |
| 13 | 1475 | Nondwelling Equipment | | | | |
| 14 | 1485 | Demolition | | | | |
| 15 | 1490 | Replacement Reserve | | | | |
| 16 | 1492 | Moving to Work Demonstration | $1,430,750.00 | $1,430,750.00 | $1,187,957.00 | $560,520.68 |
| 17 | 1495.1 | Relocation Costs | | | | |
| 18 | 1499 | Development Activities | | | | |
| 19 | 1502 | Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | | **$1,430,750.00** | **$1,430,750.00** | **$1,187,957.00** | **$560,520.68** |
| 21 | Amount of line 20 Related to LBP Activities | | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | | |

## Annual Statement / Performance and Evaluation Report
## Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

| PHA Name | Grant Type and Number | Federal FY of Grant: |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No:<br>Replacement Housing Factor Grant No: GA06R006502-07 | 2007 |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $5,388,268.00 | $5,388,268.00 | $4,436,886.21 | $453,538.50 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$5,388,268.00** | **$5,388,268.00** | **$4,436,886.21** | **$453,538.50** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2008 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: GA06P006501-08<br>Replacement Housing Factor Grant No: | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | | |
| 2 | 1406 | Operations | | | | |
| 3 | 1408 | Management Improvements Soft Costs | | | | |
| | | Management Improvements Hard Costs | | | | |
| 4 | 1410 | Administration | | | | |
| 5 | 1411 | Audit | | | | |
| 6 | 1415 | Liquidated Damages | | | | |
| 7 | 1430 | Fees and Costs | | | | |
| 8 | 1440 | Site Acquisition | | | | |
| 9 | 1450 | Site Improvement | | | | |
| 10 | 1460 | Dwelling Structures | | | | |
| 11 | 1465.1 | Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 | Nondwelling Structure | | | | |
| 13 | 1475 | Nondwelling Equipment | | | | |
| 14 | 1485 | Demolition | | | | |
| 15 | 1490 | Replacement Reserve | | | | |
| 16 | 1492 | Moving to Work Demonstration | $14,063,331.00 | $14,063,331.00 | $12,764,372.51 | $8,529,188.47 |
| 17 | 1495.1 | Relocation Costs | | | | |
| 18 | 1499 | Development Activities | | | | |
| 19 | 1502 | Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | | **$14,063,331.00** | **$14,063,331.00** | **$12,764,372.51** | **$8,529,188.47** |
| 21 | Amount of line 20 Related to LBP Activities | | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | | |
| 26 | Collateratization Expenses or Debt Service | | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2008 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: <br> Replacement Housing Factor Grant No: GA06R006501-08 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | | Total Estimated Cost Original | Revised | Total Actual Cost Obligated | Expended |
|---|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | | |
| 2 | 1406 | Operations | | | | |
| 3 | 1408 | Management Improvements Soft Costs | | | | |
| | | Management Improvements Hard Costs | | | | |
| 4 | 1410 | Administration | | | | |
| 5 | 1411 | Audit | | | | |
| 6 | 1415 | Liquidated Damages | | | | |
| 7 | 1430 | Fees and Costs | | | | |
| 8 | 1440 | Site Acquisition | | | | |
| 9 | 1450 | Site Improvement | | | | |
| 10 | 1460 | Dwelling Structures | | | | |
| 11 | 1465.1 | Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 | Nondwelling Structure | | | | |
| 13 | 1475 | Nondwelling Equipment | | | | |
| 14 | 1485 | Demolition | | | | |
| 15 | 1490 | Replacement Reserve | | | | |
| 16 | 1492 | Moving to Work Demonstration | $1,461,675.00 | $1,461,675.00 | $11,780.98 | $11,780.98 |
| 17 | 1495.1 | Relocation Costs | | | | |
| 18 | 1499 | Development Activities | | | | |
| 19 | 1502 | Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | | **$1,461,675.00** | **$1,461,675.00** | **$11,780.98** | **$11,780.98** |
| 21 | Amount of line 20 Related to LBP Activities | | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | | |

**Annual Statement / Performance and Evaluation Report**
**Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary**

| PHA Name | Grant Type and Number | Federal FY of Grant: 2008 |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No:<br>Replacement Housing Factor Grant No: GA06R006502-08 | |

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number ( __ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

| Line No. | Summary by Development Account | Total Estimated Cost Original | Total Estimated Cost Revised | Total Actual Cost Obligated | Total Actual Cost Expended |
|---|---|---|---|---|---|
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations | | | | |
| 3 | 1408 Management Improvements Soft Costs | | | | |
| | Management Improvements Hard Costs | | | | |
| 4 | 1410 Administration | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment - Nonexpendable | | | | |
| 12 | 1470 Nondwelling Structure | | | | |
| 13 | 1475 Nondwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1490 Replacement Reserve | | | | |
| 16 | 1492 Moving to Work Demonstration | $5,472,872.00 | $5,472,872.00 | $2,561,525.80 | $47,557.00 |
| 17 | 1495.1 Relocation Costs | | | | |
| 18 | 1499 Development Activities | | | | |
| 19 | 1502 Contingency | | | | |
| 20 | Amount of Annual Grant (Sum of lines 2-19) | **$5,472,872.00** | **$5,472,872.00** | **$2,561,525.80** | **$47,557.00** |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Compliance | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| 26 | Collateralization Expenses or Debt Service | | | | |

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
**Expires 4/30/2011**

**Part I: Summary**

**PHA Name:** The Housing Authority of the City of Atlanta, Georgia

**Grant Type and Number**
Capital Fund Program Grant No: GA06P006501-09
Date of CFFP: NA
Replacement Housing Factor Grant No:

**FFY of Grant:** 2009
**FFY of Grant Approval:** 2009

**Type of Grant**
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no: )**
☑ **Performance and Evaluation Report for Period Ending: 09/30/09** ☐ **Final Performance and Evaluation Report**

| Line | Summary by Development Account | Total Estimated Cost | | Total Actual Cost [1] | |
|---|---|---|---|---|---|
| | | Original | Revised [2] | Obligated | Expended |
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations (may not exceed 20% of line 21) [3] | | | | |
| 3 | 1408 Management Improvements | | | | |
| 4 | 1410 Administration (may not exceed 10% of line 21) | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | $12,535,836 | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities [4] | | | | |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | |
| 18ba | 9000 Collateralization or Debt Service paid Via System of Direct Payment | | | | |
| 19 | 1502 Contingency (may not exceed 8% of line 20) | | | | |
| 20 | Amount of Annual Grant: (sum of lines 2 – 19) | | | | |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Activities | | | | |
| 23 | Amount of line 20 Related to Security – Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security – Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |

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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
**Expires 4/30/2011**

**Part I: Summary**

| **PHA Name:** The Housing Authority of the City of Atlanta, Georgia | **Grant Type and Number** Capital Fund Program Grant No: GA06P006501-09 Replacement Housing Factor Grant No: Date of CFFP: | **FFY of Grant:** 2009 **FFY of Grant Approval:** 2009 |
|---|---|---|

**Type of Grant**
☑ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no: )**
☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

| **Line** | **Summary by Development Account** | **Total Estimated Cost** | | **Total Actual Cost** [1] | |
|---|---|---|---|---|---|
| | | **Original** | **Revised** [2] | **Obligated** | **Expended** |

| **Signature of Executive Director** | **Date** | **Signature of Public Housing Director** | **Date** |
|---|---|---|---|
| | | | |

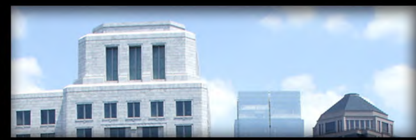


form **HUD-50075.1** (4/2008)

# The Atlanta Blueprint

## Table of Contents













Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
**Expires 4/30/2011**

**Part I: Summary**

| **PHA Name:** | **Grant Type and Number** | **FFY of Grant:** |
|---|---|---|
| The Housing Authority of the City of Atlanta, Georgia | Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-09<br>Date of CFFP: NA | 2009<br>**FFY of Grant Approval:**<br>2009 |

**Type of Grant**
- ☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no: )**
- ☑ **Performance and Evaluation Report for Period Ending: 09/30/09** ☐ **Final Performance and Evaluation Report**

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| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | $3,112,679 | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities [4] | | | | |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | |
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| 19 | 1502 Contingency (may not exceed 8% of line 20) | | | | |
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| 21 | Amount of line 20 Related to LBP Activities | | | | |
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U.S. Department of Housing and Urban Development
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**Part I: Summary**

| **PHA Name:** The Housing Authority of the City of Atlanta, Georgia | **Grant Type and Number** Capital Fund Program Grant No: GA06P006501-09 Replacement Housing Factor Grant No: Date of CFFP: | **FFY of Grant:** 2009 **FFY of Grant Approval:** 2009 |
|---|---|---|

**Type of Grant**

☑ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no: )**
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Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
**Expires 4/30/2011**

**Part I: Summary**

**PHA Name:** The Housing Authority of the City of Atlanta, Georgia

**Grant Type and Number**
Capital Fund Program Grant No:
Replacement Housing Factor Grant No: GA06R006502-09
Date of CFFP: NA

**FFY of Grant:** 2009
**FFY of Grant Approval:** 2009

**Type of Grant**
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no: )**
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| 10 | 1460 Dwelling Structures | | | | |
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| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | $4,838,507 | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities [4] | | | | |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | |
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